

Report of: Mick Crofts

Report to: Cabinet

Date of Decision: 17 February 2021

Subject: THE CITY OF SHEFFIELD (104 Mill Road)
COMPULSORY PURCHASE ORDER 2021

Is this a Key Decision? If Yes, reason Key Decision:-

	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000		<input type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		

Which Cabinet Member Portfolio does this relate to? Neighbourhoods and Community Safety

Which Scrutiny and Policy Development Committee does this relate to? Safer and Stronger Communities

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? 609

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

"The appendix 4 is not for publication because it contains exempt information under Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)."

Purpose of Report:

The purpose of this report is to seek authority to make a Compulsory Purchase Order in respect of 104 Mill Road, Sheffield, S35 9XQ (the Property) to allow it to be renovated and occupied. There is demand for this type of property within the area. The Property is empty and has a particularly detrimental effect on the neighbourhood in this area. Compulsory Purchase is the most appropriate course of action.

Recommendations:

R1) That authority be given to the Council to make a Compulsory Purchase Order ("CPO") under the powers conferred by Section 17 Housing Act 1985 to acquire all land interests in respect of the land coloured pink as shown on the Order Map, attached at Appendix 3, with title 'The City of Sheffield (104 Mill Road) Compulsory Purchase Order 2021' (the "Order Land").

R2) That the Director of Legal & Governance be authorised to make the CPO for the Order Land, to take all necessary procedural steps prior to and after the making of the CPO, to enable the CPO to be submitted to the Secretary of State for confirmation including:

- a) Finalising the attached draft Statement of Reasons, at Appendix 1;
- b) Serving notices of the making of the CPO on all persons entitled to such notice and placing all necessary notices in the press and on/around the Order Land;
- c) To submit the CPO to the Secretary of State for confirmation as soon as possible following making of the CPO; and
- d) To self-confirm the CPO if authorised to do by the Secretary of State.

R3) That the Director of Legal & Governance be authorised to sign and serve any notices or documents necessary to give effect to these recommendations and to take all the other actions necessary to give effect to these recommendations.

R4) As soon as the CPO is confirmed by the Secretary of State or self -confirmed where authorised by the Secretary of State, the Director of Legal & Governance be authorised to advertise the confirmation of the CPO and serve all necessary notices of the confirmation and once the CPO becomes operative, the Director of Legal & Governance in consultation with the Executive Director of Resources be authorised to execute General Vesting Declarations under the Compulsory Purchase (Vesting Declarations) Act 1981, at the earliest opportunity and to thereafter serve all necessary documents and notices of the vesting of the Order Land in the Council.

R5) That the Executive Director Place, in consultation with the Director of Legal & Governance and the Executive Director of Resources be authorised to manage the compulsory purchase process in accordance with all statutory requirements and to otherwise promote or supporting the promotion of confirmation of the CPO including the preparation of and giving of evidence at any public inquiry.

R6) That the Chief Property Officer be authorised to agree terms for the acquisition of Order Land and to instruct the Director of Legal and Governance to complete the necessary documents.

R7) That upon the completion of the acquisition of Order Land, the Chief Property Officer be authorised to negotiate the disposal of the land and to instruct the Director of Legal and Governance to complete all the necessary legal documents for the completion of the disposal.

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Karen Jones
		Legal: Brendan Twomey
		Equalities: Louise Nunn
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	Mick Crofts
3	Cabinet Member consulted:	Paul Wood
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Neil Dunk</i>	Job Title: <i>Legal & Policy Officer</i>
	Date: <i>9 February 2021</i>	

1. Proposal

- 1.1.** The proposal is to compulsorily purchase 104 Mill Road in order for it to be refurbished and brought back into use. The reason for this proposal is that, due to the lack of any progress from the owner in carrying out refurbishment of the Property, along with any meaningful proposals for bringing it back into occupation, the Council believe that the Property will remain in a state of serious disrepair and unoccupied without Council intervention. Obtaining a compulsory purchase order (CPO) will enable the Property to be disposed of on the open market for a new owner to renovate and arrange to be occupied. The Council has powers to make a CPO for the acquisition of land for the purpose of providing housing. This power includes the acquisition of empty properties as an option of last resort where there appears to be no other prospect of those empty properties being brought back into use. The Statement of Reasons sets out the reasons why the Council wishes to purchase the Property.
- 1.2.** The Council's preferred option for disposal is by auction. There is a buoyant property market within the area which is detailed in the Statement of Reasons.
- 1.3.** The option of acquiring the Property to be retained and let as Council housing was considered as part of the Council's stock increase programme. However, following a viability assessment, it was decided that the Property was not suitable for this purpose. The Property needs significant work and remodelling. Taking into account the property valuation and renovation cost and the rental income that the Council could command, the Property does not present a viable option for acquisition for Council housing.
- 1.4.** The Property is a two-bed roomed, mid terrace of slate roofed and stone construction and, according to Council Tax records, has been empty since at least April 1999. A plan of the land proposed to be acquired has been prepared entitled "Map referred in The City of Sheffield (104 Mill Road) Compulsory Purchase Order 2021" which is displayed at Appendix 3 to this report and submitted to Cabinet for approval. This map shows the land to be acquired coloured pink.
- 1.5.** The Property is in a very poor state of repair, both externally and internally with category 1 hazards present of damp and mould, excess cold, domestic hygiene, pests and refuse, food safety, personal hygiene, sanitation and drainage, falls associated with stairs, steps and ramps and electric hazards.
- 1.6.** The Council received a complaint from a neighbour in February 2016 regarding birds entering the building through a hole in the roof, an overgrown garden, defective drainage, serious disrepair, infestations of vermin and the fact that the proximity of the Property was having a negative impact on the sale of their property. Further complaints regarding the condition of the Property were received in May 2019 and November 2019.
- 1.7.** The Council sent four letters in 2017 and 2018 attempting to engage with the owner in order to seek a voluntary solution to the serious disrepair of this Property. There has been no response to any of these letters.
- 1.8.** In July 2017, a notice was served on the owner under Section 59, Building Act 1984 to deal with defective drainage. To date, no work has been carried out on this notice.

