

Leicester  
City Council

**WARDS AFFECTED:**

**Aylestone, Knighton,  
Rushey Mead, Western Park,  
Eyres Monsell**

**Report to Cabinet:**

**26<sup>th</sup> September 2005**

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**THE EMPTY HOMES STRATEGY  
COMPULSORY PURCHASE OF VARIOUS HOUSES 2004 (No16)**

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**Report from the Corporate Director of Housing**

**1. Purpose and Summary**

This report proposes that Compulsory Purchase Orders are sought under the City Council's Empty Homes Strategy on four privately owned long term vacant properties.

Financial and confidential information relating to the four properties is contained in the supplementary report on the 'B' agenda.

The Empty Homes Strategy aims to bring vacant residential properties back into use, where the house is a problem to the street.

**2. Recommendations**

Cabinet are recommended to approve: -

2.1 Making the subject of individual Compulsory Purchase Orders (CPOs) the following land and dwellings, as outlined in Appendix C, in order to secure their improvement, proper management and occupation as residential dwellings:

- **COMPULSORY PURCHASE ORDER OF 48 The Newry**, Leicester made under Section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981.

- COMPULSORY PURCHASE ORDER of **34 Hampden Road**, Leicester made under Section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981.
- COMPULSORY PURCHASE ORDER of **1 Merton Avenue**, Leicester made under Section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981.
- COMPULSORY PURCHASE ORDER of **309 Milligan Road**, Leicester made under Section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981.

2.2 Authorizing the necessary capital expenditure from the Empty Homes Strategy line in the Housing Department's agreed Capital Programme.

### 3. Policy Background

The 'Empty Homes Strategy' has been developed since 1995 and was updated in the Annual Progress Report – The Empty Homes Strategy 2004/05 (Private Sector) 23 June 2005 . It forms part of Leicester's Housing Strategy (2005-2010)

On 19<sup>th</sup> January 2004 Cabinet approved additional resources to increase the impact of the Empty Homes Strategy and to target all properties vacant for more than 18 months. A dedicated Empty Homes Team began work in April 2004.

Please see appendix A for brief details of how the Empty Homes Strategy works, and appendix B which briefly sets out the CPO process.

The action to be taken has links with a number of key corporate and departmental strategies as shown below:

- The Performance Plan 2004
- Leicester City Council Corporate Plan 2003/2006 – Item G2
- The Community Plan – Diversity Action plan
- Leicester's Housing Strategy 2001 – 2006 and 2005-2010
- Housing Department Aims and Objectives – particularly the following objectives: -
  - ❖ to improve the condition of Leicester's housing stock and resolve unfitness in all sectors
  - ❖ to reduce the number of empty and under occupied homes in Leicester
- Annual Review of Leicester's Renewal Strategy reported to Housing Scrutiny on 21<sup>st</sup> August 2003
- The Empty Homes Strategy is in line with Government Guidance on empty property 'Unlocking the Potential' published May 2003

- Crime & Disorder Strategy

#### **4. Progress to date with Empty Homes Strategy**

- 4.1** The Empty Homes Team has a caseload of 1,100 properties. At 1 April 2005 contact had been made with 1,019 owners.
- 4.2** 63 Compulsory Purchase Orders have been made by Cabinet, of which, 12 have been confirmed by the ODPM.
- 4.3** As a result of the work of the Empty Homes Team since 1<sup>st</sup> April 2004, 184 properties are now occupied.
- 4.4** Public Inquiry dates have been set in September, October and November for a further 3 properties. We are awaiting the outcome from the ODPM on 9 properties where written representation has been made.

#### **5. Financial Information (information checked by Danny McGrath ext 6822)**

- 5.1** Acquisitions of properties under CPO powers are charged against the Capital Programme, and the capital receipt from sales are credited back in to the account (i.e. to maintain a rolling programme of funds available for CPO activities). The cost of acquiring the four properties included in this report is £484,000. After selling on all 4 properties, the net impact is expected to be £80,000. A sum of £400,000 has been allocated within the 2005/06 Housing Capital Programme to assist in meeting costs incurred in CPO actions. Also included in this is provision for affordable rent grants (ARG).

