

Appendix One - Scrutiny Review of Derelict Buildings : Responses From Local Authorities

Council	Date received	Response
Oxford City Council	8/11/10	Suggested the use of a procedure know as “enforced sale” (contained in Section 103 of the Law of Property Act 1925) which their Council have used successfully in recovering debt from properties when the Council have undertake work directly to rectify a problem such as a dangerous structure (Sections 77 and 78 of the Building Act 1984) or unsightly land and property affecting the amenity of an area (Section 215 of the Town and Country Planning Act 1990). It is considered to be cheaper and quicker than Compulsory Purchase Orders. An authority can recover any debts including officer time and interest. It avoids the need to own the property and therefore manage it and run the risk of the loss of income from a falling property market. The process involves the Council incurring an initial debt. The Council needs to secure the Council’s interest to that debt against the property. Then the debt recovery is undertaken initially giving the owner time to pay and if not sale through public auction. Then following the sale the Council recovers its debt and the property will have a new owner who hopefully will bring the property back into use.
Reading Borough Council & Coventry City Council	8/11/10	Suggested Coventry City Council be approached because they have a Neglected Property Initiative in place. Information was obtained about Coventry City’s approach and the following is a summary of it. In November 2005 the Neglected Property Initiative was set up to improve defined properties using grant making and enforcement powers. It aims to : (i) Bring long term vacant residential properties back into residential use. (ii) Convert long term vacant shops outside defined shopping centres back to residential use. (iii) Clean up and secure the development of derelict land. (iv) Improve the frontages of run down commercial properties. A maximum grant of £15,000 was identified to spend on each property with a total budget of £400,000. Properties were targeted on the basis of prioritising those which had been vacant and in a poor condition for a number of years. They utilised Section 215 of the Town and Country Planning Act 1990.
Gravesham Borough Council	8/11/10	Their Council operates in accordance with the Town and Country Planning Act 1990 Section 215 Best Practice Guidance issued by the Government in 2005 which Hastings BC was directly involved in putting together. They sought assistance from Marcus Berrisford when initially using such guidance and found Marcus extremely helpful. The have an Empty Property Strategy. Using Section 215 powers success has been achieved with the owners undertaking required works or demolishing the property to remove the problem property. There is a real funding difficulty for developers as banks are just not lending or are charging exorbitant interest rates making it impossible for developers to progress with redevelopment. There is an unwillingness for developers to take risks in a falling property market. This leaves the Council with few options except repeated use of Section 215 powers or Compulsory Purchase Orders. Their notices include extensive refurbishment and have been fully supported by the Magistrates’ Court so far although this is to be tested again in the courts via an appeal in the coming months. Gravesham have considered using the CPO option in a

		number of cases but the recent cut backs in Government funding have made it much more difficult to find a willing back-to-back partner to take on the redevelopment of the property following CPO. The cost as well as the resource requirements of CPO have also been a hindrance in the past, however, Gravesham now have signed up to "Kent Empty Property Initiative" which is funded by Kent County Council and provides support and advice to local authorities in Kent as well as access to interest free loans to fund actions such as CPO. The option of CPO is therefore still a possibility as an absolute last resort. Gravesham have also successfully used the threat of an Empty Dwelling Management Order (EDMO) to persuade owners to rent or sell empty properties without having to resort to implementing EDMO.
Havant Borough Council	8/11/10	Guildford BC launched an initiative around 2002/4 to bring empty properties back into use. They identified several hundred dwellings. It was chiefly about meeting housing need but suggested they may have some advice on their approach which may help. Information was obtained about Guildford's approach and this has been taken into account.
Spelthorpe District Council	8/11/10	In one instance outlined the emphasis was on a friendly approach made to the property owner and offering to meet to give free pre-application advice so the owner could see what the best planning options were and then persuade them to develop a proposal which then got planning permission. This has then generated some momentum on the part of the owner. They have also used the stick of Section 215 powers in the background.
Tandridge District Council	8/11/10	They have a few problem sites of long standing and they are under pressure to use Compulsory Purchase Order powers but in the absence of a partner developer coming up with a viable scheme they are obviously unable to take on the risk. They use Section 215 powers to clear up a bit every so often but no real long term solution is in sight. Would be interested in any solutions to solve their problem sites.
Eastbourne Borough Council	27/11/10	<p>Eastbourne has been relatively lucky and does not have significant issues with this sort of problem. The following ideas from past experience were suggested as follows:</p> <ul style="list-style-type: none"> • Prepare a planning brief for the site, if possible, before it becomes a problem. Most of us have early warning of the big sites. The brief needs to be as flexible as possible. This gives developers a clear vision for the site and reduces 'hope' value. It should also speed the next stage of a planning application. • Nevertheless you will probably have a stage of vacancy and you will need to secure the site. This has two functions – protect the asset and retain a reasonable appearance - while the long term solution is put in place. Hastings is well aware of the power of S215 and how successful it is in achieving this sort of low level but very important work. • Set up a regime with the owner to view the site regularly, inside and out, keeping a photographic record. Basically make yourself a nuisance so that the site stays high in the owners mind. It can lead to a change in ownership at a more realistic price which can kick start the development. • Clearly CPO can be considered if warranted but as you know you will need either a back to back deal or possibly be the broker for a public/private partnership – sharing the risk may be just enough to get the scheme off the ground.

