

CABINET

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| DATE | 15 th February 2023 |
| REPORT OF | Councillor Philip Jackson – Leader and Portfolio Holder for Economy, Net Zero, Skills and Housing |
| RESPONSIBLE OFFICER | Carolina Borgstrom, Director for Economy, Environment and Infrastructure |
| SUBJECT | Empty Properties – Compulsory Purchase Order |
| STATUS | OPEN |
| FORWARD PLAN REF NO. | CB 02/23/12 |

CONTRIBUTION TO OUR AIMS

Bringing problematic empty properties and derelict sites back into use across the Borough, supports the Council's commitment to regenerate areas, which have been blighted for many years. By improving neighbourhoods, the Council can contribute towards ensuring North East Lincolnshire is a better place to live, work, invest and visit.

Pursuing robust enforcement action where property owners fail to maintain their properties, demonstrates that North East Lincolnshire Council is committed to taking reasonable and proportionate enforcement as identified as a priority within the Council Plan 2022.

Bringing empty properties back into use has been identified as a priority for the Council. The Empty Property Strategy 2020-23 identifies the use of Compulsory Purchase Orders (CPO) as a tool available to officers where landlords are unable or unwilling to return properties back into use and are refusing to consider/deliver other options.

EXECUTIVE SUMMARY

On the 8th of July 2020, Cabinet approved an Empty Homes Strategy to address the problem of empty properties in the Borough, including the use of CPOs, to tackle problematic long-term empty properties, where the owners have failed to co-operate in bringing the properties back into use.

This report seeks authority for the Council to pursue CPO formal action to tackle three problematic empty properties, where all other informal and formal options have failed.

Following the acquisition of the three properties, it is proposed an options appraisal will take place with a view to use the properties to provide move on accommodation, providing much needed accommodation for our Homeless clients. In addition, properties could be sold to charitable or community housing organisations who

provide sustainable/quality housing management with rents set in line with the Local Housing Allowance. Funding is already allocated within the Empty Homes Budget.

RECOMMENDATIONS

It is recommended that Cabinet.

- 1) Approves the use of Compulsory Purchase Orders on 49 Bentley Street Cleethorpes, 62 Pasture Street/63-67 Willingham Street Grimsby and 168 Rutland Street, Grimsby
- 2) Authorises the Executive Director Place and Resources to use funding allocated within the existing Empty Homes Capital Budget to fund legal, professional and acquisition costs.
- 3) Delegates authority to the Executive Director Place and Resources in consultation with the Leader and Portfolio Holder for Economy, Net Zero, Skills and Housing to commence and implement all formalities in connection with the exercise of compulsory purchase powers and all actions reasonably ancillary thereto and thereafter deal with subsequent disposal or refurbishment or other use as shall be at the Executive Director's discretion and being subject to internal governance processes with a view to bringing the properties back into use.
- 4) Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute and complete all requisite legal documentation.

REASONS FOR DECISION

The properties identified in this report have a long history of problems. The owners have either failed to engage with officers of the Council or have been unwilling to take action to bring the properties back into use. In each case it is felt that the only remaining action is to force a change of ownership and the use of CPO which affords the Council the greatest control in determining the future outcomes for the property.

1. BACKGROUND AND ISSUES

- 1.1 The Housing Act 1985 and the Town and Country Planning Act 1990, provides powers for local Authorities to use CPOs to tackle long term empty properties where the owners have failed or are unwilling to bring properties back into use.
- 1.2 In order to pursue CPO, the Council must demonstrate that all other options for encouraging the owners to improve the property, occupy, to let or sell the property have been exhausted. This leaves CPO the only option to provide clear title required to force a change of ownership and achieve a positive outcome for each of the properties referred to in this report.
- 1.3 The following properties are recommended for Compulsory Purchase: -.
 - 1.3.1 **Property 1: 49 Bentley Street Cleethorpes** – This property comprises a traditional end terrace house with rear yard (former Coal Merchants). The property was taken out of the Council Tax rating system during March 2000. The property was made safe by bricking up all external openings,

however since then little or no maintenance has been carried out. The Planning Enforcement Team served a Section 215 notice on the owner of 49 Bentley Street, under The Town and Country Planning Act. This was due to the Council having received complaints regarding the general appearance of the front and rear of the property. The owner failed to cooperate, and the works required were not completed. There is potential development land to the rear of the property which could yield around 8 new homes in a desirable area. As an indication, the Valuation Office estimate the market value for the freehold interest is in the region of £120,000. The site may be sold on the open market to deliver quality housing.