Following acquisition the properties will either be sold to HomeCome, or to an RSL or on the open market (auction) with conditions attached, requiring the new owner to refurbish and return the house to occupation.

#### **6. Legal Implications (information provided by John McIvor, ext 7035)**

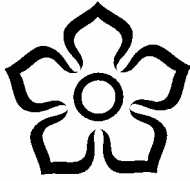
- 6.1** Different powers are to be used dependent on the status of the area in which the property is situated, as contained in the guidance for the making of CPO's in ODPM Circular 06/2004.
- Residential properties situated in a statutory Renewal Area are subject to Compulsory Purchase Orders made under Section 93 of the Local Government and Housing Act 1989, and the Acquisition of Land Act 1981.
  - All other properties are subject to Compulsory Purchase Orders made under Section 17 of the Housing Act 1985, and the Acquisition of Land Act 1981.
  - Plans of the CPO properties are attached to this report

- Following Cabinet approval the Empty Homes Team prepares the cases for CPOs and forwards them to Legal Services to ensure formalization of the CPOs. The Council is required to advertise the making of the Orders and to provide for a minimum period of 21 days in which objections can be made to the Office of the Deputy Prime Minister (ODPM).
- The Orders are then sent to the Government Office for the East Midlands (GOEM) for confirmation. GOEM is the local Office of the Deputy Prime Minister.
- Following the expiry of the objection period, the ODPM will consider objections and, if necessary, will order a public local inquiry to be held prior to the confirmation of the Orders. The question of whether or not an inquiry is to be held is a matter for the discretion of the ODPM.
- Since November 2004, owners have been able to opt for written representation.
- The Council will also be required to pay compensation to the owner in the event that possession of the property is taken, together with a basic loss payment of 7.5% of the valuation of the property (maximum £75,000).
- HUMAN RIGHTS CONSIDERATIONS

The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights ("the Convention"). The Convention includes provisions in the form of Articles, the aim of which is to protect the rights of the individual. ODPM Circular 06/2004 states that an acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected, having regard to the provisions of Article 1 of the First Protocol to the Convention and Article 8 of the Convention. Paragraph 16 of the Circular states that "Parliament has always taken the view that land should only be taken compulsorily where there is clear evidence that the public benefit will outweigh the private loss. The coming into force of the Human Rights Act has simply served to reinforce that basic requirement." In resolving to make the Order the Council has duly considered the rights of property owners under the Convention, notably under the Articles 1, 8 and 14 of the Convention and Article 14 of the First Protocol to the Convention

**Author of this report -**

Dot Barnard Empty Homes Team ext 5561



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**SUPPORTING INFORMATION**

**7. Report**

All four properties, to be found in Appendices C1-C4, have been vacant for more than 18 months and therefore meet the criteria for CPO action which are set out in Appendix B. They have been empty for between 4 and 12 years..

Promoting Affordable Housing – the Empty Homes Strategy is a key element in encouraging the use of vacant properties for reoccupation and should be supported by resources available within the Council and, it is hoped, through associated policies governing available resources for Registered Social Landlords (RSL's).

The details of the individual properties and grounds for action are set out in Appendices C1-C4 attached to this report.

The Annual Progress Report – The Empty Homes Strategy 2004/05 (Private Sector) presented to the Housing Scrutiny Committee on 23<sup>rd</sup> June 2005 provided a summary of actions taken, over the previous 12 months, under the Empty Homes Strategy.

## 8. **OTHER IMPLICATIONS**

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	Yes	Throughout report
Crime and Disorder	Yes	Throughout report
Human Rights Act	Yes	Throughout report
Elderly/People on Low Incomes	No	

## 9. **HOUSING DEPARTMENT AIMS AND OBJECTIVES**

The Housing Department's aim is 'A decent home within the reach of every citizen'.

