

REPORT TO THE EXECUTIVE



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PORTFOLIO	Regeneration and Economic Development
REPORT AUTHOR	John Killion
TEL NO	(01282) 425011 ext 2491
EMAIL	jkillion@burnley.gov.uk

Vacant Property Initiative

PURPOSE

1. To seek approval, to make various Compulsory Purchase Orders (CPO) for vacant properties in the private sector.
2. To seek authority to tender the renovation works when the estimated cost of the works is in excess of £50,000 in accordance with Standing Order SOC16 and for the power to accept the tender to be delegated to the Head of Property Consultancy.
3. Once renovated, to dispose of the properties in accordance with the Council's Disposal of Empty Dwellings Policy.

RECOMMENDATION

4. That the Executive approve in pursuance of the powers obtained under the Section 17 of the Housing Act 1985 (as amended) to make the following compulsory purchase orders for the purpose of renovation and re-sale by the most appropriate method:

The Burnley (27 Cleaver Street Burnley) Compulsory Purchase Order 2008

The Burnley (11 Queen Victoria Road Burnley) Compulsory Purchase Order 2008

The Burnley (42 Devonshire Road Burnley) Compulsory Purchase Order 2008

The Burnley (27 March Street Burnley) Compulsory Purchase Order 2008

The Burnley (29 March Street Burnley) Compulsory Purchase Order 2008

The Burnley (8 North Street Burnley) Compulsory Purchase Order 2008

The Burnley (10 North Street Burnley) Compulsory Purchase Order 2008

5. That the Head of Property Consultancy be authorised to agree terms for acquisition of the properties and to re-sell the properties once renovated in accordance with the Disposal of Empty Dwellings Policy.

6. That the Head of Property Consultancy be authorised to acquire the properties in this report by agreement as an alternative to compulsory purchase if terms can be agreed with the owners.
7. That the Head of People and Law be authorised to;
 - take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Orders, including the publication and service of all notices, and the presentation of the Council's case at any Public Inquiry;
 - approve agreements with land owners for the withdrawal of objections to the Orders and take all necessary steps to acquire interests in land within the Compulsory Purchase Orders by agreement.
8. That the Executive authorises the tendering of the renovation works when the estimated cost of the works is in excess of £50,000 in accordance with Standing Order SOC16 and delegates power to accept the tender to the Head of Property Consultancy.
9. That subject to Elevate authorisation the Executive approves that the proceeds from the sale of the renovated properties is recycled back in to the Vacant Property Initiative for further acquisitions and renovations.

REASONS FOR RECOMMENDATION

10. The owners of these properties have been contacted on numerous occasions and have either not responded or have failed to give reasonable proposals for renovating the properties and bringing them back into housing use. The Compulsory Purchase Order for renovation and re-sale of these properties will enable them to be brought back into use. Where owners have contacted us, we are currently working with them to reach an agreement for bringing the property back in to use. If agreement cannot be reached satisfactorily, we will use CPO powers as a last resort.
11. These properties have been empty for an average of approximately 5 years and are considered to be strategically important and compliment other regeneration initiatives in the neighbourhood or are a cause of repeated complaints from neighbours. Vacant properties such as these can cause detriment to the neighbourhood by lowering property prices and attracting vandals and fly tipping. Three of the properties are in Targeted Area Initiative (TAI) areas. Further properties from these areas will be in future reports for the Executive to consider CPO action.

SUMMARY OF KEY POINTS

12. The Vacant Property initiative is used to tackle long-term vacant properties and facilitate the re-housing of residents affected by the council's clearance where possible. The initiative identifies properties in sustainable areas that have been vacant for a long period of time and are causing problems for neighbouring properties and local residents.
13. This project has been identified as the most appropriate way of intervening to stabilise areas of the housing market that have suffered from long term empty properties by

introducing owner occupiers to move into them. The scale of the situation in Burnley highlights that the private sector is not sufficient to tackle the problem. At present there are approximately 296 properties in Burnley that have been vacant for three years or more, with over 100 properties being vacant for more than six years.

