



# EXECUTIVE MEMBER DECISION

<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director of Place
<b>DATE:</b>	12 <sup>th</sup> April 2022

<b>PORTFOLIO/S AFFECTED:</b>	Growth and Development
<b>WARD/S AFFECTED:</b>	Darwen East;

**SUBJECT: EMD- Purchase by Agreement of Vernon Street Flats, Darwen**

## 1. EXECUTIVE SUMMARY

To seek approval to purchase the above block of 9 flats 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 Strategic Director Place to finalise and complete the terms of the acquisition. Thereby negating the requirement to use compulsory purchase powers to ensure that the dwellings are brought back into use

2.2 Authorise the Deputy Director, Legal & Governance (Monitoring Officer) to complete the necessary legal formalities for the acquisition.

## 3. BACKGROUND

- 3.1 As part of the Council's commitment to bringing empty properties back into use, this building has been evaluated using the priority scoring matrix (Appendix 1). It scores highly due to the fact that the flats are in a poor state of repair internally and the Council has received a number of complaints with regards to the building which has been vacant for over 15 years.
- 3.2 The flats, known as 28-44 Vernon Street, Darwen comprise of 6 x one-bed flats and 3 x two-bed flats situated in three wings off a central staircase and arranged over three storeys. There is also an adjoining car park.
- 3.3 The site of the property and land is outlined in red on the attached plan (Appendix 2).
- 3.4 The building is situated in the Darwen East ward of the Borough, just off Sudellside Street. It originally formed part of the Council owned Ellenshaw Housing Estate, much of which has since been demolished by Together Housing with new-build family homes now replacing the demolished properties.
- The building 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.
- 1.4 Substantial efforts have been made by the Principal Housing Projects Manager to identify and contact the owners to encourage them to bring the property back into use and discussions have been underway since September 2018 when it was the owners' intention to put the property on the market for sale.
- 1.5 Due to internal policy changes in the proprietor company, the property was not marketed for sale and the owners have no plans to refurbish the property for occupation. As such, they were made aware of the Council's enforcement action policy and potential CPO action that was being considered and in 2021 they contacted the Council to offer the property for sale by agreement. However, if this agreement does not proceed to completion, it may be necessary to move to Compulsory Purchase Action in the future.
- 1.6 In preparation of potential CPO action the Council's Growth Team undertook an assessment of how the property could be brought back into occupation, consultation was undertaken with internal and external partners to look at potential uses for the property.
- 1.7 The Council's Housing Needs team identified a need to provide move-on accommodation for individuals who had been homeless or at risk of being made homeless. The team felt that the location and property size provided an opportunity for the Council to provide a scheme to meet this statutory need in the Borough.
- 1.8 The Growth Team has considered this potential use and carried out a preliminary assessment of condition and refurbishment costs to bring the property back into use. A Structural survey and Asbestos survey was undertaken to inform the valuation of the property. Once the property is acquired costs and proposals will be further refined to confirm if the scheme can be delivered.

#### 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 2,318 empty properties in the Borough, of which 1,903 are classified as empty and unfurnished with 996 of those classified as long term empties (over 6 months). 356 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, 653 empty properties were brought back into use in 2020-21 and to date 800 homes have been brought back into occupation in 2021-22. 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 owners of the property has resulted in negotiations to acquire the property by agreement. However, if the matter cannot be completed, 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 Council 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 Growth Capital Programme; there are sufficient uncommitted funds available within the programme to support the purchase of this property.
- 4.9 The property has had structural and asbestos surveys undertaken and has been inspected for valuation purposes. The property has been valued to reflect the refurbishment costs, repairs and asbestos removal. Negotiations have taken place with the owners and heads of terms have been provisionally agreed
- 4.10 Once acquired, the property will be further evaluated for suitability to be refurbished and used to provide move-on accommodation by the Council's Housing Needs team to help them meet statutory duties in addressing homelessness. Officers are also in discussions with a registered provider who is interested in working with the Council to deliver and run the move-on service at this property.

- 4.11 If the property is unsuitable or unviable to provide move-on accommodation, then it will be offered for sale via the Council's appointed estate agent. Sale of the property will be via a sealed tender to the highest bidder with preference given to buyers who intend to refurbish the property, provide good quality accommodation for rent and grant 'nomination' rights to the Council. A building licence will be granted to the buyer and formal sale will be 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.
- 4.12 To date, 28 properties have been acquired using Neighbourhood Intervention Funds. Of these, 22 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**

- 5.6.1 The costs will be funded from the Neighbourhood Intervention Fund, which is part of the Council's Growth 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 (if required) 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

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The costs will be funded from the Neighbourhood Intervention Fund, which is part of the Council's Growth 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 (if required) 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

## 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. Where appropriate please include the hyperlink to the EIA.

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. (*insert EIA link here*)

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

## 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 and published if applicable.

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<b>VERSION:</b>	<b>0.01</b>
<b>CONTACT OFFICER:</b>	<b>Nicola Fox 01</b>
<b>DATE:</b>	<b>12<sup>th</sup> April 2022</b>
<b>BACKGROUND PAPER:</b>	<b>Empty Property Strategy</b>