



Haringey Council

Agenda item:

Cabinet

22 April 2008

Report Title: 97/99 Philip Lane N15 4JR, Compulsory Purchase Order.

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Director of Urban Environment**

Ward affected: Tottenham Green

Report for: Key Decision

1. Purpose

1.1 This report sets out proposals to make a Compulsory Purchase Order in respect of 97/99 Philip Lane, Haringey, N15 4JR. The use of Compulsory Purchase powers forms part of Haringey's Empty Properties Strategy, Housing Strategy, and Sub-Regional Strategy to bring back into use residential premises that have been long term vacant and where no other course of action is appropriate or can be pursued. It is also in pursuance of achieving a year-on-year increase in the number of privately owned empty properties brought back into use through advice or intervention (Best Value Performance Indicator 64).

1.2 This report describes the condition of 97/99 Philip Lane and the work undertaken to date by officers in the Strategic and Community Housing Services of the Urban Environment Directorate and of the North London Private Sector Housing Sub-region to bring the property back into use.

1.3 97/99 Philip Lane is a long-term, problematic empty property that the Council needs to tackle. It has attracted more complaints than any other empty property in the borough.

2. Introduction by Cabinet Member (if necessary)

2.1 The Council has adopted an Empty Properties strategy, which includes provision for using CPO powers to help bring back into use privately owned housing units that have been left empty for excessive amounts of time. The Council has also made an appropriate capital provision within the budget for this purpose.

2.2 The process is used as a last resort in the cases where the owners have failed to respond to the councils efforts to encourage and enable owners to restore and bring back into use their properties themselves.

2.3 The strategy envisages bringing forward proposals for suitable properties in small batches at regular intervals and the council has already authorised action on similar properties in the last few months.

3. Recommendations

That the Cabinet resolve to:

3.1 Use the Council's compulsory purchase powers to acquire the properties known as 97/99 Philip Lane, Haringey, N15 (shown edged red on the attached plans) compulsorily under section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981.

3.2 Authorise the Head of Legal Services to make and seal the Order for submission to the Secretary of State for Communities and Local Government for consideration and approval and that, in the event of the Secretary of State approving the Order, proceed with the acquisition.

3.3 Authorise the Head of Legal Services, in consultation with the Director of Urban Environment, to accept and enforce a legally enforceable undertaking, by the owners, to bring 97/99 Philip Lane back into residential use and occupation without the need to proceed with the CPO where this can be achieved within a reasonable timescale.

3.4 Approve the disposal of the property, subject to the confirmation of the Compulsory Purchase Order, to a Registered Social Landlord (RSL) in the first instance, or to a private owner or 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).

3.4 Approve the re-cycling of the receipt from the disposal back to the capital programme budget for the continued private sector housing CPO programme.

3.5 Meet the financial costs of the Compulsory Purchase Order through the capital programme.

4. Report Authorised by: Niall Bolger,

Director of Urban Environment

Contact Officers:

Glayne Russell, Senior Environmental Health Officer (020) 8489 5252

Fergal McEntee, Empty Property Enforcement Officer North London Sub-Region (020) 7527 5688

5 Chief Financial Officer Comments

5.1 The pursuance of a CPO policy will have both capital and revenue implications for the Council. This will take the form of a payment to the current owner based on an independent valuation of the property in its existing state. The purchase price is estimated at some £450k. Generally this outlay should be recoverable when the property is sold. The Chief Financial Officer notes that the recommendation is to try to sell to a Registered Social Landlord, failing that it is to be sold on the open market by

way of auction.

5.2 It should be noted that there is a risk that the Council may not recover the acquisition costs particularly if the property market is stagnant or falling. Conversely, in a buoyant market, it may be possible to generate additional funds.