		In the current market we may all get more of these type of problems so they requested possible solution be shared .
Bracknell Forest District Council	29/11/10	They have successfully used Section 215 powers on derelict buildings but work across the board using a number of tools including Environmental Health, Building Regulations and Housing Act powers. They have a multi disciplinary officer group who regularly meet to review problem sites and explore the use of these various powers to achieve the most effective results.
Broadland District Council	1/12/10	<p>The Compulsory Purchase Order route is considered the best way forward.</p> <p>The compensation issues are :-</p> <ol style="list-style-type: none"> 1. Market value 2. 7.5% of MV basic loss payment. <p>1. Look towards a quick re-sale by auction - that fixes a true market value. which then passes to the owner - but only after the property has been sold. You don't get involved in renovation works. Let the new owner do that.</p> <p>2. Liaise with colleagues in Environmental Health/Private Sector Housing to see if it can be found appropriate to serve a Housing Act 2004 Prohibition Order on the property (eg if it has been subject to unauthorised access). This (and other) statutory notices remove the requirement to pay the 7.5% basic loss compensation if still in force at the time of the CPO - speak to your solicitors to identify others.</p> <p>Obviously there is a cost of the CPO process but this is not great (a few grand perhaps) when viewed as the cost to get an empty property back into use.</p> <p>Broadlands started using CPOs a few years ago. From an initial Member position of being very reluctant to go down that path they now support its use where the circumstances warrant it - ie usually as a last resort for seriously problematic properties.</p> <p>There is even the occasional chance to make windfall profits for the Council. In a particular case a dwelling was CPO'd where no owner could be identified, the house was then sold, the sale price was banked. They then had to hold that cash for six years to permit an owner to come forward – but they were aware that no-one is likely to be willing to come forward..</p> <p>However it is very important to choose properties for CPO carefully and be prepared to resist Public Inquiries but in the long term it can be a very effective tool.</p>

		They outsourced to get a CPO specialist solicitor - Chris Skinner - until recently Head of Legal Services at Great Yarmouth BC - now with "nplaw" - the legal services arm of Norfolk County Council, following a legal services merger. He sells his CPO service to numerous Councils around the Country and he has been very effective for Broadlands.
Southern Enforcement Officers Group (SEOG)	4/12/2010	<p>Received via the SEOG Facebook group:</p> <p>Before any enforcement action is taken a Land Registry check is undertaken. In many cases there is a mortgage or loan secured for the properties purchase. If no progress is made with the owner a letter is sent to the legal department of the bank/building society, explain fully what is taking place (include photos) and state that enforcement action is being considering, but before initiating it they invite their comments. Time is allowed for the bank/building society to write to their client and receive a reply. This technique can be effective because the bank/building society often tell the client that they are in breach of their mortgage and they want them to comply with the Council's request. The banks and building societies have said that an enforcement notice can devalue a property in the current climate by 24%-30%, and therefore they are anxious to protect their investment.</p>
Dartford Borough Council	7/12/2010	<p>A couple of organisations who may be interested in derelict buildings and have taken on properties in Dartford and the links to their websites:-</p> <p>http://uk.cameloteurope.com/</p> <p>and http://www.greenpastureshousing.co.uk/</p> <p>Camelot act as "guardians" for the properties, whereas Green Pastures look to providing something more permanent. Information was obtained about these organisations and this has been taken into account.</p>