

Cabinet (Resources) Panel

21 May 2019

Report title	Acquisition of Privately Owned Empty Property by Agreement or Compulsory Purchase: 50 Crowther Street, Wolverhampton WV10 9AG	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Key decision	No	
In forward plan	Yes	
Wards affected	Bushbury South & Low Hill Ward	
Accountable Director	Kate Martin (Director of City Housing)	
Originating service	Private Sector Housing	
Accountable employee	Richard Long Tel Email	Housing Improvement Officer 01902 555705 Richard.long@wolverhampton.gov.uk
Report to be/has been considered by	Housing Leadership Team	1 May 2019

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Director of City Housing to negotiate terms for the acquisition of the property 50 Crowther Street, Wolverhampton WV10 9AG, and, in default of that acquisition, give authority for a compulsory purchase order (CPO) to be made under Part II Section 17 Housing Act 1985 in respect of the property.
2. Approve expenditure for the potential acquisition of the property, with subsequent capital receipts being recycled within the Empty Property Strategy programme.
3. In the event that the property is improved and re-occupied to the satisfaction of the Director of City Housing, authorise withdrawal of the property from the CPO.

4. Following any acquisition, authorise the Director of City Housing to dispose of the property on the open market on condition that the property is refurbished and re-occupied within six or 12 months (as appropriate to the scale of the works).
5. Authorise the Head of Legal Services to:
 - a) Take all reasonable steps as soon as it is reasonably practical to secure the making, confirmation and implementation of the CPO including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry.
 - b) Approve agreements with the owners of the property setting out the terms for the withdrawal of objections to the CPO, and/or making arrangements for re-housing or relocation of any occupiers.
 - c) Approve the making of a General Vesting Declaration (the property is brought into Council ownership via this process).
 - d) Approve the disposal of the whole and/ or parts of the property by auction, tender or private treaty.

1.0 Purpose

- 1.1 The purpose of this report is to request the Panel to authorise the acquisition of 50 Crowther Street, Wolverhampton WV10 9AG. by negotiation or by the making of a Compulsory Purchase Order (CPO) under Section 17 of Part II of the Housing Act 1985. Should it be possible to reach agreement on a mutually acceptable undertaking, agree to the withdrawal of the property from the CPO.
- 1.2 This decision is in support of the Council's Empty Properties Strategy which aims to bring long term empty properties back into use.
- 1.3 The reoccupation of empty properties brings in additional income to the Council via the New Homes Bonus paid to Local Authorities as a result of increased housing supply.

2.0 Background

- 2.1 The property, highlighted on the attached plan, is a mid-terraced property that has been empty since 20 April 2015. Occupation of the property was prohibited under the Housing Act at that time and the owner has failed to carry out the necessary repairs.
- 2.2 The owner was the subject of a bankruptcy order in 2017 which resulted in a number of properties being sold by the trustee. 50 Crowther Street was not one of the properties sold as part of the bankruptcy process.
- 2.3 A Notice under Section 29 of the Local Government (Miscellaneous Provisions) Act 1982 resulted in the Council carrying out works to secure the property in default in October 2018. A further Notice under Section 215 of the Town and Country Planning Act 1990 requiring the owner to remedy the detrimental effect of the property and land has not been complied with. The owner has not contacted the Council or made any appeal against either of the Notices served.
- 2.4 The principle of establishing a revolving fund to drive forward the Private Sector Empty Property Strategy was approved by Cabinet on 11 January 2006. The revolving fund provides for properties that are consistent with the strategy to be acquired, marketed for sale and brought back into residential occupation. The arrangements proposed for the property identified are consistent with that strategy. Should the Compulsory Purchase Order be confirmed in favour of the Council, the Council would seek to dispose of the property by tender, auction, or private treaty. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit.

3.0 Evaluation of alternative options

- 3.1 There are three options that the Council could consider:
 - a) Do nothing – the property is likely to remain empty, continue to be a wasted housing resource, continue to have a detrimental effect on the amenity of the area and continue to be a drain on the public purse.

