<u>REPORT OF THE DIRECTOR OF REGULATION AND ENFORCEMENT</u> <u>TO THE LICESNING AND PUBLIC PROTECTION COMMITTEE</u>

17 JANUARY 2024 ALL WARDS

THE IMPACT OF EMPTY PROPERTIES AND THE ROLE OF PRIVATE RENTED SERVICES

- 1. <u>Summary</u>
- 1.1 This report sets out the work of the Empty Property Team (EPT) within the Private Rented Service. The service aims to bring empty properties back into use through informal means where possible, but also has a range of legislative powers if needed. The report details the enforcement used and highlights the collaborative working across different Council teams to bring properties back into use.
- 1.2 The Empty Property Strategy 2019 2024 (appendix 1) provides detail of the Team's aims and objectives.
- 2. <u>Recommendation</u>
- 2.1 That the report be noted.

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3. Background

- 3.1 An empty property can have a detrimental impact on the local community. Once they fall into a state of disrepair they can attract anti-social behaviour, vandalism, pest and vermin infestation, and can cause damage to neighbouring properties. Nationally, long term empty properties have risen by 12556 to over 261,000 in 2023. This is against a backdrop of increased demand for homes and a rise in families in temporary accommodation.
- 3.2 The Empty Property Team (EPT) has been established to bring empty properties back into use. Officers within the team have an excellent understanding of the housing issues for the area and ensure that they provide a customised service to meet the needs of local residents.
- 3.3 The Team works to the Council's Empty Property Strategy 2019-2024 which sets out the key objectives that will be met for that period.
- 3.4 Bringing empty properties back into use involves a range of powers available to the Council.
- 3.5 The range of legislation includes:
 - Sec. 215 Town & Country Planning Act 1990
 - Sec. 29 Local Government (Miscellaneous provision) Act 1982
 - Sec. 17 The Housing Act 1985
 - Sec. 77 The Building Act 1984
 - Sec. 78 The Building Act 1984
 - Sec. 29 The Local Government (Miscellaneous Provisions) Act 1982,
 - Sec. 17 Public Health Act 1961
 - Sec. 4 Prevention of Damage by Pests Act 1949
- 4. The Process for Bringing Empty Property Back into Use
- 4.1 The service has developed strong links with community groups, the Police and emergency services. Birmingham has also played a leading role in the West Midlands Empty Property Officers Group and the Empty Homes Network. This has enabled us to receive information on empty properties from a variety of sources, including directly from residents.
- 4.2 On receipt of a notification of an empty property, desktop intelligence is undertaken to identify the owner of the property. This will include using the council's own information databases and external data. The owner will be contacted to inform that the authority has been advised about the empty property, and to ask what future plans the owner has for the property.

- 4.3 Where owners are not forthcoming, a visit is made to the property to ascertain the condition of the property. Often gardens are extremely overgrown and there is rubbish/fly tipping blighting the area.
- 4.4 The owner of the empty property is informed about the state of the property and are requested to undertake remedial work and bring the property back into use. They are also informed that if they do not complete the work then the Council may serve them with a legal notice to execute the work and if it is not complied with, then the Council may undertake the work in default and invoice them for payment. If the owner does not pay the cost, then a charge is registered against the property at Land Registry.
- 4.5 Sometimes it is not possible to find the owners of the property as the details may not be on Land Registry or other data sources. In some cases, Officers work with genealogist/tracing agents to identify these owners.
- 4.6 The service approach is to educate and encourage owners to bring properties back into use. However, there are some owners who will not cooperate and the properties continue to deteriorate, which severely impacts the amenities of the area, neighbouring properties, potentially attracting vandalism and anti-social behaviour. In some cases, the buildings are not secure which can encourage ingress which may be a security or fire risk to adjoining properties.
- 4.7 The authority is able to make use of its enforcement powers, which can include making a building safe and secure. Ultimately, where necessary we can use compulsory purchase order (CPO) powers to acquire such properties. Where an owner objects to their property being compulsory purchased, the outcome of the CPO can be decided through a Public Inquiry. Once the CPO is confirmed the properties are sold at auction after which the owners are entitled to compensation which is paid from the proceeds of the auction less any expenses incurred by the Council. The compensation paid to the owner is based on the valuation of the property when it was vested to the Council. The Council holds in reserve excess funds acquired following the sale of properties at auction.

5. <u>The picture in Birmingham</u>

5.1 Council Tax collects and collates the data on empty residential properties in the City. The service has access to this information and is able to drill down to identify family sized properties. As of November 2023, the total empty properties were 14,778. Analysis of the data shows that 10,417 properties would be classed as family accommodation.

5.2 Whilst we will always deal with properties causing a high level of nuisance to the locality, our priority for bringing property back into use is to concentrate on family sized accommodation which have been empty for at least two years or more. Sifting of the data can identify family size accommodation, as detailed Table 1 below:

No of Years Property Empty	No of Properties
2 -5 Years	1309
6- 10 Years	229
Over 10 Years	247

Table 1

5.3 During the five-year period of the Empty Property Strategy the target is to bring 350 properties back into use on annual basis. Table 2 below shows how the service has achieved against the target each year. In 2020/2021 and 2021/2022 the target was reduced due to the Covid pandemic, the service exceeded the target despite the Covid restrictions. Due to our work, contrary to the national picture, in Birmingham the number of long-term empty homes is marginally decreasing.

