



# EXECUTIVE MEMBER DECISION

<b>REPORT OF:</b>	Executive Member for Regeneration Executive Member for Resources
<b>LEAD OFFICERS:</b>	Deputy Chief Executive
<b>DATE:</b>	8 <sup>th</sup> October 2018

<b>PORTFOLIO/S AFFECTED:</b>	Regeneration	Resources
<b>WARD/S AFFECTED:</b>	Blackburn Central	

**SUBJECT: Compulsory Purchase of an Individual Residential Property at 41 New Wellington Street, Blackburn, BB2 4DY.**

## 1. EXECUTIVE SUMMARY

To seek approval to initiate compulsory purchase action on the above privately owned property as part of the Council's Empty Property Strategy to reduce the numbers of long term empty properties and provide much needed accommodation for the Borough.

## 2. RECOMMENDATIONS

That the Executive Member:

Upon being satisfied that:

- it would contribute to the economic, social and environmental well-being of the borough;
- there is a compelling case in the public interest as the interference with Human Rights involved is proportionate in the interests of bringing empty properties back into use;
- sufficient funds exist for carrying the resolution into effect;
- 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;
- the whole of the legal estate could not be acquired by agreement.

- 2.1 Authorise the Director of Growth and Development, in conjunction with the Director of HR, Legal and Governance to prepare and make a Compulsory Purchase Order (CPO) under section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981, for the purpose of acquiring the property to bring about its re-use.
- 2.2 Authorise the Director of Growth and Development to negotiate terms for the acquisition by agreement of any outstanding interests in the land within the Order prior to its confirmation.
- 2.3 Authorise the Director of HR, Legal and Governance (in the event that the Secretary of State notifies the Council that it has been given the power to confirm the Order) to confirm the order if he is satisfied that it is appropriate to do so.

- 2.4 Authorise the Director of Growth and Development to approve agreements with the land owner setting out the terms of withdrawal of objections to the Order (including the power to defer implementation post confirmation) and in consultation with the Director of HR, Legal and Governance to make deletions from and/or minor amendments and modifications to the proposed Order and Order plans.

### **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 the property has been empty for over 10 years and is currently in a very poor state of repair; the Council has also received a series of complaints in regards to this property.
- 3.2 The proposed CPO site is outlined in red on the attached plan (Appendix 2).
- 3.3 Substantial efforts have been made by the Project Manager (Empty Housing) to identify and contact the owner to encourage them to bring the property back into use since 2015, including;
- Searching land registry for the owner and the owner's contact details
  - Searching Council Tax records for the owner and the owner's contact details
  - Posting notices on site requesting the owner or any person having legal interest in the property contact the Empty Properties team
  - Searching telephone, birth, marriage and death records/databases for the owner and the owner's contact details
  - Writing to all listed persons with the same legal name as the owner to verify if they are the owner of the property
  - Further notices posted on site, including notice stating the Council's intention to go to CPO
- The Council's attempts to contact the owner have been unsuccessful, which has resulted in CPO action being recommended as the most appropriate form of action.
- 3.4 The property is a mid-terraced shop fronted property, built pre-1919 of red brick and has a pitched slate roof. The external condition is extremely poor, all doors and windows have been boarded over. The property is in need of a full refurbishment. While the property remains empty, fly tipping is constantly taking place in the rear yard.
- 3.5 It is situated on a long terrace of generally well kept homes and commercial properties; this property is having a detrimental impact on the local neighbourhood. There have been 14 complaints made to the Housing Standards Team in relation to the property, these complaints include
- The property being open to access to the public and being dangerous
  - Rubbish bags being dumped in the rear yard of the abandoned property
  - The general state of the building and it the fact it is empty.

