

## **Cabinet**

**17 March 2021**

### **Towns and Villages Place Shaping - Approach to Regeneration of Buildings and Land**



## **Ordinary Decision**

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### **Report of Corporate Management Team**

**Amy Harhoff, Corporate Director of Regeneration, Economy and Growth**

**Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration**

**Councillor Kevin Shaw, Cabinet Portfolio Holder for Strategic Housing and Assets**

### **Electoral division(s) affected:**

Countywide.

### **Purpose of the Report**

- 1 Significant transformation is taking place across our towns and villages through an enhanced approach to regeneration. As an integrated approach to place-based regeneration, Towns and Villages has identified a conservative estimated investment programme of more than £750 million. As part of Towns and Villages Investment Plan, agreed by Cabinet in February 2021, there is a commitment to address vacant buildings and, where possible, bring them back into a viable use.
- 2 To ensure this priority is addressed, the purpose of the report is to set out the existing powers and arrangements which are in place to tackle the many buildings which can cause a blight on an area.

### **Executive summary**

- 3 Given the pace of change in our Towns and Villages, it is essential that vitality and growth is maintained in our local communities and improvements are targeted in locations where land or buildings are having a detrimental impact on our communities and are of cause for significant concern. The locality of these buildings suggests that this is

especially apparent in our most disadvantaged communities where private sector intervention is unwilling or market failure is apparent.

- 4 In line with established priorities, the Council is committed to driving forward a consistent approach to dealing with empty properties and derelict land to ensure that their economic and social potential can be unlocked as a driver for regeneration ensuring a sustainable, long term future for these buildings and land. This report highlights the proactive approach across the county as a means of transforming our Towns and Villages and improving the quality of life of residents within those communities.
- 5 Following the agreement of the Towns and Villages Strategy in October 2020, engagement with communities took place through a series of AAP events. Feedback from all 14 AAPs identified the need to tackle vulnerable and often vacant buildings. Utilising the economic potential of vulnerable buildings and enabling opportunities for redevelopment and investment can increase community and social value by addressing issues of anti-social behaviour and by creating an attractive appearance and safe local environment.
- 6 A series of pilot projects have already taken place and has resulted in the successful demolition or repurposing of a range of properties. Such pilots have included in buildings in Seaham and Sacriston which have resulted in significant improvements in the built environment. In addition, recent work undertaken across the County has identified the scale of the empty home challenge and the demands for smaller scale local residential development opportunities. Addressing long term empty properties in communities most effected by them is a key outcome identified by the Housing Strategy and sets out the Council's involvement in a range of activities to bring empty properties back into use.

### **Recommendation(s)**

- 7 Cabinet is recommended to:
  - (a) note the contents of this report and acknowledge the success of the pilot initiatives undertaken to date;
  - (b) endorse the approaches set out in the report to bring empty properties back into use, which support the priorities within the Council's Town and Villages Strategy;
  - (c) agree a commitment to disadvantaged areas that require enhanced intervention through the Empty Property Protocol in line with the Housing Strategy and Towns and Villages.

## Background

- 8 The county's dispersed settlement pattern of towns and villages is a legacy of the rise and fall of the mining, steel and other heavy industries. This has left us with a built environment which reflects this industrial past with settlements experiencing low demand, resulting high vacancy rates and buildings which no longer serve the needs and aspirations of their communities. Despite their attractive setting, many of the county's settlements suffer from high levels of deprivation, compounded by a range of accessibility and infrastructure issues. The scale and speed of reductions in funding in recent years has hit the most deprived areas hardest. Despite dealing with enormous financial pressures including austerity and the loss of the regional funding streams, the Council continues to prioritise economic development and regeneration of the county to support our communities.
- 9 Cuts to public sector budgets and the loss of Regional Development Agencies have meant there is less regeneration investment available. The 2008 banking crisis also hit the county hard as banks and investors sought to limit their financial risks and maximise returns, therefore our most disadvantaged communities have seen limited private investment.
- 10 As a consequence of this and the growth of the Internet and e-commerce, many of our town and village centres have suffered from the loss of shops, banks, pubs, and public services. This has led to an increase in vacant buildings which have increasingly deteriorated in condition and some buildings have become a target for anti-social behaviour thus blighting those areas. Many of these buildings have not been able to secure a viable and sustainable solution and in the absence of national funding programmes for community based renewal, it is therefore for the Council to intervene in order to resolve the associated issues faced by our communities.
- 11 Towns and Villages are a long-standing priority of the Council. In the context of the impact of the economic recession induced by the restrictions required due to the Covid-19 pandemic, our towns and villages face increased challenges. This significant boost to investment across the county will provide vital stimulus to support our towns and villages to revive and recover.
- 12 As highlighted within Towns and Villages Cabinet report (February 2021), the need to tackle vulnerable and often vacant buildings was raised by the public during consultation with the AAPs. By utilising the economic potential of vulnerable buildings and enabling opportunities for redevelopment and investment, this can also increase community and social value by addressing issues of anti-social behaviour whilst creating a more attractive appearance and safer local environment.