Year	Target	Number achieved
2019/2020	350	352
2020/2021	263	305
2021/2022	263	267
2022/2023	300	196
04/2023 to 11/2023	233	250

6. <u>Examples of Successful Outcomes</u>

6.1 Witton Lodge Community Association (WLCA)

Witton Lodge Community Association is a landlord and community organisation. Its aim is to provide affordable high-quality homes to support the communities they serve. Where an empty property is identified within the association catchment area, and the owner is agreeable, a referral is made to WLCA. Following on from that over 100 letters have been sent to owners of empty properties informing them of the assistance the Association could provide, resulting in the reduction of empty properties in that area. 6.2 This property in Kings Heath was a deceased estate. The team used its powers under Section 215 of the Town & Country Planning Act to improve the external condition. The beneficiary would not engage in any efforts made by the Council to bring the property back into use. After many years of neglect, vandalism and complaints received, the Council successfully obtained a CPO and the property was put forward for Auction and was bought. The house has now been fully renovated and restored to a family home.





6.3 This bungalow was abandoned, left unsecure and neglected with an abandoned car in the garden by the owners in 2018. After considerable investigation the team successfully traced the owners and engaged with them. They agreed to put the property on the market, which was bought by a neighbour, who has fully cleared and renovated this home in 2023.



6.4 This case in Edgbaston began in 2021 when the tenants had left the property and the landlord had not received the keys. After liaising with the team, the keys were recovered and returned to the owner. Following engagement with the landlord regarding the Empty Property Strategy and the potential for further action, the landlord put the property on the market, and it was bought, renovated and reoccupied in 2023.



7 Future Steps with Empty Properties

- 7.1 The current Empty Property Strategy will end in 2024. There is ambition amongst the service to use all the available powers, including management orders, to increase the supply of family size accommodation, and any future strategy will be developed with this in mind.
- 7.2 Empty Dwelling Management Orders (EDMOs) allows authorities to take over most residential private properties that have been empty for more than six months. The property does not have to be run down or uninhabitable. Once it has been unoccupied for more than six months it may be enough to allow an EDMO to be made.
- 7.3 The Authority will need to obtain approval from the independent Residential Property Tribunal before they can make an interim EDMO. Where an EDMO is awarded against a property, the Council does not have ownership of the property. The owner loses the right to manage the property and the Council would be responsible for the property management which can be for up to a maximum period of 7 years.
- 7.4 Before this power can be implemented, we are in the process of seeking a service partner to contract the housing management element. Making use of this power will help to increase housing for people in housing need and also increase the income from Council Tax.
- 7.5 The service is also developing a strategy to implement Enforced Sales. The benefit of this is that it excludes the need for any compulsory purchase proceedings which can be financially challenging. Under The Law of Property Act 1925, this gives the local authority powers to recover costs it has incurred through works in default and the owner of the property has failed to pay for the work. The benefit of using this procedure is that following the sale of the property, the Council can take its money from the proceeds of sale before any other person.

7.6 Lendology;

- 7.6.1 Often owners of empty properties do not have the financial means to refurbish their properties. Lendology is social enterprise lender who work with local authorities to provide access to low-cost loans to refurbish properties. The organisation is FCA regulated, and owners are only able to borrow money they can afford to pay back. Once a loan is approved, following a formal agreement between the owner and the organisation, a title restriction is place on the property with Land Registry.
- 7.6.2 Local Authorities agree to provide seed funding to lend to owners in their boundary. The amount of the seed funding is dependant of the size of the local authority. The loans are recyclable, as loans are paid back with interest this is made available to offer further loans. The organisation works with 15 local authorities including Bristol and provides an administration function for a further 17 councils who have their own scheme but have contracted Lendology to collect the loans on their behalf.
- 7.6.3 In the new year Lendology will be invited to give a presentation on their work and the benefits to a local authority. Local authorities who currently work with them will also be contacted to learn from their experience which will help to identify if this would a scheme that would be beneficial for Birmingham.

8. <u>Implications for Resources</u>

- 8.1 The work of Private Rented Services is delivered within the resources allocated. Where works are required, the costs are recovered from property owners or via charges on the property. The authority has a capital receipts fund for compulsory purchases and refunds, this is currently in surplus.
- 9. Implications for Policy Priorities
- 9.1 By bringing empty properties back into use, increases the supply of family sized accommodation and contributes to one for the City's strategic outcomes; A Safe Birmingham: through a focus on making the city safer, safeguarding vulnerable citizens, increasing affordable housing, and tackling homelessness.
- 9.2 The service works across council Directorates and with external organisations to achieve this objective.
- 10. Public Sector Equality Duty
- 10.1 Equality issues are accounted for during all activities carried out by officers.

DIRECTOR OF REGULATION AND ENFORCEMENT

Background Papers:

Empty Property Strategy 2019-2024