- 1.9.** In October 2017, Improvement Notices were served on the owner relating to category 1 hazards. Hazards observed include damp and mould, excess cold, domestic hygiene, pests and refuse, food safety, personal hygiene, falls associated with stairs and electrical hazards. The Property was inspected under a Warrant of Entry in November 2018 and September 2019 and no works to comply with these notices had been carried out. On 26 January 2021, an external inspection was carried out at the Property. It was observed that the Property appeared to be in a poor state of repair and from what could be observed the hazards set out in the Improvement Notices served in October 2017 do not appear to have been remedied.
- 1.10.** In February 2018, the Council wrote to the owner advising that the Council's intention was to seek a CPO in respect of the Property but, as an alternative, the Council would offer to purchase the Property by agreement at its open market value. No response was received to this offer. Further letters were sent to the owner in August 2019, August 2020 and January 2021. No response was received to these letters.
- 1.11.** The Council's proposals, including further details on the Property, its history and previous Council involvement, are included in the Statement of Reasons set out in Appendix 1 to this report.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1.** This proposal supports the following Council's objective set out in its Corporate Plan 2015 – 18.

Thriving neighbourhoods and communities

- 2.2.** Long term empty properties commonly attract anti-social behaviour thus increasing the fear of crime for neighbours. Typically, gardens are used to dump refuse, windows are smashed, doors are forced open and the property used as a drug den. Once these activities commence, the condition of the property quickly deteriorates, further increasing the negative effect of the property on the neighbourhood.
- 2.3.** The Property has experienced some of these problems. The Council has received complaints in respect of the Property, including holes in the roof and the serious disrepair of the Property negatively affecting a neighbour's attempts to sell their property. Enabling the Property to be put back into occupation will remove these negative impacts on the local community.
- 2.4.** The Council is committed to increasing the availability of residential accommodation within Sheffield and The Sheffield Plan Issues and Options, published by the Council in September 2020 <https://www.sheffield.gov.uk/home/planning-development/emerging-sheffield-plan-draft> says "An average of about 2,185 homes per year (including homes needed to replace those that are demolished or converted to other uses) are needed to meet the demands of a growing population". Bringing empty properties back into occupation supports this goal of increased housing provision in the city."

2.5. Over half a million people live in Sheffield. Of those, around 75% of households are in the private sector; either as an owner occupier or a private renter (*Source: 2011 Census for Sheffield*). <https://www.sheffield.gov.uk/your-city-council/sheffield-profile/population-and-health/2011-census.html>. There is a growing population in Sheffield (*Source: 2011 Census for Sheffield*) <https://www.sheffield.gov.uk/your-city-council/sheffield-profile/population-and-health/2011-census/key-statistics.html>) which puts an increased strain on demand for good quality, affordable housing.

2.6. Many people in Sheffield choose to live in the city long term, with nearly three quarters of people moving home within the city's boundary. (*Source: Sheffield City Council Corporate Plan 2015-18*) However, in recent years, the house building rate has fallen substantially compared to pre-recession rates (*Source: State of Sheffield reports - <https://www.sheffieldfirst.com/key-documents/state-of-sheffield.html>*)

2.7. Although it is not illegal for owners to leave their property empty, the Council chooses to work pro-actively in bringing problematic empty properties back into use. By tackling such empty properties in this manner, it demonstrates the Council's commitment to acting pro-actively in preventing such a waste of housing provision and the many negative effects empty properties can have on a neighbourhood.

Strong economy

2.8. Bringing long term empty 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.

Better health and Wellbeing

2.9. The poor state of repair of the Property has a negative effect on neighbouring properties, impacting on the health and wellbeing of the occupiers.