Tackling such buildings will support our communities and improve their resilience as part of wider economic recovery efforts.

- 13 Business rates data indicates that there are around 1,500 vacant commercial properties across the county as at January 2020. Commercial buildings can become vacant for a variety of reasons and can often occur in town centre locations. These buildings provide challenges in terms of their detrimental appearance in our towns and villages but can also present opportunities in terms of the ability to bring them back into a long-term economic use. In some circumstances they can also provide the potential to acquire them as part of the assembly of larger sites which can be attractive to private investment.
- 14 Records indicate that there are approximately 10,500 residential properties that are empty (6,400 of which have been empty for 6 months or more). Empty homes are an inevitable part of churn in a functioning housing market such as they are for sale or to let or awaiting renovation. However, there is a concern when homes have been empty for a long time, as they are not contributing to meeting housing needs, may have fallen into disrepair, may be unsightly and may cause neighbourhood nuisances as well as present a target for anti-social behaviour. A large proportion of these properties tend to be concentrated in disadvantaged areas, where the housing market is weak and demand is low.
- 15 The quality of the local environment is at the heart of the way that people experience where they live and where businesses invest. Vacant buildings and derelict and underused land can have a negative impact on our towns and villages by attracting anti-social behaviour, fly tipping, becoming overgrown or simply unsightly. This can be at the detriment to the quality of life of our people and a barrier to private investment.
- 16 There are significant benefits to bringing vacant buildings and sites back into use. This can enable prosperity in our towns and villages through utilising their economic potential, allowing for opportunities for redevelopment and investment, ensuring community and social value by addressing issues of anti-social behaviour and, by creating an attractive appearance and safe local environment.

### **Vacant Commercial Properties and Underused Land**

- 17 There are a range of mechanisms which are available to the Council in order to support businesses and owners bring empty commercial properties back into a positive use. These can include specialist officer advice, links to relevant Partner organisations and financial support through relevant business loans and grants. However, there are some

circumstances where the Council is left with no further option but to utilise its enforcement powers and as a last resort the Council can opt to use its powers under Compulsory Purchase Orders. When a problem building is first identified to the Council, a series of steps is first undertaken which in turn informs the level of intervention necessary. These include:

### *Identification*

- 18 The identification of vacant buildings and vacant sites can come about from a variety of sources. This could include through planning enforcement, complaints from the public, from potential investors, businesses, county councillors or from our other partners such as Durham Constabulary. An online reporting system is being developed to ensure that there is an easily accessible means for the public to report such buildings and thus ensuring a consistent approach. Property and land that is of concern to residents can also be reported via [townsandvillages@durham.gov.uk](mailto:townsandvillages@durham.gov.uk).

### *Establish*

- 19 It is necessary to collect as much information about the buildings or land as possible to inform the prioritisation and to establish the potential for a satisfactory outcome. This enables officers to understand the state and condition of the building and also helps to determine any likely challenges to the successful repurposing of the building or land. This is important at an early stage as this helps identify future end uses or issues to be overcome. Such information can include any planning or environmental constraints, for example flood risk.
- 20 Opportunities to bring commercial buildings back into use will be driven by a number of key considerations including: the location of the building; the condition of the building; ownership and market demand for an alternative use.
- 21 In determining any future opportunity for repurposing the building or land, it is imperative that the market demand and the future viability of the resulting end-use is fully understood. In some instances, conversion will not be appropriate, structurally possible or financially sound and demolition may be the most appropriate solution. In such circumstances, a temporary end-use may need to be considered such as grassed areas until a viable longer-term solution can be secured.

### *Engage / Educate*

- 22 The appointment of a case officer will enable the successful engagement with the property owner or landowner. This enables one consistent point of contact and opens up discussions to identify whether

there are barriers to bringing the building or land back into use. Any opportunities for support will be discussed at an early stage.

