

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 20 October 2021
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Report title	Acquisition of Privately Owned Empty Property by Agreement or Compulsory Purchase: Sunnyside, Inkerman Grove, Wolverhampton, WV10 0EU	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	No	
In forward plan	Yes	
Wards affected	Heath Town	
Accountable Director	Ross Cook – City Housing and Environment	
Originating service	Private Sector Housing	
Accountable employee	Richard Long	Housing Improvement Officer
	Tel	01902 555705
	Email	richard.long@wolverhampton.gov.uk
Report to be/has been considered by	City Housing and Environment Leadership Team	28 September 2021

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Authorise the Director of City Housing and Environment to negotiate terms for the acquisition of the property Sunnyside, Inkerman Grove, Wolverhampton, WV10 0EU 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 and Environment, authorise withdrawal of the property from the CPO.
4. Following any acquisition, authorise the Director of City Housing and Environment 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 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 Sunnyside, Inkerman Grove, Wolverhampton, WV10 0EU by negotiation or by the making of a Compulsory Purchase Order (CPO) under Section 17 of Part II of the Housing Act 1985 (CPO). 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 an end-terraced property that was reported as empty in August 2016. Although the property did appear empty at the time, information was provided that the property was occupied. Due to the derelict and dilapidated condition of the property attempts were made to engage with the occupier to make an assessment for housing assistance. Unfortunately, the occupier did not come forward for assessment or assistance.
- 2.2 The property is currently listed on Council Tax as empty and furnished since 2015. It is difficult to establish precise periods of occupation without the co-operation of the occupier. However, it is confirmed that the property is currently empty. Contact has been made with the both parties listed as having title at land registry and assistance has been offered to resolve the matter. However, assurances from the owners that action to deal with the disrepair of the property and overgrown gardens has not taken place. In order to deal with the external disrepair and dilapidation of the property, a notice under Section 215 of the Town and Country Planning Act 1990 requiring the owners to remedy the detrimental effect of the property was served. No appeal against the notice was made and the notice has not been fully complied with.
- 2.3 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. If the property is re-occupied without substantial renovation, the condition of the property is likely to be detrimental to the health of the occupier(s) and the safety of both the occupiers and neighbouring properties/ persons could be at risk.
- 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 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 set out at 5.0 of this report ensure that the property is brought back into use.

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(s) either act voluntarily or via enforcement through a CPO.
- b) To ensure that health and safety concerns arising from the condition of the property are dealt with.
- c) To ensure that the property does not continue to be a drain on public resources.
- d) To ensure that the detrimental effect that the property is having on the area is removed.
- e) To ensure that the property has a positive financial impact on the public purse through additional New Homes Bonus funding.
- f) 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.

5.2 Dependant on suitability and the resources available at the time of the acquisition, the property may be suitable to be brought back into the housing stock of the Council. If this option is considered appropriate, this would be the subject of a further report to Cabinet (Resources) Panel.

6.0 Financial implications

6.1 In the event of an acquisition, the costs can be met from the approved capital budget for 2021-2022 of £410,000 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/02092021/P]

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.
[TC/23092021/B]

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 All other 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, contribute to the regeneration of the City and help to meet the Council's strategic objectives.
- 9.2 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.
- 9.3 Bringing an empty property back into use will improve the health and wellbeing of the new occupants by providing safe and secure housing.
- 9.4 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.

10.0 Schedule of background papers

- 10.1 An Action Plan to Deliver the Empty Property Strategy 11 January 2006;
- 10.2 Private Sector Empty Property Strategy 2019-2024;
- 10.3 The Council's Annual Housing Supply Statement, 31 March 2020.

11.0 Appendices

- 11.1 Appendix 1 – Site plan
- 11.2 Appendix 2 - Photographs