

Agenda item:

[No.]

CABINET

On 23rd March 2010

Report Title. Approval for Compulsory Purchase Action – Empty Properties

Report of **Niall Bolger, Director of Urban Environment**

Signed :  23rd March 2010

Contact Officer : Steve Russell, Housing Improvement Manager (Private sector)

Tel: 020 8489 5196

Wards(s) affected: **All**

Report for: **Key decision**

1. Purpose of the report

- 1.1. This report sets out proposals to make Compulsory Purchase Orders for 6 vacant properties within the London Borough of Haringey. The use of Compulsory Purchase powers forms part of Haringey's Empty Property 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.
- 1.2. This report describes the condition of the properties and the work which has been 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 properties back into use.
- 1.3. To obtain authorisation to make the Compulsory Purchase Orders and to submit the Order to the Secretary of State for confirmation, following failure of the owners to repair and bring the properties back in to use; to dispose of the property following CPO; and to carry out procedural steps required during the CPO

process.

2. Introduction by Cabinet Members Cllr. John Bevan and Cllr. Nilgun Canver

2.1. The staff within the Council's Strategic and Community Housing Service have been very motivated and hard working in their endeavour to take action that will renovate and bring back into use eyesore properties that have blighted the streets of Haringey. Cabinet have previously approved 15 properties for Compulsory Purchase action and we would like to take this opportunity to provide you with a brief update on their progress.

2.2. Properties confirmed by the Secretary of State.

The following properties have been approved by Secretary of State and are with Legal to complete the CPO process and take possession of the property.

- 97/99 Philip Lane N15,
- 115 Tower Gardens Road N17,
- 160 Seaford Road N17
- LHS 87 Carlingford Road N15.

2.3. No Further CPO Action

Another 4 cases have been closed as the owner or new owner (where the property was sold) have renovated the property and brought it back into use. These properties are now in a good condition and occupied.

- 80 Beaconsfield Road N15,
- 207/209 Mount Pleasant Road N17,
- 92 Moselle Avenue N22
- 81 Grove Park Road N15.

2.4. A further 4 have work on site with renovations being currently carried out. Of the remaining 3 cases, one is going for Enforced sale, one is with Legal to sort out Probate issues and the last is waiting for Building Control approval before a grant can be approved and work goes on site.

2.5. Ongoing publicity regarding the varying enforcement, advisory and financial assistance tools used by the Council has resulted in owners of empty properties being very aware that the Council is serious about dealing with empty properties. The result is that now, many properties are being brought back into use without the need for Cabinet approval or requests for CPO from the Secretary of State. Originally there were 13 properties earmarked for this Forward Plan. That has now dropped down to 6 as the remaining 7 owners have shown that they are taking steps to renovate their properties and to bring them back into use. CPO is therefore the only remaining power available to deal with the borough's worst empty homes.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. There are clear links with the Housing Strategy, Homelessness Strategy, Greener Borough Strategy and Community Strategy.

3.2. There are also links with the Mayor of London's Draft Housing Strategy and alterations to the London Plan.

4. Recommendations

4.1. That authority is given for submission of the 6 properties listed in 7.10 to the Secretary of State for a confirmed Order under Compulsory Purchase powers.

4.2. To authorise the Head of Legal Services to:

- (a) make and seal the Orders for submission to the Secretary of State for Communities and Local Government for consideration and approval (including the service of any requisition notices necessary to establish interests in the property) and carry out the statutory notification required.
- (b) confirm the said Compulsory Purchase Order in the event of the Secretary of State returning the Order authorising the Council to do so.
- (c) prepare for and represent the Council at any public inquiry held following the submission of the Order to the Secretary of State.
- (d) upon confirmation of the Compulsory Purchase Order proceed with the acquisition of the property.
- (e) in the event that any of the owner/s undertakes in the form of a legally enforceable cross undertaking to bring the relevant property back into residential occupation and use within a reasonable timetable, to authorise the Head of Legal Services in consultation with the Director of Urban Environment to enter into and enforce such an undertaking instead of proceeding with the CPO for the property in question.
- (f) act in relation to any other procedural matters that may arise in the normal course of the CPO process.

