

**To:** City Executive Board

**Date:** 29 January 2015

**Report of:** Head of Housing & Property Services

**Title of Report:** Compulsory Purchase Order (CPO) – Cowley Road, Oxford

## **Summary and Recommendations**

**Purpose of report:** To obtain approval to initiate Compulsory Purchase proceedings in relation to a long term empty property at Cowley Road, Oxford in accordance with the approved Empty Homes Strategy 2013-2018.

**Key decision:** Yes

**Executive lead member:** Councillor Scott Seamons

**Policy Framework:** Meeting Housing Needs

**Recommendation:** That the City Executive Board delegate authorisation to the Head of Housing and Property, in consultation with the Head of Law and Governance, the Head of Finance and the Regeneration and Major Projects Service Manager, to initiate Compulsory Purchase proceedings (preferred option) to acquire all interests in the property situated in Cowley Road, Oxford and to then dispose of the property in accordance with the Disposal Options set out in this report

## **Appendices**

Appendix A - Site Plan - Exempt from Publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Appendix B - Correspondence in respect of the property. Exempt from Publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Appendix C - Potential Cost of CPO process - Exempt from Publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Appendix D - Risk register

Appendix E - CPO Process Diagram

## **Background**

1. Housing shortages and increasing housing needs are significant problems within Oxford City. The Council currently has over 3,000 households on its housing register, and has continuing problems in securing suitable affordable housing.
2. Central Government encourages Local Authorities to ensure that the wasted assets of Empty Homes are returned to the useful housing stock. The Government expects all authorities to have an Empty Property Strategy.
3. On 22 March 2013 CEB approved the Council's Empty Homes Strategy. This Strategy promotes the use of compulsory purchase powers for long term empty properties and accords with the recommendations of the National Planning Policy Framework 2012.
4. The subject property could provide five flats and is a magnet for anti-social and criminal activities. The police have over 20 reports of nuisance at the property since 2008. There are also associated health and safety risks to officers visiting the property and to the general public. A report by the Fire Service advises that it is not structurally safe for officers to enter the property should they be required to attend any incidents
5. The subject property is a pavement fronted, substantial three storey with basement, end of terrace building. The property is of Victorian construction with a later extension in the 1990's. The property has been unoccupied for approximately 10 years.
6. There have been numerous planning applications submitted by the current owner but latest was made in 2000 for conversion to five self-contained flats (2 one bed and 3 studio flats) and works have started but remain incomplete.
7. The property is believed to have been empty since August 1996 although it has been squatted in over the last 4 years on a number of occasions. Since 2008 the deterioration of the property has given rise to complaints to the police from the local community and elected members. In February 2012 the property sustained substantial damage as a result of arson.
8. Notices to secure the property and to clear the amenity area of rubbish have been served and work in default carried out, including securing the property. Invoices sent to the owner at his known address have been returned as 'occupier unknown' and the Council is owed £2,707.50.

9. A letter has been sent by Oxford City Council to the owner offering to purchase the property. The owner declined the Council's offer. The owner did intimate that he wished to renovate the property but did not have funds and has provided no timescale for any such action.
10. The owner of this property also owns two other properties which are in a similar condition. Notices have been served in respect of one of the properties including a Town and Country Planning Act 1990 S.215 Land adversely affecting amenity notice, served in July 2010 which to date has not been complied with. Consideration is being given as to whether to pursue similar CPO proceedings on these properties.
11. The purpose of the proposed compulsory purchase proceedings is to bring this long term vacant property back into use. The Council would be willing to negotiate with the owner to buy the house by voluntary agreement and indeed has attempted to do so. The Council would also be willing to refrain from implementing the confirmed compulsory purchase order in the event that the owner renovated the property and brought it back into use before the property was vested in the Council.

## **Options**

### Do nothing

12. This is not considered an appropriate option. The property would continue to attract anti-social behaviour and remain a waste of potentially good housing accommodation. The continued absence of maintenance and proper management would allow it to become an increasing environmental blight on the neighbourhood.

