



Cabinet
13 November 2017

**Report from the Strategic Director
of Community Wellbeing**

Ward Affected:
Northwick
Park

**Compulsory Purchase of a Residential Property in the
Kenton Area**

Not for publication:

Appendices 1, 2, 3 and 4 to this report are not for publication as they contain the following categories of exempt information as specified in Part 1, Schedule 12A of the Local Government Act 1972, namely:

- Paragraph 1 - Information relating to an Individual; and
- Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

1.0 Purpose of the Report

1.1 This report seeks Members' approval to make a Compulsory Purchase Order of a residential property in the Kenton area of the borough of Brent. .

1.2 Despite much communication and advice the owner that has been provided in respect of this long term empty property, the owner is making no determined or on-going effort to bring the property back into use. A report to the Executive Committee recommending compulsory purchase of this property by the Council was made a number of years ago, the details of which are set out in Appendix 1. Just before the case went for submission to the Secretary of State the owner placed tenants in the property, as it was no longer empty the case to compulsory purchase was withdrawn following consideration of legal advice. Since then the property has become empty again, has not been maintained by the owner and is now squatted. Council officers submit that obtaining compulsory purchase is justified and they are of the opinion that it is the most effective solution. Acquisition of the property by the Council and the subsequent sale and refurbishment will achieve a quantitative and qualitative housing gain,

improve the aesthetics of the local area and remove the on-going anti-social behaviour.

2.0 Recommendations

- 2.1 That Cabinet agrees to use its compulsory purchase powers to acquire the property in the Kenton area of the borough of Brent,, the full address of which is set out in Appendix 1 to this report, under section 17 of the Housing Act 1985.
- 2.2 Authorise the Chief Legal Officer to make and seal the Compulsory Purchase Order in respect of the property for submission to the Secretary of State for Communities and Local Government for consideration and approval. Further, to authorise the Chief Legal Officer to confirm the said Compulsory Purchase Order in the event of the Secretary of State approving the Order.
- 2.3 Upon confirmation of the Compulsory Purchase Order to proceed with the acquisition.
- 2.4 Subject to confirmation of the Compulsory Purchase Order by the Secretary of State for Communities and Local Government, Cabinet do approve the disposal of the property through the Council's i4B project in the first instance if it was an affordable option for their scheme, to a Registered Social Landlord, or to a Private Developer (in which case the sale would be by way of auction) with covenants applied to bring the property back into use as soon as possible.

3.0 Details

- 3.1 Further details regarding the property in addition to what is set out in paragraph 1.2 above are set out in Appendix 1 to this report.
- 3.2 There is a shortage of social housing creating a greater dependency on the private rented sector and increasing the need for the council to make the most of the empty homes throughout the borough. Empty homes are critical in Brent, we are responding to complex needs for housing and working towards increasing this supply by returning empty dwellings to use.
- 3.3 Brent has acute housing pressure, there are over 19,000 households currently on the housing register
- 3.4 Brent has a culturally diverse population and needs a variety of types of homes – for rent and sale, for single people and for families with children.
- 3.5 Current and future need for homes prompts us to make better use of all our existing housing resources, which include empty properties.
- 3.6 Council tax records show that there are 1259 empty properties within the borough of which 859 properties have been empty for 6 months or more.
- 3.7 Empty properties have a significant contribution to make in Brent's development of a sustainable community, returning them to use helps to increase the housing

supply to meet our housing needs, improves the condition of the area and brings increased revenue through council tax. An empty property is a wasted resource especially when there is a need for housing and a shortage of supply.

4.0 Financial Implications

- 4.1 The basis of the CPO transaction is that upon transfer of ownership to the new freeholder, the capital receipt derived from the sale passes over to the owner. Any costs incurred by the Council in relation to the CPO transaction cannot be funded from the capital receipt. Any cost incurred by the council in bringing the CPO either to an aborted or successful CPO scheme cannot be deducted from the capital receipts. These costs will need to be paid for by the council, and they will need be funded from Private Housing Services existing capital grant budget for returning empty properties back to use.
- 4.2 If the Compulsory Purchase Order is confirmed by the Secretary of State for the Department of Communities & Local Government Brent will proceed if necessary with the acquisition of the property. Compensation will be payable to the owner based on the valuation on the date of possession, which could be higher or lower than the council's valuation.
- 4.3 The Council will be liable for the owner's reasonable surveyors' costs and legal fees associated with the conveyance which is estimated at £2,500. The council will also be liable for Stamp duty and costs to secure the property.
- 4.4 Officers will aim to identify a Registered Social Landlord to purchase the property on a back-to-back sale, to provide social housing. If a Registered Social Landlord cannot be identified an approved financially viable private sector developer will be identified, likely through auction, who can purchase the property from Brent as quickly as possible after the Council has acquired ownership. The property will be sold subject to covenants requiring the purchaser to carry out comprehensive refurbishment within a defined timescale. It is likely that the property will be sold on prior to the payment of compensation to the owner.
- 4.5 As can be seen at appendix 6, the costs of taking CPO could be in the region of £39,810 for an uncontested application and £54,740 should the case go to public hearing. It is proposed to fund this via the council's empty home grant programme if the CPO is successful. Stamp Duty Land Tax could be avoided if development work needs to be carried out by the new owner, if not we may be able to pass this cost onto the new owner.

5.0 Legal Implications

- 5.1 The Council has the power to purchase land and housing in order to provide housing or in order to sell to someone else to provide housing under section 17 of the Housing Act 1985. The Council can exercise this power either by purchasing the property by agreement or compulsorily with the consent of the Secretary of State. Compensation will be payable to the owner of the property.

- 5.2 Section 18 of the Housing Act states that where a local housing authority acquire a house, or a building which may be made suitable as a house, they shall make sure that the building is made suitable either by executing any necessary works themselves, or by leasing it or selling it to some person, subject to conditions for ensuring that they will make it suitable. The building should also be used as housing accommodation as soon as is practicable after the acquisition, or after the completion of any necessary works. Therefore, if the Council wishes to dispose of the property immediately then the transfer must contain an obligation for the purchaser to carry out the necessary repairs and improvements so that the property is brought back into use for housing within a specified time limit. Depending on the timing of any disposal the Council may have to forward fund any compensation payable to the owner if the sale proceeds are not received in time to pay the compensation.
- 5.3 In accordance with section 32 of the Housing Act 1985 once the property is acquired, the property can be disposed of in any manner the Council wishes but must first obtain the consent of the Secretary of State. Depending on who the buyer is and the agreement reached, specific consents may not be required if the General Consents issued by the Secretary of State can be relied on.
- 5.4 Officers have considered this proposed Compulsory Purchase Order in the light of the relevant provisions of the Human Rights Act 1998, Article 1 (no one should be deprived of his possessions except in the public interest), Article 6 (right to a fair trial – the owners have the right to appeal to the secretary of state and then also to the high court) and Article 8 (right to respect for private and family life, home and correspondence – the right to full and proper compensation) of the Human Rights Act 1998.
- 5.5 In view of the factors set out in this report officers consider that the exercise of compulsory purchase powers is justified by reason that it is in the public interest and authorised by law. Every effort to encourage the owner to bring the property back into use has been exhausted and compulsory purchase is the last resort left available to the council

6.0 Diversity Implications

- 6.1 The 2011 census data showed that Brent has the second highest ethnic minority population in England and Wales. However, there are no equalities implications for this report.

7.0 Staffing/Accommodation Implications (if appropriate)

None specific.

8.0 Background Papers

None.

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