4.3 Subject to the confirmation of the Compulsory Purchase Orders by the Secretary of State for Communities and Local Government or the Council, to approve the disposal of the property to a Registered Social Landlord (RSL) where possible, or to an individual or Private Developer (in which the sale would be by way of auction) with covenants applied to bring the property back into use as soon as possible.

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

4.5 To meet the financial costs of the Compulsory Purchase orders through the capital programme.

5. Reason for recommendation(s)

5.1. That all other methods have failed to persuade or encourage the owners of the six listed properties to repair and bring back into use. These properties are considered the worst eyesore vacant properties in the borough and should not be allowed to remain empty, blight areas or cause potential nuisance, especially as there is such a very high demand for accommodation in Haringey.

6. Other options considered

6.1. All options have been tried and exhausted. Letters have been sent to the owners offering advice and grant aid. Some of these properties have a debt outstanding to the Council, which is being pursued under the enforced sale process. If the owner does not pay, an enforced sale will be pursued and the property sold at auction. If they do pay but do not improve and occupy the property, the Council will proceed with Compulsory Purchase.

7. Summary

7.1 The Council has a very robust empty property process that has been developed in partnership with the North London Sub Region, a partnership of 6 local authorities that has provided advice and funding to enable Haringey to establish a working group and effective process.

7.2 A Street survey carried out in 2007 has provided the evidence to date to identify the worst eyesore properties including the 6 properties listed within this report. All of these have been visited, photographed and 'pointed' using a guide (attached to this report in Appendix 1) that helps officers to place properties in priority order by taking into account the condition of the property, the length of time it has been empty, any illegal activities or nuisance to neighbours, any potential danger and the number of complaints received in respect of issues or activities. This survey is now deemed out of date and in the future, properties will be identified using a different procedure based on Council Tax records produced every 6 months on a ward basis. The use of further intelligence and the pointing system will initially identify the worst empty houses within the borough and will then move onto flats. A current list produced

using records from the 1st October 2009 will be used to identify future empty homes and possible CPO and enforced Sale cases. This process will be repeated in June 2010 to capture any new properties. This procedure has the ability to provide a more realistic account of the empty homes within the borough and is a more manageable process for targeting resources.

- 7.3 The addition of a 'vacant property' module on the Private Sector Housing Improvement Team's computer system will make it easier to load and update property details on a central system, helping to provide a complete picture and track the properties over time.
- 7.4 All 6 properties have been inspected and notices served. This is to prevent the need to pay Basic Loss Payments (equivalent to 7% of the market value) on top of the market value that will need to be paid if possession is gained through CPO action.
- 7.5 All owners have received a number of letters explaining what needs to be done and what is on offer, together with details of the CPO and/or enforced sale action that will be taken if the owners do not take the appropriate action to restore the property to good repair and occupation.
- 7.6 A working group of all officers associated with vacant property enforcement, chaired by the Housing Improvement Manager (Private Sector), meets every 8 weeks to review progress of all cases and to agree on the next steps. Instructions are given to all relevant services to progress all cases to the agreed stages.
- 7.7 At present, funding is not an issue for enforced sales because they are cost neutral, with all costs being recovered from the sale proceeds. The North London Sub Region also contributes £3,000 to the work involved in bringing each property back into use through an enforced sale. Often, a Council Tax debt is also recovered.
- 7.8 CPO action may not be cost neutral as there may be a difference between the purchase price and sale price and, although every effort is made to avoid it, there may be occasions when compensation needs to be paid. This cost will be offset, however, by the £20,000 that the North London Sub Region is able to pay Councils for each property approved by Cabinet via the Forward Plan.
- 7.9 If Cabinet approval is obtained, the properties will not be sent immediately to the Secretary of State. Instead, officers will first notify the owners of the Cabinet's decision, as this often helps to focus the owners' attention on restoring and occupying the property.
- 7.10 The six vacant properties listed below have been subject to the standard letters, grant offers, inspections, service of notices and enforced sale:
 - (a) 17 Canning Crescent N22
 - (b) 5 Chalgrove Road N17
 - (c) 110 Priory Road N8

