

# Executive Member Decision



**REPORT OF:** Executive Member for Finance and Governance,  
Executive Member for Growth and Development

**LEAD OFFICERS:** Strategic Director of Place

**DATE:** Friday, 16 April 2021

**PORTFOLIO(S) AFFECTED:** Growth and Development

**WARD/S AFFECTED:** Darwen South;

## **SUBJECT:**

Purchase by Agreement of an Individual Residential Property at 3 - 5 Whitehall Street, Darwen. BB3 2LP

## **1. EXECUTIVE SUMMARY**

To seek approval purchase the above property by agreement as part of the Council's Empty Property Strategy to reduce the number of long term empty properties and provide much needed accommodation for the Borough.

## **2. RECOMMENDATIONS**

That the Executive Member:

Upon being satisfied that:

- a. it would contribute to the economic, social and environmental well-being of the borough;
- b. there is a compelling case in the public interest in bringing empty properties back into use;
- c. sufficient funds exist for carrying the resolution into effect;
- d. no impediments exist to the implementation of the scheme to redevelop the property (subject to the making of the order) and there is a reasonable prospect of its implementation, should the order be made;

- 2.1 Authorise the Director of Place to negotiate terms for the acquisition of the property, therefore negating the requirement to use compulsory purchase powers to ensure that the property is brought back into use.

## **3. BACKGROUND**

- 3.1 As part of the Council's commitment to bringing empty properties back into use, this property has been evaluated using the priority scoring matrix (Appendix 1). It scores highly due to the fact that both externally and internally the property is currently in a very poor state of repair and the Council has also received a number of complaints with regards to this property.
- 3.2 The site of the property is outlined in red on the attached plan (Appendix 2).
- 3.3 The property is situated in the Darwen South ward of the Borough and is the only residential property on the small street which is accessed directly off the A666. It is a pre-1919 dwelling built of stone with a pitched slate roof in an area of similarly built homes. Whitehall Street also leads to a group of industrial units.

Following a recent inspection of the property it was found that it currently comprises of 2 x 3 bedroomed flats which have stood empty for over 20 years. Continuous water ingress through a hole in the roof has rotted the first floor floorboards resulting in limited access to the first floor. This water ingress has also impacted on the ceilings to the ground floor which are insecure. The ground and first floor window openings are all steel shuttered which impacts negatively on the otherwise very well kept homes in the neighbourhood.

The property has been the subject of recent complaints from local residents and ward councillors in relation to;

- Anti-social behaviour by youths congregating at the property.
- Fly-tipping in the yard.
- The general condition of the building and the fact it continues to remain empty.

- 3.4 Substantial efforts have been made by the Project Manager (Empty Housing) to identify and contact the owners to encourage them to bring the property back into use and discussions have been underway since October 2016 when it was the owners' intention to put the property on the market for sale.
- 3.5 As the property was not marketed for sale and the owners had no intentions of refurbishing the property they were made aware of the Council's enforcement action policy and potential CPO action that may be considered and in January 2021 they contacted the Council to offer the property for sale by agreement.
- 3.6 The property has been inspected, a valuation survey has been carried out and negotiations are currently underway.
- 3.7 If agreement cannot be reached to purchase the property by agreement, it may be necessary to move to Compulsory Purchase action in the future.

#### **4. KEY ISSUES & RISKS**

- 4.1 Tackling empty properties supports the key priorities in the Council's Corporate Plan and the Empty Property Strategy.
- 4.2 There are currently around 2,818 empty properties in the Borough, of which 1,918 are classified as empty and unfurnished. 391 of those homes have stood empty for over 2 years and are being charged a Premium rate for Council Tax (as at 02.03.21.). Contact has been made with all owners of long term empty properties and as a direct result of that intervention, 764 empty properties were brought back into use in 2019-20. However, as quickly as properties are removed from the empty property list, others are added to it.
- 4.3 Continued efforts are required to ensure that properties are empty for a minimum period of time and the Council's message that long term empty properties will not be tolerated continues to be communicated.
- 4.4 There are currently no grant funding opportunities available to support empty homes refurbishment (previous HCA initiatives ended in March 2015). Direct support and signposting is offered to help owners to bring their properties back into use. Where owners are unwilling or unable to bring their properties back into use, enforcement action is considered to be the most appropriate course of action to be taken.
- 4.5 Engagement with the owner of the property has resulted in negotiations to acquire the property by agreement. However, if agreement cannot be reached, it may be that compulsory purchase action will be considered to be the only course of action left to the

Council to bring the property back into use. If this becomes the case, further approvals will be sought.