### Enforced sale

13. The Law of Property Act 1925 empowers a Local Authority to enforce the sale of a property where it holds a Local Land Charge against it. Whilst the Council could consider this option, should the debt be recovered the process would be halted and it is of serious concern that the property will remain unoccupied.

### Empty Dwelling Management Order

14. Local Authorities can consider making Empty Dwelling Management Orders (EDMO) under the Housing Act 2004 to address the improvement and future use of empty dwellings. The maximum period for an EDMO is 7 years although this may be extended provided it is not disputed. An EDMO is not considered appropriate in this case as the anticipated costs of the required works are greater than could be recovered through rental income over 7 years.

### Other Enforcement Powers

15. Various legal powers are available to a local authority to improve the condition of a neglected building, to deal with structural danger, nuisance or other environmental problems. These measures can only be viewed as piecemeal, reactive and relatively expensive short term approaches and do not provide the long term solution presented by the report proposal. Further measures are not generally considered appropriate to this case except service of notices as referred to in confidential appendix C which will be served prior to commencement of CPO proceedings.

### A voluntary sale

16. A voluntary way forward is always the preferred option. The Council has offered to purchase the property although this has been declined. It may be that as a result of the proposed compulsory purchase order being made the owner may review his decision.

### Compulsory Purchase Order

17. The most appropriate way of securing beneficial housing use for this site is by the making of a Compulsory Purchase Order. The property will be acquired by the Council and then sold for renovation/ redevelopment, or sold to a Registered Provider (RP) with a view to developing the site for further housing provision. This is the recommended option.

### **Legal Issues**

18. The Council has the power under s226 (1) (a) of the Town and Country Planning Act 1990, which has been amended by the Planning and Compulsory Purchase Act 2004 to acquire land and buildings to secure their improvement, development or redevelopment, provided that this will bring about environmental, economic or social benefits.
19. The main supporting legislation includes the Acquisition of Land Act 1981 (compulsory purchase procedure), the Compulsory Purchase Act 1965 (post confirmation procedure) and the Land Compensation Act 1961 (amount and assessment of compensation).
20. The Compulsory Purchase Order must be advertised locally and copies served on all owners and qualifying parties. An objection can be raised by any statutory objector during the stipulated period. If such an objection is received and not withdrawn during the stipulated period the Secretary of State may cause a public local inquiry to be held. This affords the objector an opportunity to be heard and appear before a person appointed by the Secretary of State.

## **Financial Issues**

21. A guide to the potential cost of the CPO is shown as Appendix C. An indicative valuation for the subject property is also included within this cost guide. The appendix presents costs of various options relating to the CPO process. This appendix is excluded from publication as it contains commercially sensitive information.
22. In the 2015/16 budget, there is a sum of £750,000 for the purchase of Empty Dwellings through the CPO process. Potential costs arising from the CPO, acquisition and disposal process can be accommodated within the available budget (Appendix C).
23. If the process proceeds as envisaged the sale of the property would be achieved prior to the payment of compensation to the owner and thereby cash flow risks to the Council budgets would be minimised and have no or minimal impact on budgets.
24. In addition to bringing much needed accommodation back into use within the city the Council's Empty Homes Strategy has a positive financial effect by increasing council tax income and increasing the amount of New Homes Bonus which provides some £11,000 pa of additional income for the first six years and £5,500 pa thereafter (Assuming current rates of Council Tax)

## **Environmental Impact**

25. The implementation of the Empty Property Strategy will result in a positive environmental impact by reducing the number of empty properties that cause nuisance to neighbourhoods and attract anti-social behaviour. Ensuring previously empty properties and derelict land are brought back into productive use has a positive impact on Oxford City regeneration

## **Level of Risk**

26. A risk assessment has been undertaken and the risk register is attached at Appendix D. All the risks have been mitigated to an acceptable level.

## **Equalities Impact**

27. There are no adverse impacts that are predicated.

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**List of background papers:** None

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