

Report of:	Kevin Parkes - Executive Director Growth and Place Councillor Ashley Waters - Executive Member for Regeneration
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Submitted to:	Executive - 16 June 2020
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Subject:	Address Eyesore Buildings and Sites
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Summary

Proposed decision(s)
That the Executive approves taking proactive action to address eyesore sites and buildings including, where an approved business case recommends, acquisition by voluntary agreement and where voluntary agreement is unsuccessful by the use of compulsory purchase powers.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision	Yes	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Improving eyesore land and property through working with communities and other public services will improve the lives of residents. It will improve the quality of life for nearby residents.	Improving eyesore land and property will lead to improvements in the appearance of the town improving the town's reputation, creating opportunities for housing and business. It will improve neighbourhoods.	Improving eyesore land and property will lead to investment in Middlesbrough's economy also supporting ambitions for People and Place. It will bring derelict sites back into active use generating business rates / Council Tax.

Ward(s) affected
Town wide.

What is the purpose of this report?

1. That the Executive approves taking proactive action to address eyesore sites and buildings including, where an approved business case recommends, acquisition by voluntary agreement and where voluntary agreement is unsuccessful by the use of compulsory purchase powers. Long term eyesore sites and buildings can blight areas and nearby residents lives, devaluing properties and generating problems, such as attracting vermin.

Why does this report require a Member decision?

2. This is a new policy which will have an impact town-wide.

Report Background

3. Middlesbrough Council has ambitious plans to improve the town for residents, businesses and visitors, including increasing positive perceptions of the town at a national level. However, many communities have to suffer the adverse consequences of having building and sites that are long term disused / derelict and untidy. Dealing with these eyesore land and property issues will help improve communities throughout Middlesbrough. By addressing such problems it will make neighbourhoods places people enjoy living in and can feel pride in.
4. Unfortunately some areas are blighted by long term vacant and empty sites and buildings that are poorly managed and often decaying and deteriorating. Eyesore sites can have a negative impact on communities such as attracting crime and anti-social behaviour. They can attract further problems such as vermin and result in adjoining properties being difficult to sell. They can put off investment into an area and detract from the perception of neighbourhoods.
5. The reasons for eyesore land and property is varied, for example relatively low land values can lead to speculative purchasers of vacant sites waiting for a capital increase in the site's value to sell it on and make a profit; through to closure of businesses due to changes in people's leisure or shopping habits.
6. Pro-active action, including enforcement, has been used to tackle sites in Middlesbrough which have a negative impact on communities since at least 2009 and significant progress has been made. The first course of action is to seek with owner letting them know what the concerns are and how to address these. If this fails then the Council can resort to enforcement action through a number of legislative routes, but the legislative provisions do have limitations.
7. In some cases essential remedial work can be undertaken to address the most noticeable concerns but the underlying dereliction / lack of active use or comprehensive improvement are not going to be achieved.
8. Therefore the Council needs a provision that allows for a permanent solution to resolving long-term eyesore sites they are temporarily improved if voluntary improvement or (where appropriate) enforcement action has been attempted.
9. Acquisition of eyesore sites would therefore be an opportunity to provide a long-term solution to the most prominent and/or problematic privately owned eyesore sites in Middlesbrough. This course of action supports the Council's Strategic Plan 2020-2023.

This would need to be achieved at the sites genuine value and not inflated by an owners unrealistic expectations. If necessary this could include the Council resorting to Compulsory Purchase.

10. If the Council does acquire such sites it will undertaken in line with the recently agreed Acquisition Policy, and will set out its ambitions for improvement / redevelopment / renovation and use.
11. A number of sites have already been identified that detract significantly from local communities. In each instance the Council is seeking to work with the existing landowner to address the sites challenges. Some of these sites may include:
 - a. 56 Cargo Fleet Lane/ Bournemouth Avenue;
 - b. Former Wee Willie, Evesham Road, Park End;
 - c. Former Middlehaven Pub, Stockton Street;
 - d. Former Methodist Church, Kings Road, North Ormesby;
 - e. Former Quoit Club, Addington Drive;
 - f. Marton Country Club, Marton;
 - g. Newcastle House, Ingram Road;
 - h. The Market Tavern, North Ormesby;
 - i. Douglas House, Marton Road;
 - j. Liberty's, Longlands Road and
 - k. Former Roseberry Petrol Station, Acklam Road.
12. Additionally in some instances a long term empty property can create serious challenges to the viability and amenity of an area, whether these be commercial or residential properties. Potentially, long term empty properties
13. The sites identified above will form the basis of the initial prioritisation, although Ward Councillors, Community Councils and residents will also be asked to help identify eyesore sites and buildings within their own wards that are causing concern, and these will be considered for action being taken.
14. Business cases will be drawn-up to determine the costs and benefits of acquiring individual proposed sites. The business case will include the proposed future use of the site and the anticipated financial costs of acquisition. It will also be used to determine the most appropriate method of funding each acquisition. As part of addressing the town centre regeneration assessment will also be made of the urban core of the town.
15. Once a business case has been approved by the Executive Director of Growth and Place and Director of Finance, Governance and Support, contact will be made with the owner (where known) to attempt to voluntarily acquire the property, in line with the Council's recently approved Acquisition Policy.
16. As outlined, where voluntary acquisition is not possible within an acceptable timescale and there is no reasonable prospect of the site being returned to use in the near future the Compulsory Purchase process will be considered and where appropriate commenced.
17. Although Compulsory Purchase is a potential option for some sites, it should be noted that this can be a long, and expensive process to pursue. A voluntary purchase would always be preferable and more cost effective.