1.3.2 Property 2: 62 Pasture Street and 63-67 Willingham Street. – The property occupies a prominent location on a busy thoroughfare and was previously a commercial property following conversion from multiple terraced houses with a rear yard. The property was removed from the rating system in 2000. This property has caused damp issues to the neighbouring property 69 Willingham Street. This led to the Council serving a Section 215 notice on the landlord, and due to him failing to engage, works in default were undertaken at a cost in excess of £4,620.00. In addition, the Council have offered to voluntarily acquire the site, however the owner failed to engage in this process. Therefore, the Council have no option but compulsory purchase. As an indication the Valuation Office has estimated the freehold interest at £25,000.

1.3.3 Property 3: 168 Rutland Street, Grimsby - The property is a mid-terraced property which has been empty since 2010. It has a highly negative impact both visually and in terms of the number of complaints received whilst vacant. The property had a serious fire several years ago, which has left the property in a significant state of disrepair. Over a period, the Council have served several notices on the landlord including a Section 215 in July 2013 and two Environmental Protection Act 1979 notices, served under Section 80 of the act, served by Community Protection in June 2014 and March 2021. The owner has complied with some of the work requested, however it continues to deteriorate in appearance and no attempt has been made to bring the property back into use. The Council has offered to enter negotiations to voluntarily acquire the property, however the owner has failed to agree a reasonable figure for the property. The Council has no other option than take CPO action to bring about a change of ownership. As an indication, a local chartered surveyor has valued the property at £8,000.

2. RISKS AND OPPORTUNITIES

2.1 Crime and Disorder – Long term empty homes often pose a problem in a neighbourhood attracting anti-social behaviour. This could include for example unauthorised squatting, criminal damage to the property and fly-tipping which can result in significant environmental impacts on the neighbouring properties.

2.2 Human Rights – The court recognise that English CPO laws and procedures comply with the European Convention on Human Rights. The Council in pursuing this course of action, has considered the balance to be struck between

individual rights and the wider public interest. Interference with human rights, if any, is justified in terms of the benefits that the actions would have for the community as a whole.

2.3 Equality & Diversity – The equality and diversity assessment form has been completed Ref No: NELC455963910.

2.4 Value for Money – The value of these properties is determined by an independent residential valuation. The compulsory purchase of these properties would see the properties disposed of, as part of the future Council's to raise standards in housing standards and management and to provide much needed housing for move on accommodation for homeless clients. A change of ownership bringing will reduce the financial burdens on other teams and services such as Environmental Protection, Housing Enforcement Team, Police and Fire Service.

2.5 The impact on the social, economic and environmental well-being of the borough – Empty properties have a detrimental impact on neighbourhoods. They are a wasted resource with the potential to adversely affect the local housing markets and prevent regeneration. This course of action will have a positive impact by bringing empty properties to the market for improvement and occupation or to enable area regeneration. Bringing empty long-term properties back into occupation increases the local population and thereby contributes towards creating conditions for local businesses to grow. The success of local businesses acts as a catalyst in attracting further investment and with-it economic growth.

3. OTHER OPTIONS CONSIDERED

3.1 Purchase by Agreement – We have already attempted to voluntarily acquire the properties, however the owners of Bentley Street and Pasture Street , have failed to engage after repeated attempts. The owner of 168 Rutland Street has declined any reasonable offers. CPOs are being sought as a last resort.