- 4.6 Empty properties in the borough can have negative environmental impacts on neighbourhoods in addition to being a wasted housing resource. At neighbourhood level, empty properties attract fly tipping, crime, arson and nuisance. It is a priority to tackle these problems through enforcement as part of the wider effort to improve neighbourhoods and prevent blight.
- 4.7 Bringing empty properties back into use creates extra accommodation for rent or sale and could also generate additional income for the Council via New Homes Bonus (NHB) payment.
- 4.8 The costs will be funded from the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme; there are sufficient uncommitted funds available within the programme to support the purchase of this property.
- 4.9 Once acquired, the property will be offered for sale via a local estate agent to the highest bidder with preference given to buyers who intend to owner/occupy the property once renovated. A building licence will be granted to the buyer and formal sale is completed once the property has been renovated to the Council's required standard. This approach also encourages the use of local labour and local spend.
- 4.10 To date, 22 properties have been acquired using Neighbourhood Intervention Project funding. Of these, 16 have been successfully refurbished and occupied and 4 are in the process of being refurbished. 2 properties are with our legal department awaiting exchange of contracts.

## **5. POLICY IMPLICATIONS**

- 5.1 The Corporate Plan prioritises new house building and improvement of conditions in older housing. Bringing empty properties back into use is an alternative means of increasing supply and also improves housing conditions and is, therefore, relevant to both of the key corporate objectives.
- 5.2 Bringing housing back into use would increase housing supply in the borough. Properties may be occupied by owner/occupiers or be available as private rented accommodation. It would also free the local community of the problems created by properties standing empty and derelict for such a long time.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The costs will be funded from the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme; there are sufficient uncommitted funds available within the programme to support this acquisition.
- 6.2 Some revenue budget will be required to fund the CPO action and subsequent sale of the property. The amount required will be approximately £2,100 for the appropriate service of the required legal notices and £1,000 for the estate agent's fees. The total figure of £3,100 will be funded from within existing budgets.
- 6.3 Capital receipts from sale of assets funded by the Neighbourhood Intervention Fund are recycled back into the project so that further purchases by agreement or CPO's can be undertaken as and when required.

## 7. LEGAL IMPLICATIONS

- 7.1 If purchase by agreement cannot be secured, under the provisions of section 17 of the Housing Act 1985 the local authority may acquire houses or buildings which may be suitable as houses, together with any land occupied with the houses or buildings. The power is available even if the ownership of the property is to be transferred to someone else.
- 7.2 The Council also needs to consider the Guidance on Compulsory Purchase Process and the Crichel Down Rules published by the Ministry of Housing Communities & Local Government.

## 8. RESOURCE IMPLICATIONS

- 8.1 Resources needed to purchase this property will be provided by the Empty Properties Team. Support will be required from the legal team to complete the legal transfer of the property to the Council.
- 8.2 Some support will be required from Capita Symonds to carry out a valuation of the property concerned.

## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below.**

- Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.
- Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

## 10. CONSULTATIONS

- 10.1 Comprehensive consultation has been undertaken to understand the impacts of empty properties on local communities. The Strategic Housing Market Assessment (SHMA) supports bringing empty properties back into use. This has also been reflected in the Council's Local Plan which treats empty properties as a valuable resource towards meeting housing need within the borough.
- 10.2 The further development of the Council's Empty Property Strategy has also consulted stakeholders and agencies prior to consideration of further tools to tackle empty properties.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published.

<b>CONTACT OFFICER:</b>	<b>Nicola Fox – Project Manager (Empty Housing)</b>
<b>DATE:</b>	16.04.21
<b>BACKGROUND PAPER:</b>	<b>Empty Property Strategy</b>