5.3 The revenue costs associated with the policy (e.g. legal fees, surveyors fees & stamp duty) will generally be non recoverable. These could amount to about £15k for this property and will be funded from the £50k approved as part of the 2008-09 budget

5.4 There is a budget of £500k in the 2008-09 capital programme for CPO. However, these funds have already been earmarked for other CPO properties. Thus, if members decide to proceed with this CPO, the capital budget will need to be increased by £450k to be funded from the back to back sale of the acquired properties. The capital receipt from disposal of CPO properties will generally accrue to the corporate capital pot.

6. Head of Legal Services Comments

6.1 The Council has the power to purchase land and buildings in order to provide housing or in order to sell to someone else to provide housing. The Council can exercise this power either by agreement or compulsorily with the consent of the Secretary of State. Compensation will be payable to the owners of the properties

6.2 The properties 97-99 Philip Lane are in a Conservation area and are considered to be of such local importance that they cannot be demolished.

6.3 There is some hope value for the rear of the site for a small independent development in the garden of 97 Philip Lane which will increase the amount of compensation payable.

7. Local Government (Access to Information) Act 1985

Empty Homes Strategy.

Detailed Plans identifying all properties have been made available to scale through property services and are attached as appendices to this report.

8. Background

8.1 97/99 Philip Lane N15 was used as a hostel prior to the premises being emptied in 2002 for refurbishment but was then squatted and set fire to. The Empty Property Officer first wrote to the owners in July 2002, asking how they were intending to bring the property back into use and offering assistance including grant aid.

8.2 The site was discussed at the Empty Property Enforcement Group (Legal/Housing/Council Tax/Environmental Health) in 2004/5. The Senior Environmental Health Officer first wrote to the owners in March 2004. She and the Empty Property Officer have written a number of letters to the freeholder of this

property offering assistance, both practical and financial including empty property grants, to help them bring the property back into use voluntarily.

8.3 In 2005/6 Ujima Housing Association negotiated with the owners to buy both the houses and the land, but its offer was turned down by the owners.

8.4 97/99 Philip Lane was put on the list for enforcement action in November 2006 when the CPO programme was implemented. Letters leading up to CPO were sent to the owners in December 2006, April 2007 and July 2007. Planning Enforcement served a Section 215 Notice on the owners in July 2007 in relation to the exterior condition of the property and the effect it is having on the area. This Notice is still outstanding as the compliance time has passed (September 2007) without works being started

8.5 A recent Planning application by the owners (January 2008) has been refused due to overdevelopment to a property in a conservation area. Planning have given a guideline of what may be approved and this is being passed on to the Council's RSL partners and will be given to prospective buyers in the event of the property being sold at auction

9 Property Condition

9.1 The properties are in an extremely poor condition. They have suffered extensive fire damage (one fire in 2002 and another in November 2007). There is no roof covering and parts of the external walls are collapsing (see photos in Appendix A). All services have been destroyed and are in need of replacement. Access to the building is not possible, due to it being a dangerous structure. The floors have collapsed as the houses have not been water-tight since 2002.

9.2 The front and back gardens have been used frequently for fly-tipping. The Council has served Notices on the owners several times to clear the rubbish and, although they have complied with these Notices, the state of the site encourages continual dumping of rubbish, particularly to the rear. There are abandoned cars on the land to the rear of the houses, accessed via an unadopted road leading from Jansons Road N15.

9.3 The houses occupy a prominent position on a main road and are unquestionably one of the worst eyesores in the borough.

9.4 The houses are in the Tottenham Conservation Area. The properties have been inspected by English Heritage who have deemed that the façade needs to be retained in any future development. As such, all external works need to be carried out to re-instate the traditional period features to ensure that the character of the conservation area is preserved and enhanced in accordance with Council policy.

10 Housing Strategy

10.1 Haringey suffers acute housing pressures and at the end of January 2008 Haringey had the country's second highest number of households in temporary accommodation. The borough currently has more than five thousand homeless households in temporary accommodation and is committed to halving this number by 2010.