3.2 Improvement Notices – Serving improvement notices through the Environmental Protection Act 1990 and Town and Country Planning Act 1990 will only improve the visual impact of the properties. As the owners have failed to engage with notices previously, we do not consider this to be a recommended cause of action. Opting for continuing with the current action would lead to further deterioration of the properties, blight the neighbourhood and continue to attract anti-social behaviour/criminal activity.

3.3 Do Nothing – To do nothing would mean that the properties continue to remain empty risking continued anti-social behaviour, criminal activity and further deterioration of the properties causing damage to neighbouring properties.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

4.1. The CPO of these long-term empty properties will generate positive reputational benefits for the Council.

It will widen the range of enforcement measures undertaken by the Council to reduce the number of empty properties within North East Lincolnshire.

There is no need for the Council's communications service to issue any information requirements in respect of this proposal.

5. FINANCIAL CONSIDERATIONS

It is proposed that the cost of the CPO's will be funded by the existing Empty Homes Budget.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no direct implications on Children and Young People.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

This project will directly improve the environment for the communities living in the area. The CPO of three derelict properties gives the Council the capacity to improve the appearance of the streets, remove health hazards and make it a safer environment to live in. Once the properties are either renovated or demolished and rebuilt, the energy efficiency of the properties will be dramatically improved and will offer good standard of accommodation for vulnerable residents of North East Lincolnshire.

8. CONSULTATION WITH SCRUTINY

No consultation has taken place with Scrutiny at this stage.

9. FINANCIAL IMPLICATIONS

Although costs will be incurred in the compulsory purchase of these properties, these are to be funded from within the existing Empty Homes capital budget. Subsequent disposal of these properties will generate a capital receipt to the Council which can then be reinvested into the Council's Capital Programme.

10. LEGAL IMPLICATIONS

10.1. Government Advice (ODPM Circular 06/2004) states that bodies possessing compulsory purchase powers are encouraged to use them proactively wherever appropriate to ensure real gains are brought to residents and the business community without delay.

10.2. The relevant legislative power to acquire properties compulsorily states that "a local authority may acquire houses or a building which may be made suitable as houses together with any land occupied with the house or building (section 17(1)(b) Housing Act 1985).

10.3. It is established that the power extends to the acquisition for improvement and to secure repair of vacant unfit housing.

10.4. The council, having acquired the properties compulsorily, needs to bring them back into use. In the event of a sale by the council, appropriate contract conditions would be imposed requiring the properties to be made into habitable condition and brought back into use.

10.5. In terms of the application of the Human Rights Act, Cabinet is advised that:

- 10.5.1. Article 1 protects the rights of everyone to the peaceful enjoyment of their possessions. No person can be deprived of their possession except in the public interest and subject to the relevant national and international law; and.
- 10.5.2. Article 8 protects private and family life, the home and correspondence. No public authority can interfere with this interest except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well-being of the Borough.
- 10.6 Cabinet is required to balance whether the making and potential exercise of the CPO's sought is compatible with the European Convention on Human Rights. In that respect, Cabinet may conclude that there is a compelling case in the public interest for a CPO.
- 10.7 The CPO will follow existing legislative procedures and all parties will have the right to object to the CPO and attend any public inquiry arranged by the Secretary of State. Parties not included in the CPO may be afforded that right if the inquiry inspector agrees. The decision of the Secretary of State can be challenged by way of proceedings, following judicial review procedures. The Land Owners will receive compensation based on the CPO compensation code principles and should the quantum of compensation be disputed the matter can be referred to the Lands Tribunal for determination. The Courts have held that this framework complies with the Convention and as such a decision to proceed with the recommendation is compatible with the Human Rights Act.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications

12. WARD IMPLICATIONS

This proposal directly impacts specific properties in the East Marsh Ward and Croft Baker Ward.

13. BACKGROUND PAPERS

An equality and diversity assessment form Ref No: NELC45596391.

14. CONTACT OFFICER(S)

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