- 23 The case officer will assemble a multi-disciplinary project team to enable the identification of key deliverables. The project team will be assembled on the basis of individual property or site circumstances. In some situation it will be necessary to include Partner or other external organisations.

### *Encourage*

- 24 In many instances, support can be provided by the Council to determine an end use for the building or site. The case officer will work alongside the property or landowner to signpost to any further support or external funding opportunities or loans. A collaborative approach across the Council and other organisations can maximise the effectiveness of interventions, reduce blight and develop solutions for building which have reached the end of their viable or physical existence.
- 25 There are some proven support packages to encourage property owners to take positive actions with regards to commercial properties. The Targeted Business Improvement Grant Scheme is aimed at improving the overall environmental quality of an area and commercial vitality. The scheme offers businesses up to 70% of external improvement costs up to £20,000, although this is discretionary and larger / multiple premises could be offered more. The scheme supports anything from new start-up businesses to major developers. From April 2019 to February 2020, 12 schemes have been completed on vacant properties and a further 6 schemes are currently undergoing works.
- 26 The Property Reuse Loan Scheme is a new venture and to be integrated as a wider programme of works. The scheme seeks to support poor commercial building stock that contributes to an area's decline in order to encourage diversification of use. It is an interest free loan scheme to support the purchase or works to a building. Loans of up to £50,000 are available to be paid back within 10 years. Once the loan payments are repaid, this is then reused to support further properties.

### *Enforce*

- 27 The intention is that there will be a successful resolution to any problem building or site without the need for any formal action. There will however be some instances where formal powers will need to be actioned in order to enable a satisfactory outcome. There are a number of tools available to officers to tackle such issues such as through the provision of the Town and Country Planning Act 1990. This can be

used in situations where the amenity of the area is adversely affected by the condition of a vacant site, there is a justifiable public complaint and a lack of confidence that the owner will resolve the problem satisfactorily. Enforcement powers can be used effectively on a wide range of sites including large vacant industrial sites, town centre frontages, rural sites, derelict buildings and semi complete development.

- 28 Other enforcement powers include those under the Building Act 1984, sections 77 & 78 and Environmental Protection Act 1990. These can be used where a building or structure is considered to be dangerous or dilapidated or causing a statutory nuisance or premises which can affect health. In these circumstances, the Council can order an owner to make a property safe or allow the Council to take emergency action to make it safe.
- 29 Under the Local Government (Miscellaneous Provisions) Act 1982, if a local authority is satisfied that a building is unoccupied and the owner is temporarily absent, the local authority can take steps to secure that building against unauthorised entry or to prevent that building from becoming a danger to public health.
- 30 Compulsory Purchase Orders are an important tool to use as a means of assembling land needed to deliver social, environmental and economic change and, used properly, can contribute towards effective and efficient regeneration, essential infrastructure, the revitalisation of communities and the promotion of business. Compulsory purchase is intended as a last resort, however negotiations can be ongoing in parallel. Compulsory purchase must only be made where there is a compelling case in the public interest. A guide to the use Compulsory Purchase Powers is provided in Appendix 2.

## **Empty Homes**

- 31 In July 2019, Cabinet adopted the Housing Strategy which sets out housing issues across the county and provides a strategic framework to inform actions and investment to result in positive outcomes for housing related themes across the county. Addressing long term empty properties in communities most effected by them is a key outcome identified by the Housing Strategy and sets out the Council's involvement in a range of activities to bring empty properties back into use. In this context, Targeted Delivery Plans (TDPs) are an integral part of the County Durham Housing Strategy and relate to maintaining and improving the existing housing stock and the wider housing environment. TDPs have been developed as an approach to deliver an intensive, focused and coordinated programme of activities by the Council and its partners in areas most in need across the county.

Amongst other things, as part of the delivery of the TDPs, the Council will work to bring empty homes back into use wherever possible.

- 32 The approach to Empty Homes complements the approach of Selective Licensing. The aim is to raise the standard and quality of housing available in the Private Rented Sector and introduces quality standards to be met by landlords. Both approaches seek to achieve the same housing and community outcomes.
- 33 The Housing Strategy also identifies the potential to bring empty non-residential properties into use as residential properties. The Council has four approaches for addressing empty properties that mirror the themes identified above:

### *Identification*

- 34 There is also an online web form that can be utilised by anyone wishing to report an empty property, particularly where there is the potential for concern: <http://www.durham.gov.uk/emptyhomes>. Empty property data is also recorded by the Council for the purposes of council tax and is shared regularly with the Empty Homes team for the purposes of establishing property owners and to help identify where there are large concentrations of empty homes.