- b) Empty Dwelling Management Order (EDMO) – An EDMO is considered to be a less draconian option than a compulsory purchase. However, the cost of refurbishment for this property would place a strain on the Council's finances. It would not be possible to recover the cost of initial refurbishment and subsequent management/maintenance through the rental income generated over the seven years that a Final EDMO could be in place.
- c) Compulsory Purchase Order (CPO) – The prospect of a CPO often prompts the owner to act leading to the property being refurbished and re-occupied. However, if it is necessary to acquire the property, the proposals for the onward disposal and refurbishment ensure that the property is brought back into use at a minimum cost to the Public Purse.

3.2 Based on the above it is recommended that the option of a Compulsory Purchase Order is progressed.

4.0 Reasons for decision(s)

4.1 The reasons for the decision are:

- a) To ensure that the property provides much needed housing by prompting the owner either act voluntarily or via enforcement through a CPO.
- b) To ensure that the property does not continue to be a drain on public resources.
- c) To ensure that the detrimental effect that the property is having on the area is removed.
- d) To ensure that the property has a positive financial impact on the public purse through additional New Homes Bonus funding.
- e) The proposal to pursue a CPO is the most cost effective in terms of financial and physical resources for the Council.

5.0 Proposals

5.1 Where it is necessary to make a Compulsory Purchase Order and this is subsequently confirmed in favour of the Council, the Council would usually seek to dispose of the property by tender, auction, or private treaty. The property would be sold with the condition that the property is brought back to a required standard of repair within a specified time limit. This will also apply to any negotiated acquisitions.

6.0 Financial implications

- 6.1 In the event of an acquisition, the costs can be met from the approved capital budget for of £626,000 for the Empty Property Strategy. The subsequent sale of the property would result in a capital receipt ring-fenced to finance future purchases through the Empty Property Strategy. Any non-capital costs incurred between purchase and sale, for example security measures, must be met from current private sector housing budgets.
- 6.2 As the Notice under Section 215 of the Town and Country Planning act 1990 has not been complied with, the additional statutory 7.5% compensation payment will not be applicable in this case.

- 6.3 Bringing empty properties back into use attracts New Homes Bonus to the City Council and will result in additional council tax revenue.
[JM/180402019/L]

7.0 Legal implications

- 7.1 Section 17 of the Housing Act 1985 empowers local housing authorities to compulsorily acquire land houses or other properties for the provision of housing accommodation. However, the acquisition must achieve a qualitative or quantitative housing gain. In order to make a Compulsory Purchase Order under this power and achieve successful confirmation, the Council will need to show compliance with the requirements of the relevant statutory provision and circular 06/2004 Compulsory Purchase and the Crichel Down Rules. Where there are objections to a Compulsory Purchase Order the matter may go forward to a public inquiry and specialist Counsel may need to be engaged to present the Council's case.
- 7.2 Article 1 of Protocol 1 of the Human Rights Act 1988 guarantees peaceful enjoyment of possessions and would be engaged by the making of a CPO. However, the contents of this report and the actions recommended are considered to be proportional and compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.
[TS/17042019/W]

8.0 Equalities implications

- 8.1 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed and this does not indicate any adverse implications. Bringing an empty property back into use will improve the visual amenity of the area and can make the area more welcoming to some groups covered by the Equality Act 2010, in doing so this will promote participation in public life.

9.0 Environmental implications

- 9.1 Long term empty properties can have a detrimental impact on neighbourhood sustainability and cause environmental blight. Bringing the property back into residential use will improve the appearance of the neighbourhood, enhance property conditions and contribute to the regeneration of the City, meeting the Council's strategic objectives.

10.0 Human Resources implications

- 10.1 There are no human resources implications arising from this report.

11.0 Corporate landlord implications

- 11.1 Where applicable, Corporate Landlord Estates Team will be required to produce valuations and arrange for the appropriate disposal of the property by auction or private treaty.

12.0 Health and Wellbeing implications

- 12.1 Bringing an empty property back into use will improve the health and wellbeing of the new occupants by providing safe and secure housing.
- 12.2 Enabling occupation and removing the detrimental effect of the property will reduce the anxiety associated with crime and the fear of crime that living adjacent to an empty property can cause.

13.0 Schedule of background papers

- 13.1 An Action Plan to Deliver the Empty Property Strategy 11 January 2006.
- 13.2 Private Sector Empty Property Strategy 2010-2015.
- 13.3 The Council's Annual Housing Supply Statement, 31 March 2018.

14.0 Appendices

- 14.1 Appendix 1 – Photographs
- 14.2 Appendix 2 - Site plan