10.2 The borough has 1961 empty private residential properties, of which 1001 have been empty for more than 12 months (01/04/2007). The Council's policy is to develop initiatives to encourage owners to bring long term vacant properties back into use.

10.3 As well as being a wasted resource, empty properties often become neglected, blighting residential areas and providing a haven for fly tipping and illegal activity as well as posing a health and safety risk.

10.4 Bringing empty properties back into use makes a significant contribution towards Haringey's development of a safe, sustainable community as well as supporting and addressing the borough's housing need.

11 Financial risk for making the CPO

11.1 If the Compulsory Purchase Orders are confirmed by the Secretary of State for Communities and Local Government, Haringey will proceed if necessary with the acquisition of the property. Compensation will be payable to the owners based on the valuation on the date of possession, which could be higher or lower than the council's valuation. In their current condition the houses have been valued at £441,147 by the Council's valuation team. This is assuming that the property would get planning permission for 9 units.

11.2 The Council will be liable for the owner's reasonable surveyors' costs and legal fees associated with the conveyance. The council will also be liable for Stamp duty and costs to secure the property. However, an agreement with the North London Private Sector Housing Sub-regional Group has agreed to provide funds to cover ancillary costs incurred through CPO action.

11.3 Following confirmation of the order, the Director of Urban Environment will approve the disposal of the property to one of the Council's Preferred Registered Social Landlords in the first instance for the provision of affordable housing. If a Preferred Partner is unable to proceed with the purchase, the property will be offered to non-partner RSLs. If no RSL is able to proceed with the purchase, the property will be sold to a private owner or 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.

12 Human Rights Act 1998

12.1 Officers have considered this proposed Compulsory Purchase Order in the light of the relevant provisions of 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 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. The properties which are subject of this report are vacant and the public interest and relevant policies require that properties should not be left vacant and in disrepair. The interests of the owners will not normally be incompatible with the public policy objectives.

12.2 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, authorised by law and necessary and proportionate towards meeting the objectives of the Council's Housing Strategy. All efforts to encourage the owners to bring back the

property back into use have been exhausted and compulsory purchase is the last resort available to the council

13 Equalities Implications

- 13.1 There are no equalities implications for this report, however, many of the borough's empty properties are situated within the east of the borough. It is our commitment to narrow the gap between the east and the west and to create safer neighbourhoods, stronger communities and a better place to live and work. This programme meets these aims and provides encouragement to those residents living with the problems that long term empty properties bring to an area. The CPO process also supports the provision of varying types and sizes of properties that are now required to meet the needs of Haringey's diverse communities.
- 13.2. The use of the CPO process as an enforcement tool was included in the Empty Property Strategy 2005-8. This Strategy was formed following consultations with Council officers and partners at an event in January 2005. There has been continued regular consultation with Local Authority members of the North London Sub Region.

14 Conclusion

Compulsory purchase of the properties by the Council as a last resort is justified and officers are of the opinion that Compulsory Purchase is now the most effective solution. Acquisition of the property by the Council and the subsequent sale to and refurbishment by a Registered Social Landlord or private owner or developer will achieve a quantitative and qualitative housing gain and also improve the aesthetics of the local area. With careful monitoring from the Council, they will be re-instated into use to high standards thus greatly adding to the local community.

We are now putting together a sustainable empty property strategy that will deal with long term empty properties on a priority bases. The strategy will take into account the length of time empty, how much of an eye-sore the property is, the size of accommodation it will provide, the number and nature of the complaints received about the property and whether or not the Council has taken any action against the owners. All empty properties will be given a priority rating and future decisions for enforcement action will be based on this.