3. HAS THERE BEEN ANY CONSULTATION?

3.1. There is no statutory requirement to consult on these proposals. However, neighbours of the Property have made complaints regarding the condition of the Property and the Council has engaged with them to discuss their concerns.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1. Equality of Opportunity Implications

In carrying out any of its functions, the Council needs to be mindful of the Public Sector Equality Duty ('PSED') contained in Section 149 of the Equality Act 2010. Amongst other things this duty requires the Council to have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race; religion or belief, sex and sexual orientation. The Council in the development of these proposals has had regard to its PSED and considers that the proposals do

not give rise to any equality issues under this duty. See Equality Impact Assessment in Appendix 2

4.2. Financial and Commercial Implications

4.3. The Council will be required to pay compensation to the current owner based upon the open market value of the Property in the condition that the Property is in at the time the Council take possession. The Council will also be required to pay the surveyors and legal fees and the costs of public notices, which are incurred as a result of the compulsory purchase. The owner may also be entitled to a basic loss payment of 7.5% of the open market value. The Council will incur costs and expects to recover these from the sale proceeds.

4.4. The costs are detailed in Appendix 4 and will be met out of Private Housing Standards' budget. It is anticipated that the cost of the purchase price will be met from the sale proceeds and the Private Housing Standards' budget will be refunded to that degree.

4.5. Officer time relating to this proposal will be met from already approved Private Housing Standards' budgets.

4.6. Legal Implications

4.7. Under s17 Housing Act 1985 the Council has powers to make a CPO for the acquisition of land for the purpose of providing housing. This power includes the acquisition of empty properties where there appears to be no other prospect of those empty properties being brought back into use. The Statement of Reasons attached as Appendix 1 to this report sets out the reasons why the Council wishes to purchase the Property. It also sets out the justification for compulsory purchase, and addresses the Human Rights implications.

The Council, to enable it to make the CPO is required to take certain actions, including serving a notice of the making of the CPO on all relevant parties and submitting the CPO to the Secretary of State, for approval. The report recommendations provide the necessary authority for the exercise of these functions.

Where the CPO is confirmed, the Council will need to acquire the land and once this is achieved, deal with the disposal of the land, to achieve the purpose for making the CPO. The report recommendations provide the necessary authority for the exercise these functions.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1. Demolition

The Property is in a state of disrepair empowering the Council to take various steps to remedy the problem, including renovation and demolition. As the Property is a mid-terrace house, the demolition option would not be practical. Demolition will not result in the provision of housing as it is believed that the owner would not rebuild should this option be taken.

5.2. Renovation

The Council's Private Housing Standards team first visited the Property in July 2015 and found it be vacant. From this date, the Council has not observed, or received any information, that the property has been occupied. The owner has taken no steps to prevent its deterioration despite the Council writing on several occasions to the owner to express their concern over the condition of the Property

and asking for the owner to explain their intentions for renovation and bringing the property back into occupation. Additionally, in October 2017, an Improvement Notice was served on the owner in order to remove Category 1 hazards observed at the Property. No action has been taken in response to this notice as was noted during inspections of the Property in November 2018, September 2019, August 2020 and January 2021. It is therefore unlikely, should the Council do works in default, that this would result in the improvements to the Property being sustained. In those circumstances this option would be a poor use of limited resources and unlikely to achieve its purpose.

5.3. Empty Dwelling Management Orders

These orders enable the Council to effectively step into the shoes of the owner and manage the property. However, prior to occupation, the Council would have to refurbish the property. Given the poor condition of the property, the cost of bringing it up to a habitable condition is likely to be significant. Furthermore, it is doubtful that the rental income would cover the costs within the timescale of the EDMO, which is seven years. Therefore, it is highly likely that the Council would be unable to recover the significant costs of refurbishment, making this option inappropriate.

5.4. Purchase by Agreement

The Council have actively pursued this option which would have enabled it to sell the Property at auction so that it could be renovated and reoccupied. On 21 February 2018, the Council wrote the owner to offer to purchase the property by agreement. No response was received by the Council to this letter. On 5 August 2019 and again on 17 August 2020 and 26 January 2021, the Council repeated this offer. No response was received to these letters.

5.5. Compulsory Purchase

All attempts at working with the owner have failed, as detailed in the Statement of Reasons. Due to the owner's failure to take proper action, the property, for which there is a demand, has remained in a poor state of repair for a significant period and there is little prospect of it being brought back into occupation. For these reasons, Compulsory Purchase is the preferred option.

6. REASONS FOR RECOMMENDATIONS

6.1. The Property has been vacant since at least July 2015 and is in a poor state of repair and is having a negative impact on the local community. There is a demand for this type of property within Sheffield and the Council has, without success, attempted to engage with the property owner in an effort to get the property back into occupation, including an offer to purchase the property by agreement. In addition, particularly in respect of recent enforcement action taken by the Council, the owner has failed to take reasonable steps to make the property safe. In those circumstances, as an option of last resort, the Council consider, to ensure to property is put back into occupation, that it is appropriate to seek a CPO in respect of the Property.

This page is intentionally left blank