### **A key objective is:**

'To reduce the number of empty and under-occupied homes in Leicester by:'

- Assessing the number of empty and under-occupied homes and, in the private sector, identifying the owners.
- Encouraging and enabling owners to bring private sector empty and under-occupied homes back into full use, through a variety of schemes.

### **Another key objective is:**

'To improve the condition of Leicester's housing stock and resolve unfitness in all sectors by:'

- Improving the condition of private sector housing in the City by enabling owners to take action.
- Encouraging and enabling owners to continue to maintain private sector housing stock.

## 10. **DETAILS OF CONSULTATION FOR THIS REPORT**

- ❖ Legal Services and Property Management from the Department of Resources, Access and Diversity
- ❖ Financial Planning & Control from the Housing Department
- ❖ Environmental Health and Development Control from the Regeneration & Culture Department

## 11. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

Background Papers:

Property files held in the Empty Homes Team

**Author of this report -**

Dot Barnard, Empty Homes Team ext 5561

**APPENDIX A**

**A What happens to referrals made to Leicester City Council's Empty Property Team?**

A.1 Any dwelling in the city that has been empty for at least 18 months and is not held by the Housing Revenue Account can be registered with the Empty Homes Team.

A.2 Standard questions are asked to enable officers to determine how long the property has been vacant and whether the dwelling is:

- located within a Renewal or Urban Management Area (if not, it is classed as 'City-wide');
- of a type that requires either a significant, or a minimum investment in order to bring it back into use, and has been vacant for 18 months or more;
- of a type currently not required to meet housing needs, i.e. a property with a commercial element without a separate entrance to the living accommodation and/or has only one bedroom;
- of a type that is in very poor condition, requires significant investment to bring it back into use and has been vacant for less than 18 months;

A.3 Depending on the assessment of the referred property, the following actions may be taken in order to bring them back into use. Usually these actions are targeted at dwellings which have been vacant for more than 18 months, but can also be directed at very run-down houses which have been empty for a shorter period.

- i. Mail-shots to empty property owners to maintain contact and provide advice and encouragement to enable them to make an informed decision about the future improvement and occupation of the property i.e. whether to sell or let. If the owner's response is unsatisfactory then statutory action will be considered.
- ii. Face to face and/or phone conversations to assist with their decisions.
- iii. Putting owners in touch with HomeCome or Registered Social Landlords.

- iv. Statutory Action in the form of Compulsory Purchase Orders and Enforced Sales.
- v. Later this year Empty Dwelling Management Orders (EDMOs) may become an option.

## APPENDIX B

A brief outline of the Compulsory Purchase Order Procedure

<b><u>Criteria for CPO action</u></b>
Identify property falling within the CPO policy: - <ul style="list-style-type: none"> <li>• Property vacant and unimproved for over 18months located in area of priority housing need and where no attempt has been made by the owner to improve the property.</li> <li>• CPO action may also be considered on properties that have been vacant for less than 18months if they are cause a blight on neighbourhood.</li> </ul>
<b><u>CPO Procedure over a period of 20 months approximately</u></b>
Stage 1: 1 <sup>st</sup> letter advising the owner of Leicester City Council's Empty Homes Strategy and setting out options available for returning the house to occupation. Includes a statement of intentions for the property form for completion.
Stage 2: 2 <sup>nd</sup> letter if no reply to the first.
Stage 3: Site visits to all, and monitoring of properties where work is in progress.
Stage 4: If no progress from letters 1 and 2 a letter saying that CPO is being considered is sent
Stage 5: Try to negotiate purchase, obviating need for CPO, and draw up schedule for improvement.
Stage 6: Cabinet CPO report prepared if no progress.
Stage 7: CPO approved by Cabinet
Stage 8: Statement of Reasons sent to Legal Services
Stage 9: CPO advertisement placed – objection period minimum 21 days
Stage 10: Order submitted for ODPM confirmation
Stage 11: Public inquiry date set if owner objects and ODPM deem it necessary.
Stage 12: Public Inquiry held/written representation submitted- outcome awaited.
Stage 13. Secretary of State decision received, action agreed with Service Director.

There are a further 7 stages leading to disposal of the property and occupation.