

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 24 April 2024
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Report title	Acquisition of Privately Owned Empty Property by Agreement or Compulsory Purchase: 11 Brown Street, Wolverhampton, WV2 1HR	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans Deputy Leader: City Housing	
Key decision	No	
In forward plan	Yes	
Wards affected	Ettingshall North	
Accountable Director	John Roseblade, Director of Resident Services	
Originating service	Private Sector Housing	
Accountable employee	Richard Long Tel Email	Housing Improvement Officer 01902 555705 Richard.long@wolverhampton.co.uk
Report to be/has been considered by	Resident Services Leadership Team	26 March 2024

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Director of Resident Services to negotiate terms for the acquisition of the property 11 Brown Street, Wolverhampton, WV2 1HR, 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 Resident Services, authorise withdrawal of the property from the CPO.
4. Following any acquisition, authorise the Director of Resident Services to dispose of the property on the open market on condition that the property is refurbished and reoccupied within six or 12 months (as appropriate to the scale of the works).

5. Authorise the Chief Operating Officer 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 11 Brown Street, Wolverhampton, WV2 1HR. 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 and photograph (Appendix 1 and 2) is a mid-terraced property that has been empty and awaiting probate since June 2014.
- 2.2 While some contact has been established with a family member/ possible beneficiary, the matter has not progressed to a stage where legal representation has been instructed to resolve the estate and property of the deceased. The property is not registered with Land Registry and the family member/ beneficiary have been unable to provide evidence of a will being available.
- 2.3 A Notice under Section 215 of the Town and Country Planning Act 1990 requiring the owner to remedy the detrimental effect of the property was served on 8 June 2023. The Notice became effective on 8 July 2023 and no contact or appeal has been made by the owner/ the owners beneficiaries. Due to the extent and nature of the work required, a compliance date of 8 September 2024 was set. However, as there has been no progress it is now considered prudent to begin the process of acquisition. It will be possible to pause or withdraw from the Compulsory Purchase Order should reasonable progress be made to resolve the estate of the deceased.
- 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. This will also apply to any negotiated acquisitions.

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 could place a strain on the Council's finances. It may 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 the 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 to 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 Financial implications

5.1 In the event of an acquisition, the costs can be met from the approved capital budget for of £241,000 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.

5.2 As the Notice under Section 215 of the Town and Country Planning act 1990 has been served the additional statutory 7.5% compensation payment will not be applicable if the Notice is not complied with.

- 5.3 Bringing empty properties back into use attracts New Homes Bonus to the City Council and will result in additional council tax revenue.
[JM/14032024/G]

6.0 Legal Implications

- 6.1 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.
- 6.2 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 proportionate and compatible with the Human Rights Act 1988, particularly bearing in mind the above checks and balances on the Local Authority's power.
[TC/11032024/A]

7.0 Equalities implications

- 7.1 Equalities implications have been considered throughout the process and in assessing the outcome. An Equality Analysis has been completed for similar acquisitions of privately owned empty properties and the analysis does not indicate any adverse implications or impacts. 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.

8.0 All other implications

- 8.1 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.
- 8.2 Bringing an empty property back into use will improve the health and wellbeing of the new occupants by providing safe and secure housing.
- 8.3 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.

9.0 Schedule of background papers

- 9.1 Empty Homes Policy and Strategy 2019 – 2024.

9.2 The Wolverhampton Strategic Housing Land Availability Assessment (SHLAA).

10.0 Appendices

10.1 Appendix 1: Site Plan

10.2 Appendix 2: Photographs