- (d) 9 Wordsworth Parade N8
- (e) 102 Church Road N17
- (f) 3 Eade Road N4

7.11 Some of these properties have already been the subject of works in default (undertaken to deal with urgent issues) and, for others, a considerable amount of council tax is owed. A brief description of each property, together with a photograph and details of any past action, is attached in Appendix 2 of this report.

7.12 All properties that have an outstanding debt will first go through the enforced sale route, as cost neutral. Authorisation is requested for CPO action as well, should the owner pay the debt and still not restore the property to repair and use. Cases will only be submitted to the Secretary of State when all other options have been exhausted and funding is identified and available to complete the purchase and sale.

Human Rights

- 7 Officers have considered the proposed Compulsory Purchase Orders 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 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. The properties which are the 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.
- 8 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. Every effort to encourage the owners to bring back the property into use has been exhausted and compulsory purchase is the last resort left available to the Council.

9. Chief Financial Officer Comments

9.1. This report seeks approval to submit to the Secretary of State a total of 6 properties for Compulsory Purchase Orders, following failure of the owners to repair and bring the properties back in to use.

9.2. The use of CPOs has both capital and revenue implications for the Council. A capital provision is required to acquire a property and this takes the form of a payment to

the current owner based on an independent valuation of the property in its existing state. This payment is initially funded from capital receipts, to be repaid once the sale of the property is executed. Several options are available for disposal including a back to back disposal agreement with an RSL so that the capital receipt is received as soon as possible, sale to a private developer, and sale at an auction.

- 9.3. The existing capital budget for Compulsory Purchase Action is £700,000. This may well be fully spent on the purchase of the 4 properties that have been approved by the Secretary of State as outlined in 2.2. Any capital receipt when these properties are disposed of is returned to Corporate funds and is not automatically available for future CPO action. Consequently a further capital allocation may be required in order to take the 6 properties outlined in this report to CPO stage.
- 9.4. If all the properties outlined in this report proceed to CPO stage, then there will not be sufficient capital provision for the acquisition of these units. Although there is no specific capital provision for the acquisition of these units, the Capital Financial Regulations will allow the acquisition costs to be financed from the subsequent disposal proceeds of these units. There is a risk that disposal proceeds may fall short of the acquisition costs and provision would have to be made for this before CPO action is finalised. The risk can be mitigated by putting in place "back to back" sales as necessary. Revenue costs will be met by money drawn down from the North London Sub Region. However, cases will only be sent on the Secretary of State when all other routes have been exhausted and funding is identified to complete the purchase and sale process. There is a risk that the Council may not recover the acquisition costs in a stagnant property market.
- 9.5. The revenue costs associated with Compulsory Purchase Orders (eg legal fees, surveyor fees and stamp duty) will generally be non recoverable. These costs should be covered by a contribution from the North London Sub Region (£20,000 for every case approved by Cabinet).

10. Head of Legal Services Comments

- 10.1. The Head of Legal Services comments that the key purpose of the use of the available statutory powers is to bring long-term empty properties back into permanent residential use. Compulsory purchase is a means of last resort to achieve this objective and is considered proportionate.
- 10.2. The recommendations allow for owners to undertake to carry out works themselves by means of a legally enforceable undertaking where they are given a timetable to carry out the work, during which time the Council will not seek to enforce the CPO.
- 10.3. It is noted that several of the properties are currently squatted. It may be necessary to commence proceedings to evict the squatters before being able to complete a transfer of these properties. These proceedings cannot be commenced until the Council owns the properties and could delay the transfer of the properties to

new owners, making back to back sales difficult.