What decision(s) are being asked for?

18. That the Executive approves taking proactive action to address eyesore sites and buildings including, where an approved business case recommends, acquisition by voluntary agreement and where voluntary agreement is unsuccessful by the use of compulsory purchase powers.

Why is this being recommended?

19. Acquisition of eyesore sites is recommended to provide a long-term solution to the most prominent and/or problematic sites in Middlesbrough. This course of action supports the Council's Strategic Plan 2020-2023.
20. This report has not been examined by the Overview and Scrutiny Board or by a Scrutiny Panel.

Other potential decisions and why these have not been recommended

21. Maintaining the status quo is not recommended, as mentioned above, several of the long-term vacant eyesore sites will continue to take up valuable public service resources and have a negative impact on communities if action is not taken to bring the sites back in to use.

Impact(s) of recommended decision(s)

22. Acquiring eyesore sites will revitalise unused, derelict land and property preventing it from having a negative impact on the community. It will also improve the appearance of the town and encourage private investment.

Legal

23. The Council already has processes in place to acquire properties for the Council's operational needs.
24. Action and intervention on individual properties will be subject to the necessary legal advice. The Council has previously undertaken successful Compulsory Purchase Orders complying with all legislative requirements.

Financial

25. A business case for acquisition will be drawn up for each proposed site including the reasons for the proposed acquisition and plans for the intended future use of the site, along with anticipated costs. It will also be used to determine the most appropriate method of funding each acquisition, within existing budgets, including the potential use of the Middlesbrough Development Company.

Policy Framework

26. This course of action supports the Council's Strategic Plan 2020-2023.
27. The decision is also aligned to the Medium Term Financial Plan as the re-development of vacant sites will generate income from Council Tax and/or Business Rates.

28. Updates on addressing eyesore sites and properties will be regularly reported to the Planning and Development Committee.

Equality and Diversity

29. The attached Impact Assessment, attached as Appendix I, has concluded that the decisions would not have any disproportionately negative impacts.

Risk

30. The following high level risks identified in the Strategic and Directorate Risk Registers, will be reduced as a consequence of the market intervention enabled by the recommended decisions:

- a. O1-005 - If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.

31. The risks regarding the acquisition of eyesore sites will be reduced by the production of a business case for each site.

Actions to be taken to implement the decision(s)

32. Business cases for individual sites will be drawn-up to determine the costs and benefits of acquiring proposed sites.

33. Once a business case has been approved by the Executive Director of Growth and Place, and the Director of Finance, Governance and Support, contact will be made with the owner (where known) to attempt to voluntarily acquire the property.

34. Where voluntary acquisition is not possible and there is not a reasonable prospect of the site being returned to use in the near future the Compulsory Purchase process will be commenced.

Appendices

Appendix 1 – Impact Assessment

Background papers

No background papers were used in the preparation of this report.

Appendix One - Impact Assessment

Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Eyesore Sites			
Coverage:	Crosscutting.			
This is a decision relating to:	<input checked="" type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	The decision requested in the report is to approve the acquisition of privately owned eyesore sites by voluntary agreement and, where voluntary agreement is unsuccessful, by the use of compulsory purchase powers.			
Live date:	March 2020			
Lifespan:	March 2022			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No negative Human Rights impacts are anticipated.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No negative equality impacts are anticipated.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No negative community cohesion impacts are anticipated.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	E Green	Head of Service:	S Fletcher
Date:	06.02.20	Date:	06.02.20

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.