Use of Appendices / Tables / Photographs

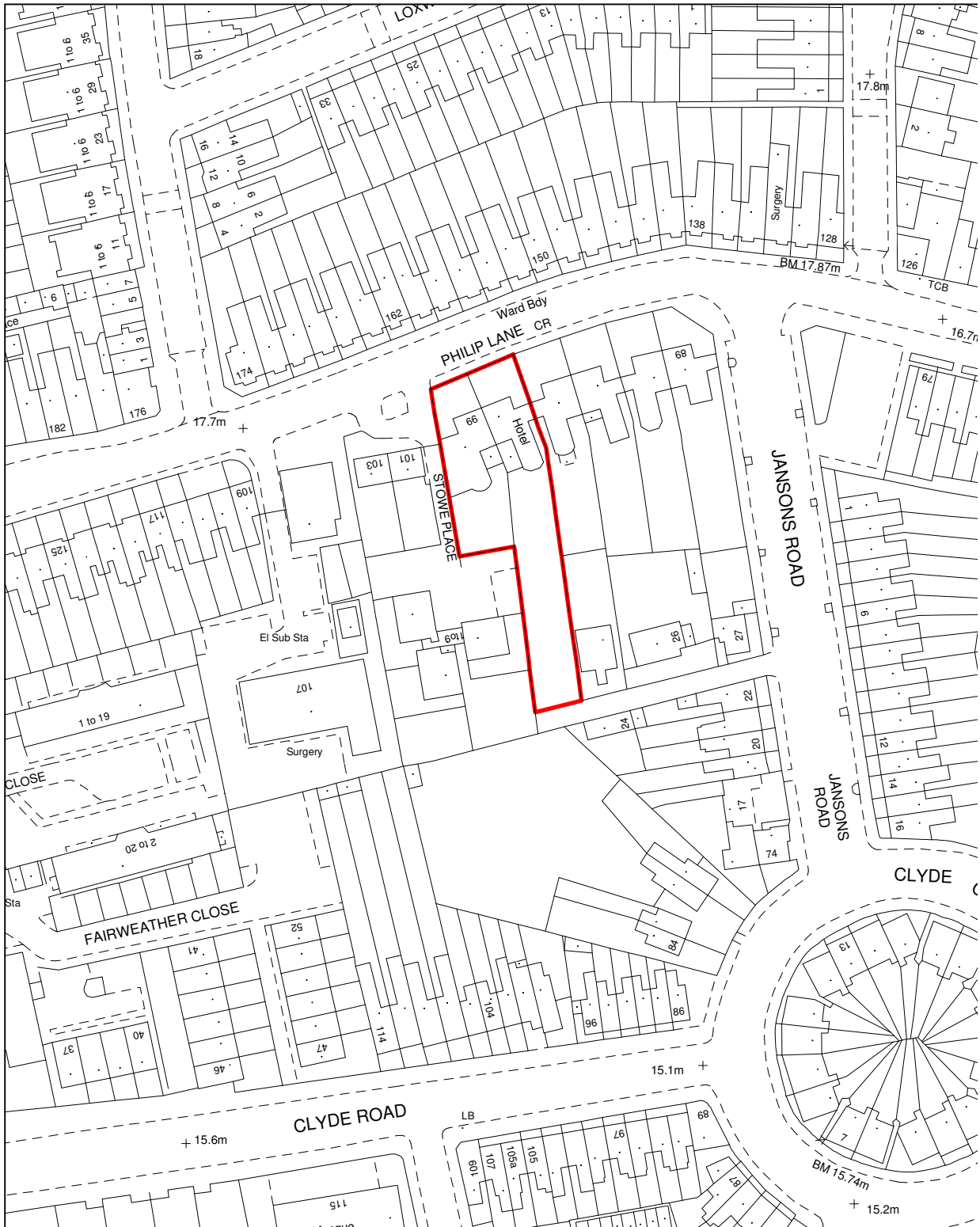
- a) Photographs
- b) Land registry map

Appendix A





**LONDON BOROUGH OF HARINGEY
 (97-99 Philip Lane London N15 4JR) COMPULSORY PURCHASE ORDER 2008**



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**Haringey Council
 CORPORATE PROPERTY SERVICES**

Site Area (square metres) : 1129 sq m

Customer Property Services