11. Equalities & Community Cohesion Comments

11.1 There are no equalities implications for this proposal. The Council is committed to creating safer neighbourhoods, stronger communities and making Haringey 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 dwellings which are now required to meet the need of Haringey's diverse communities.

11.2 Vacant properties have a negative effect within areas. These properties in particular are not only vacant but are in a very poor state and will cause serious issues to local neighbours. They also attract unwanted attention either through dumping of waste materials or illegal acts. They can also pose a serious threat to children who gain access and may injure themselves through a dangerous structure.

12. Consultation

12.1 The use of the compulsory purchase process as an enforcement tool was included in the Empty Property Strategy 2005-8, developed following consultation with Council officers and partners at an event in January 2005. Regular consultation has continued, since that time, with local authorities in the North London Sub Region.

13. Service Financial Comments

13.1. Although there is no specific capital provision for the acquisition of these units, the Capital Financial Regulations will allow the acquisition costs to be financed from the subsequent disposal proceeds of these units. There is a risk that disposal proceeds may fall short of the acquisition costs and provision would have to be made for this before CPO action is finalised. The risk can be mitigated by putting in place 'back to back' sales as necessary. Revenue costs will be met by money drawn down from the North London Sub region.

14. Use of appendices /Tables and photographs

- 14.1. Appendix 1: Rating Sheet.
- 14.2. Appendix 2: Property description and photographs.
- 14.3. Appendix 3: Maps of property location.
- 14.4. Appendix 4: Valuations of properties.

15. Local Government (Access to Information) Act 1985

- 15.1. CPO enforcement action is endorsed within the Council's Housing Strategy
- 15.2. Detailed plans identifying all properties have been made available to scale through property services and are attached as Appendix 3 to his report.
- 15.3. Valuations attached in appendix 4 are provided by an independent valuations officer who has had access to both internal and external areas of the properties.

Compulsory Purchase Cabinet Report

Appendix 1

Rating Sheet

Empty property point rating system

Address.....

Ward

Date Officers.....

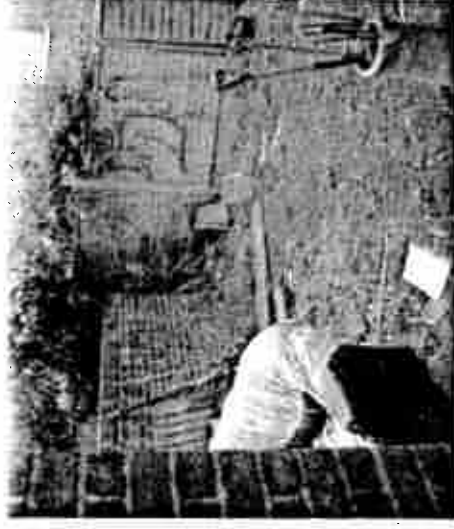
1	<u>How long empty</u>	
	1-2 years	1
	2-4 years	2
	4-6 years	3
	6-8 years	4
	8 years plus	6
2	<u>Exterior - visually</u>	
	Good condition	0
	Slight defects	2
	Some defects	3
	Run down	6
	Boarded up	7
	Major Eyesore	9
4	<u>No of Units</u>	
	1 unit	1
	2 units	2
	3 units	3
	4 + more units	4
5	<u>Is it causing problems</u>	
	No complaints	0
	Letters send by EPO	1
	Some Complaints received	2
	Failure by owner to take support offered by Empty Property Services	3
	Complaints and council action	4
	Enforced sale case paid by owner	5
	Complaints, Squatted, council action	6
6	Comments	
	TOTAL POINTS	
	PRIORITY RATING	