### **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 2660 empty and unfurnished properties in the Borough of which

475 have been empty for over 2 years and are being charged a Premium rate for Council Tax (as at 01.10.18). Contact has been made with all owners of long term empty properties and as a direct result of that intervention, 148 long term empty properties were brought back into use in 2017/8. 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, including an attempt to acquire the property by agreement, has been exhausted and compulsory purchase action is now considered to be the only course of action left to the Council to bring the property back into use.
- 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 Proposed CPO action for this property will be funded through the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme. This project has a capital budget of £495,000 including an increase to budget of £23,000 for capital receipts received on the sale of properties that are recycled back into the project. The property is expected to be valued at less than £30,000 and there are currently £143,450 of uncommitted funds available within the project to support the making of individual CPO's.
- 4.9 Once acquired by CPO, 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, 17 properties have been acquired using Neighbourhood Intervention Project funding. Of these, 13 have been successfully refurbished and 4 are in the process of being refurbished. A further 2 properties will be in the Council's possession within 4 weeks.

## **5. HUMAN RIGHTS IMPLICATIONS**

- 5.1 A Compulsory Purchase Order should only be made where there is a compelling case in the public interest. Members should be sure that the purposes for which it is making a CPO sufficiently consider the human rights of those with an interest in the land affected. In particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights (which provides that every natural or legal person is entitled to peaceful

enjoyment of his possessions) and Article 8 of the European Convention on Human Rights (which provides every person is entitled to respect for his home and private life).

5.2 Notwithstanding the acknowledged impact that the CPO will have with regard to some aspects of the Human Rights Act 1998, the benefits identified in this report present a compelling case in the public interest for making the proposed CPO and compensation will be payable under the statutory compensation code.

5.3 The making of the proposed CPO is in the public interest because:-

- It will promote the social, environmental and economic well-being of the area and increase residents' confidence in the area.
- It will create extra accommodation for sale or rent.
- It will reduce the negative environmental impacts on the neighbourhood as empty properties attract fly-tipping, crime arson and nuisance.

## **6. POLICY IMPLICATIONS**

6.1 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.

6.2 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.

## **7. FINANCIAL IMPLICATIONS**

7.1 The funding for Orders made pursuant to section 17 of the Housing Act 1985 is available in the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme.

7.2 Proposed CPO action for this property will be funded through the Neighbourhood Intervention Fund which is part of the Council's Housing Capital Programme. This project has a capital budget of £495,000 including an increase to budget of £23,000 for capital receipts received on the sale of properties that are recycled back into the project. The property is expected to be valued at less than £30,000 and there are currently £143,450 of uncommitted funds available within the project to support the making of individual CPO's.

7.3 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 £1,200 for the estate agent's fees. The total figure of £3,300 will be funded from within existing budgets.

7.4 Capital receipts from sale of assets funded by the Neighbourhood Intervention Fund will be recycled back into the project so that further CPO's can be undertaken as and when required

## 8. LEGAL IMPLICATIONS

- 8.1 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.
- 8.2 legal challenges to compulsory purchase are always a possibility and can lead to a Public Local Inquiry which would incur additional costs for the Council. A CPO on an unoccupied single property is likely to have a very limited number of possible statutory objectors.
- 8.3 The making of a CPO does not prevent negotiations with any person holding an interest in land affected by the CPO as these negotiations can proceed in parallel with the statutory process. Indeed, it is advised that where possible, negotiations can continue throughout the process even up to confirmation of the Order.

## 9. RESOURCE IMPLICATIONS

- 9.1 Resources needed to make the CPO and serve the relevant statutory notices will be provided by the Empty Properties Team. Some support will be required from the legal team which will increase if the CPO action results in a Public Local Inquiry.
- 9.2 Some support will be required from the property services team and Capita Symonds to carry out a valuation of the property concerned.

## 10. 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*)

## 11. CONSULTATIONS

- 11.1 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.
- 11.2 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.

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## 12. 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.

## 13. 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.

<b>VERSION:</b>	<b>0.01</b>
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<b>CONTACT OFFICER:</b>	<b>Nicola Fox – Project Manager (Empty Housing)</b>
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<b>DATE:</b>	<b>8<sup>th</sup> October 2018</b>
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<b>BACKGROUND PAPER:</b>	<b>Empty Property Strategy</b>
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