### *Establish*

- 35 In some cases, confirming who owns the empty property is straight forward, however this is not always the case. The Empty Homes Team will seek to identify ownership via various means including through council tax data; electoral register; the land registry; utility companies; paper advertisement and enquiries with neighbouring occupiers. If property owners cannot be traced and attempts have been exhausted, or the property is subject to a deceased estate with no living blood relatives, then proactive enforcement action will need to be taken.
- 36 Once ownership is established, the Empty Homes Team will work proactively with the owner(s) providing advice and practical support to assist and negotiate to bring properties back into use through property inspections, project management of refurbishment, financial assistance and support with selling / renting the property.

### *Engage / Educate*

- 37 The appointment of case officers will enable the successful engagement with the property owner or landowner. This enables one consistent point of contact and opens up discussions to identify whether there are barriers to bringing the building or land back into use. Any opportunities for support can be discussed at an early stage. In complex cases the

case officer will assemble a multi-disciplinary project team to enable the identification of key deliverables.

- 38 There are many deceased estates across the County which require intervention. In these instances, the team works to establish links with family members and the next of kin to identify long term solutions for any property which has been left behind by a deceased owner.
- 39 If property owners cannot be traced and attempts have been exhausted, then proactive enforcement action will need to be considered. In situations where there is no family member of a deceased estate found, Bona Vacantia will become involved with properties.

### *Encourage*

- 40 In many instances, support can be provided by the Council to bring an empty property back into use. The Empty Homes Loan is designed to provide financial assistance in order to help the owners of long-term empty homes (in council tax band A or B) to bring them back into use. It offers an interest free loan of up to £15,000 subject to qualification and conditions.
- 41 In addition to the above, the Financial Assistance Policy also makes provision for the Empty Homes Move in Grant, this product is designed to encourage the purchase of long term empty properties (in council tax band A or B) for owner occupation and is a grant of £2,500 subject to qualification.

### *Enforce*

- 42 The Empty Homes team analyses and monitors notifications of empty buildings and categorise them as long term/short terms/exemptions/social properties and deceased estates using a matrix which ensures a consistent approach for prioritisation. The matrix is used to determine the level of intervention required and enables a benchmark for consistency. Where necessary, details of empty properties of concern will be shared with partner organisations as part of our data sharing arrangements.
- 43 A range of information, advice and practical support is provided to assist in returning property back into use. The approach will follow established principles of engagement, education and encouragement. However, there are many properties where all reasonable negotiations have failed, or the property is subject to a deceased estate, where proactive enforcement action is required such as through an Enforced Sale Procedure; Empty Dwelling Management Order; Compulsory Purchase Orders.

- 44 To progress any of the above enforcement powers, statutory notice under other legislation must be served and contravened in the first instance, therefore long-term enforcement to bring a property back into use requires a corporate approach.

### **Empty Property Protocol**

- 45 The processes identified above are also supplemented by a Partnership approach to considering empty properties through the Empty Properties Joint Working Protocol. This is routed in wider partnership working linked to our Multi-Agency Problem Solving Groups (MAPs).
- 46 The purpose of this protocol is to establish a framework for joint working between the Council, Durham Constabulary (DC) and the County Durham and Darlington Fire and Rescue Service (CDDFRS) in tackling issues associated with empty properties, particular incidents of antisocial behaviour, arson, fire risk and nuisance behaviour.
- 47 This partnership protocol sets out how problem properties will be tackled and focuses our powers and approach as detailed in Appendix 3. There is an opportunity through this Protocol to provide an escalated and enhanced response for certain high-risk areas in need of intervention. This will be data driven and it is proposed that more scoping work is done to identify these areas across the County which links into the Towns and Villages and Targeted Delivery Plan evidence base and County Durham Together.

### **Prioritisation of action**

- 48 An integrated approach to tackling empty properties as part of comprehensive regeneration opportunities will be actively explored as a means of achieving wider improvements. This will be delivered through a programme of targeted investment that focus on areas of local concern.
- 49 To ensure a consistent approach to prioritising resources, a series of considerations will be taken to consider the following issues:
- (a) whether active marketing is on-going to establish an alternative use;
  - (b) whether there is any debt which has been acquired against the property or site;
  - (c) any reports or known social issues such as reports of crime, anti-social behaviour or arson, linked to the Empty Property Protocol;

- (d) the condition of the building or land, including security and whether there are any environmental health issues such as the presence of vermin;
- (e) whether the disrepair is affecting / damaging adjacent properties; and
- (f) the location and whether there are any potential regeneration opportunities and / or links to any other on-going programmes of works.