Points 0 - 4	5- 9	10-14	15-19	20-25
1.	2.	3.	4	5

Compulsory Purchase Cabinet Report

Appendix 2
Property Descriptions + Photos

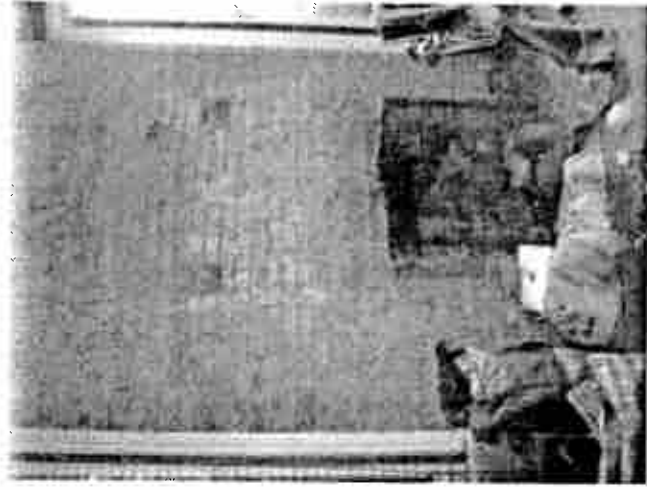
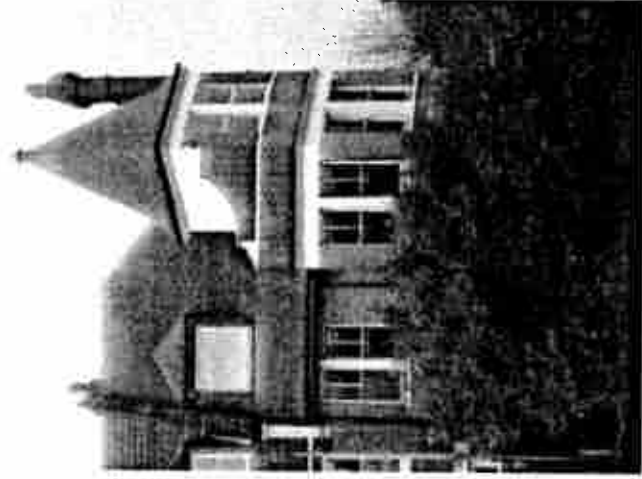
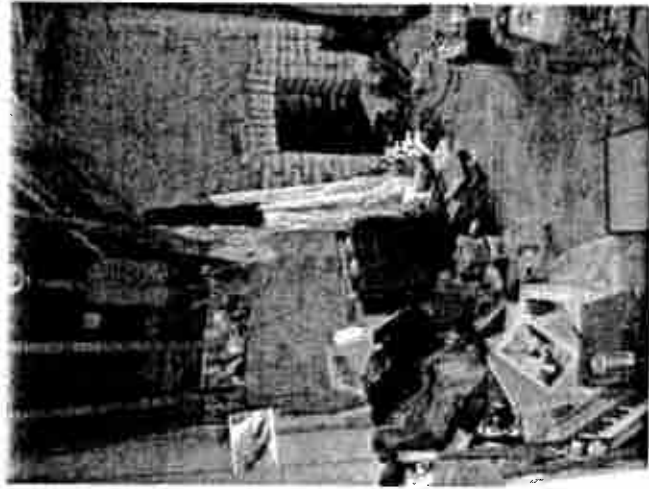
3 EADE ROAD N4 1DJ



This 5 bedroom terrace house in Seven Sisters ward has been empty for 6 years. The owner lives nearby and had kept it in good condition. However, a year ago Italian squatters moved into the house. They appear to use the house as a first point of contact for new Italians moving to this country and so there is a continuous stream of people moving in and out of the house with one or two being there permanently. The neighbours either side and across the road are elderly and find the squatters hard to live amongst. There have been complaints of noise and issues with bins and recycling due to the numbers of people in the house. The squatters have also broken some of the garden fences and have painted graffiti on the back of the house.