14. Some intervention is necessary to tackle vacant properties or they will not be brought back in to use. Many of these properties have been found to be owned by absentee landlords or people that have bought the properties speculating on a rise in the market, leaving the properties empty or boarded with no intention of bringing them back in to use. The consequences of this are increased instances of vandalism, arson, fly tipping and anti social behaviour.
15. The properties are in Strategic areas across the Borough; where Facelifting works have already been carried out or where it is due to be carried out, and/or in areas adjacent to Clearance activity or are the cause of repeated complaints from neighbours. The VPI will help support other initiatives that are working towards Housing Market Renewal.
16. The properties that have been identified as appropriate for this intervention are 11 Queen Victoria Road (vacant since 19.4.06), 42 Devonshire Road (1.4.02), 27 Cleaver Street (unknown but at least 8 years), 27 March Street (5.7.03), 29 March Street (1.10.05), 8 North Street (5.4.02) and 10 North Street (17.6.05) and are in areas where the Neighbourhood Action Plans propose to retain the existing properties.
17. The Statement of Reasons (Appendices A to F) are available in the Members Room and are not attached to this report. Appendices A to F refer; respectively to the six separate Compulsory Purchase Orders (CPOs). Each one is laid out in the same way.
18. Several of the properties remain boarded and all are in a deteriorating condition both internally and externally.
19. The owners of these properties have been contacted several times and to date no measures have been taken to bring the properties back into use. Some of the properties have been the cause of complaints from several residents.
20. Once the Council acquires the properties they will be renovated to the Decent Homes Standard and sold in accordance with the current disposal policy. Responsibility for tendering the renovation contracts will rest with Property Consultancy. Housing will monitor the renovation works.
21. Negotiations for the acquisition of the properties have not yet commenced as no contact has been received from the owners. If the owners do contact the Council efforts will be made to purchase the properties by agreement.
22. If the owners do not come forward to receive their market value compensation, the General Vesting Declaration procedure will be followed and payment will be made in to court. This will ensure allocated budgets are defrayed. After a period of 12 years, if the owner has not come forward to claim payment, the money can be requested back from the courts by the council.
23. In addition to these proposed CPO's, the Vacant Property Team continues to work with many other owners of vacant properties across the borough to ensure they are brought back in to use. During 2008/09 the team are aiming to bring 55 properties back in to use.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

24. It is estimated that the acquisition, renovation and re-sale of the properties above will cost in the region of £525,000. This is the gross cost, there is expected to be a capital receipt from the sale of these properties, however, this could be lower than the purchase price and renovation costs paid.
25. The proposed expenditure on the acquisition and renovation of these properties can be met from Elevate financing for 2008/09. The proceeds of the sales, with members' authorisation, will be recycled back in to the Vacant Property Initiative to fund further acquisitions and renovations.

New Elevate Grant for 2008/09 - £325,000

Estimated capital receipt from properties already renovated - £970,000

Estimated receipt from properties in this report - £462,000

POLICY IMPLICATIONS

26. Overall, the proposed action will help to achieve the Council's strategic plan of "People Places and Prosperity". The acquisition and renovation of the vacant properties will enable the Council to bring them back into use, which will improve the environment for residents in the vicinity of the vacant properties by reducing the potential for crime and anti-social behaviour.
27. An objective of the Housing Strategy 2006-2009 is to improve housing conditions and the local environment. The strategy recognises that the Vacant Property Initiative has a role to play in this by reducing the number of long-term vacant properties in the Borough, and renovating them to the Decent Homes Standard.
28. The Sustainable Community Strategy states "Elevate will help drive housing market renewal in the Borough. Poor housing conditions, falling property prices, and property abandonment will be tackled through more green spaces, housing acquisitions and clearances, development opportunities, face-lifting and street scene improvements. £25m will be invested between 2006 and 2008 alone." It also states that in three years from now we will have "Intervened to reduce the number of empty homes. Enforcement action will be taken where appropriate, and an increasing number of homes will have been brought back into use."
29. In terms of Human rights Act implications, Government advice is that local authorities must strike a fair balance between the demands of the community and the need to protect individual's fundamental rights. In considering this balance, one of the issues that a court would look for is whether compensation will be payable. The level of compensation is of course negotiable between the Council and the property owner's Valuer. In addition, individual rights are protected by the statutory objection and inquiry procedure.

DETAILS OF CONSULTATION

30. None

BACKGROUND PAPERS

31. Location maps of the proposed properties.

FURTHER INFORMATION**PLEASE CONTACT:****John Killion, Project Officer****ALSO:****Clare Jackson, Assistant Housing Renewal
Manager**