## **Pilot Projects**

- 50 The Council has successfully undertaken positive action on a site in Seaham after the owners of the property failed to comply with legal notices requiring them to carry out the work. The owners were issued with a notice in August 2018 to remove and cease storage of vehicles at the back of the building; demolish the buildings and remove all waste; and leave the site free from rubble and other materials. It followed concerns about the condition of the building, which is in a conservation area. The owners failed to comply and following legal action, the building has been demolished and the site cleared. Future opportunities for the site are now being explored.
- 51 Significant progress has been made in recent years in returning long term empty homes back into use. Since 2014/15 over 1,200 properties have been brought back into use through a number of methods including proactive work in areas where there are ongoing efforts by other Council services and external partners aimed at improving communities and the immediate environment. The majority of properties have been brought back into use through a combination of negotiation and financial assistance. The latter utilises the Council's Financial Assistance Policy (FAP) to provide grants and loans to owners of empty properties in Council Tax bands A and B with a view of leading to increased sustainability in areas suffering with low demand.

## **Feedback Loop and Communication**

- 52 To ensure that the potential of these buildings can be unlocked as a driver for change in our towns and villages, it is necessary that a consistent approach is developed to deal with these issues. The prioritisation of the identified buildings and sites will be reported through the governance arrangements established through the Towns and Villages Programme. Any key messages will be delivered in a timely and consistent manner and local Members will receive regular feedback regarding on-going prioritisation in their areas.

## **Conclusion**

- 53 There are significant benefits to bringing vacant buildings and sites back into use whether they be vacant commercial buildings, derelict land or empty homes. This can enable prosperity in our towns and villages through utilising their economic potential, allowing for opportunities for redevelopment and investment, ensuring community and social value by addressing issues of anti-social behaviour and by creating an attractive appearance and safe local environment.
- 54 This report highlights the powers that we have as a Council and how we are working through the alignment of services and with key partner organisations to Identify, Engage, Educate and if necessary, Enforce, to overcome issues with vacant buildings and derelict land. Where all alternatives have been exhausted, it may be necessary to utilise enforcement powers and explore the use of Compulsory Purchase Powers including the use of Compulsory Purchase Orders (CPO) in priority situations. This needs to be managed appropriately and prioritised as this process is time consuming and needs to be seen as a last resort after other avenues have been explored. A more detailed guide to the CPO process is contained in Appendix 2 of the report.

## **Background papers**

- Cabinet Report, Towns and Villages Strategy, October 2020
- Cabinet Report, Towns and Villages Investment Plan, February 2021
- Durham County Council's Housing Strategy, July 2019

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## **Appendix 1: Implications**

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### **Legal Implications**

This report highlights a range of initiatives which the Council has the legal powers to tackle. Legal officers will be involved to advise on the formal steps which will need to be taken in order to action the initiatives.

### **Finance**

The proposals represent an additional demand on capital directed towards town and village regeneration. The proposals as identified seek to maintain the town centre capital programme at its current level while widening work to include support for further regeneration in towns and villages aligned to local priorities.

### **Consultation**

No identified implications at this stage. Individual project consultations to be undertaken in line with established processes.

### **Equality and Diversity / Public Sector Equality Duty**

The Council acknowledges that, in exercising its functions, it has a legal duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations. This duty applies to all people defined as having protected characteristics under that legislation.

### **Climate Change**

No implications identified.

### **Human Rights**

The Council will need to ensure when exercising any of its legal powers that human rights implications are considered. There are a number of powers which, if exercised, have the potential to interfere with human rights. Any implications of any works to properties, legal restrictions on the use of properties, enforced sales or compulsory purchase (etc) will be considered in detail in the context of specific proposals.

### **Crime and Disorder**

The prioritisation of intervention will consider any reports or known issues including crime. Where necessary, liaison will be had with Durham Constabulary.

## **Staffing**

The current delivery of town centre regeneration activity is undertaken by established teams in liaising with colleagues across the Council. The scale and scope of the proposals identified will have staffing implications in terms of both programme and project management.

## **Accommodation**

No implications identified.

## **Risk**

Individual projects will have risks assessed and managed as part of project management processes.

## **Procurement**

No implications identified.