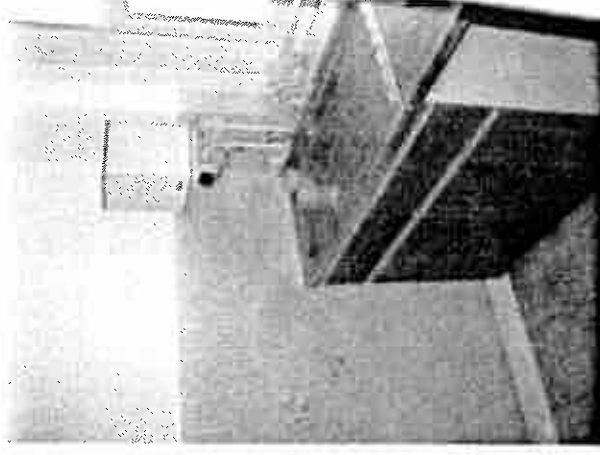
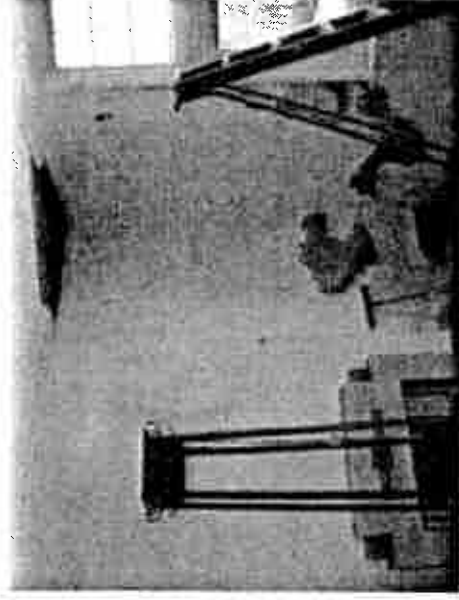
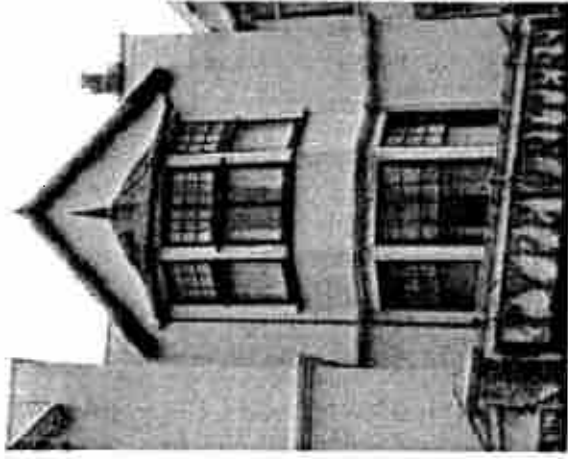
The owner had no idea she had squatters until the Council informed her. Since then she has promised that she will evict these people and then renovate the house and get it let legitimately. However, to date, she has failed to provide evidence that she is actively pursuing this and the house remains squatted.

110 PRIORY ROAD N8 7HP



This large end of terrace house in Muswell Hill ward has been empty for nearly 9 years. The owners started works and the interior has been left totally stripped out with no plaster on the walls, kitchens, bathrooms or services. This has not deterred squatters from moving in and there are two men living on the top floor of the house. The house currently has two entrance doors inside the main front door but could be converted into 3 flats, one on each floor as there are three large rooms on the first and second floor and four large rooms on the ground floor. A Council Tax debt of nearly £22,000 was settled by the owners before the Council could take possession. The owners have never responded to any letters sent to them and have not taken any steps to get the property back into use since the Enforced Sale case.

