



# EXECUTIVE MEMBER DECISION

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| <b>REPORT OF:</b>     | Executive Member for Growth & Development<br>Executive Member for Finance & Governance |
| <b>LEAD OFFICERS:</b> | Director of Growth and Development   |
| <b>DATE:</b>          | 21 <sup>st</sup> May 2019  |

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| <b>PORTFOLIO/S AFFECTED:</b> | Growth and Development | Finance & Governance |
| <b>WARD/S AFFECTED:</b>      | Blackburn Central      |                      |

**SUBJECT: Compulsory Purchase of the Disused Former Working Men’s Club and Land at Queen’s Park Working Men’s Club, 84 Audley Range, Blackburn. BB1 1TF**

## 1. EXECUTIVE SUMMARY

To seek approval to initiate compulsory purchase action on the above disused former working men’s club and land which, despite intensive intervention as part of the Council’s Empty Property Strategy, remains a derelict eyesore that is subject to regular anti-social behaviour including arson, vandalism and fly-tipping. The building is a continual source of complaints due to its negative impact on the surrounding neighbourhood, resulting in the Council carrying out works in default as the owner neglects to maintain the security of the building.

Although it will be costly for the buyer to refurbish the property at his/her own expense to the Council’s requirements due to the extensive works required to bring it back into use, this action is deemed to be the most appropriate course of action. This outcome will further contribute to the Council’s corporate objectives for the provision of much needed family housing across 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 as the interference with Human Rights involved is proportionate in the interests of the provision of housing;
- 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 making of the order) and there is a reasonable prospect of its implementation, should the order be made;
- e) 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 s17 of the Housing Act 1985 and the Acquisition of Land Act 1981, for the purpose of acquiring the land and building for housing provision.

- 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 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 maps.

### **3. BACKGROUND**

- 3.1** As part of the Council's commitment to tackle long term empty properties, the property has been evaluated using the priority scoring matrix. It scores highly as it has been empty for over 23 years and is in a state of serious disrepair.
- 3.2** The proposed CPO site is outlined in red on the attached plan (Appendix 1).
- 3.3** The Queen's Park Working Men's club is situated in the Blackburn Central ward of the Borough at 84 Audley Range, on a main road at the end of a block of Victorian terraced properties. It is set in a predominantly residential area, comprising pre-1919 terraced housing, some of which have been converted to mixed use residential and commercial properties.
- 3.4** The double fronted 2-storey abandoned Working Men's Club with basement has been disused since approximately 1996 and is now in a state of serious disrepair. Temporary fencing panels surround the building as it has been deemed unsafe to enter by the Building Control team. Several Section 215 Town and Country Planning Act 1990 notices have been served, requiring steps to be taken to bring the external of the building in to a suitable state of repair, dated 10<sup>th</sup> November 2016 and 9<sup>th</sup> February 2017 respectively. Part of the roof is missing exposing the roof beams and there are multiple broken windows on all elevations, with roof tiles evident on the pavement. There is very little yard space at the rear but it continues to be used for fly tipping.
- 3.5** The building has been plagued by vandalism, fly tipping, squatters, substance misuse and drug dealing and in 2014, arson, causing a severe nuisance to the local neighbourhood. The building is therefore the subject of frequent complaints regarding its condition and the related anti-social behaviour issues, which are having a negative impact on the local surrounding area. These issues have also been raised regularly by the local MP Kate Hollern and ward councillors on behalf of their constituents. Ward councillors have also expressed the view that the proposed CPO action by the Council would have the support of the local community.
- 3.6** Queen's Park Working Men's Club was placed with an Insolvency Practitioners in April 1996 and went in to compulsory liquidation on the 16th June 2010. Despite this action, no owner of the building has actually been identified.
- 3.7** Extensive investigations to identify and locate the owners of the building and land have been carried out including the gathering of local intelligence from business owners and residents in the area and examining historical information in relation to the address. A Land Registry Search has revealed the owner of the Freehold interest in the land in the title but his whereabouts are unknown and the name and whereabouts of the Leasehold owner remains unknown.

**3.8** Extensive attempts have been made to locate the owner of the Freehold interest in the land including writing to all people with the same name within the Greater London area but these attempts have proved unsuccessful.

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

- 4.1** Tackling empty properties supports the key priorities of the Council's Corporate Plan and the Empty Property Strategy.
- 4.2** There are currently around 2,569 empty and unfurnished properties in the Borough, of which 417 have been empty for over 2 years and are being charged a premium rate for Council Tax (as at April 2019). Contact has been made with all owners of long term empty properties and as a direct result of that intervention, 508 empty properties were brought back into use in 2018/19. However, as quickly as properties are removed from the empty property list, others are added to it.
- 4.2** 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.
- 4.3** Engagement with the owners of the land and building has not been possible due to the fact that they cannot be located and compulsory purchase action is now considered to be the most appropriate course of action.
- 4.4** 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.
- 4.5** 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.
- 4.6** 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 £595,000 which allows for the purchase and re-sale of CPO properties. Capital receipts received on the sale of properties are recycled back into the project to enable further CPO's to be carried out. The property is expected to be valued at under £100,000 and there are adequate uncommitted funds available within the project to support the making of this CPO.
- 4.7** Once CPO'd 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.
- 4.8** As there is evidence of bulging walls, settlement and subsidence at the building, it is highly likely that the refurbishment process will require some level of demolition and rebuild, the extent of which is currently not known. It is, therefore, expected that the building licence period will need to be extended to allow for the additional works required.
- 4.9** To date, 17 properties have been acquired using Neighbourhood Intervention Project funding.

Of these, 13 have been successfully refurbished, 3 are in the process of being refurbished and 1 is in the process of being sold with works to commence in the near future.

## **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 can 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 this order 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** The Neighbourhood Intervention Project has a budget of £595,000 to support the purchase of proposed CPO properties. Currently there is around £165,000 uncommitted funds available within the budget, some of which will be used to support this individual CPO.
- 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 £2,000 for the estate agent's fees. This will be funded from within existing budgets.

## 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 made suitable as houses, together with any land occupied with the houses or buildings for housing provision. 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 building is likely to have a very limited number of objectors, although the owner as a statutory objector may object to the Order.
- 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 Housing Development 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 team and Capita 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.

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### **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.

### **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.

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| <b>VERSION:</b> | <b>0.01</b> |
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| <b>CONTACT OFFICER:</b>  | <b>Nicola Fox – Project Manager (Housing)</b><br><b>Jennette Owen – Empty Properties Project Assistant</b> |
| <b>DATE:</b>             | <b>21<sup>st</sup> May 2019</b>  |
| <b>BACKGROUND PAPER:</b> | <b>Empty Property Strategy</b>   |