9 WORDSWORTH PARADE, GREEN LANES N8 0SJ



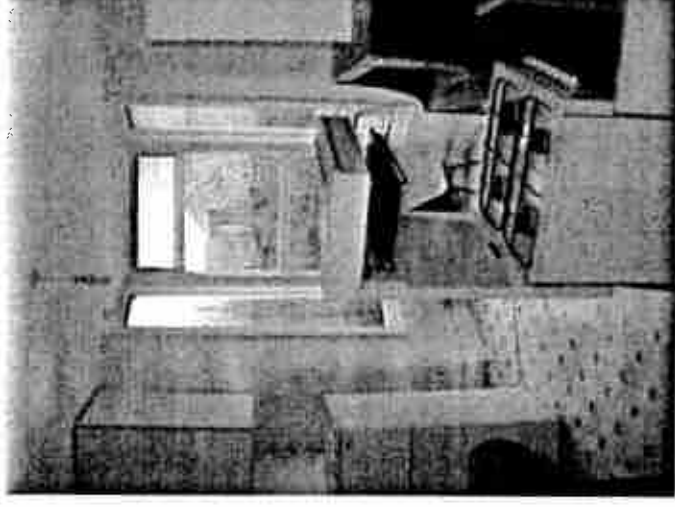
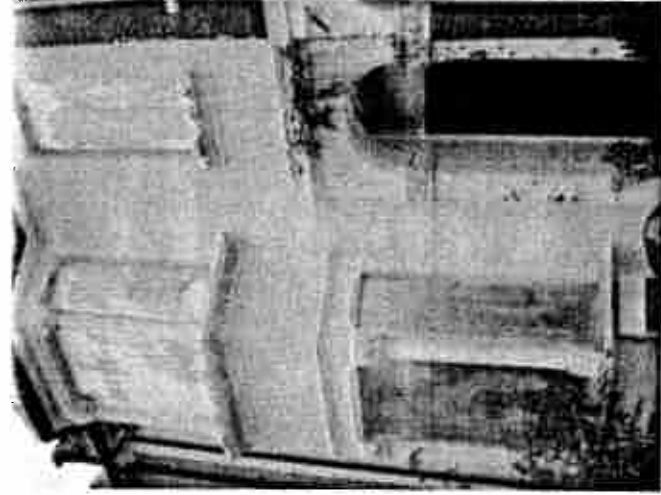
This property, close to Turnpike Lane tube station in Harringay ward has been empty for 17 years! It is laid out as two 1 bedroom flats (one on the first floor and one on the second floor) above a shop on the ground floor. The layout is very poor as currently the conversion has not been carried out correctly and the flats are open to each other and in turn to the shop. The owners have been procrastinating about what to do with their property for years and it remains empty with them having little idea of how to proceed despite a huge amount of advice and encouragement from the Council with regard to grants and help letting the flats

17 CANNING CRESCENT N22 5SR



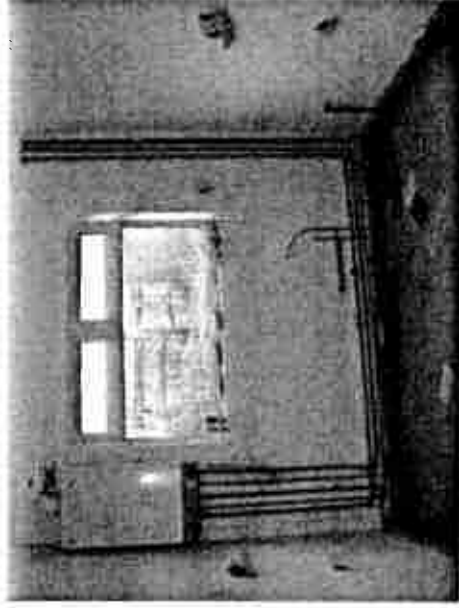
This three bedroom detached house in Woodside ward has been empty for nearly 10 years. It is in a terrible state as the roof has failed and for years water has poured through the building. It also has structural problems with wide cracks being visible throughout the structure. After much involvement and encouragement from the Council the owners finally obtained Planning Permission in June 2008 to demolish the house and build three flats in its place. However, to date they have failed to start these works despite promising to have the house demolished by July 2009.

5 CHALGROVE ROAD N17 ONP



This mid terrace 3 bedroom house in Northumberland Park ward has been empty for 18 months after it was handed back to the owner by the PSL team who had failed to make contact with the owner about repairs which were needed. It was boarded up and remained empty until squatters broke in just before Christmas 2009. Council Tax is owed on the house and it is going forward for an Enforced Sale. If this debt is settled, then CPO will be swiftly implemented to ensure this house is brought back into use.

102 Church Road N17

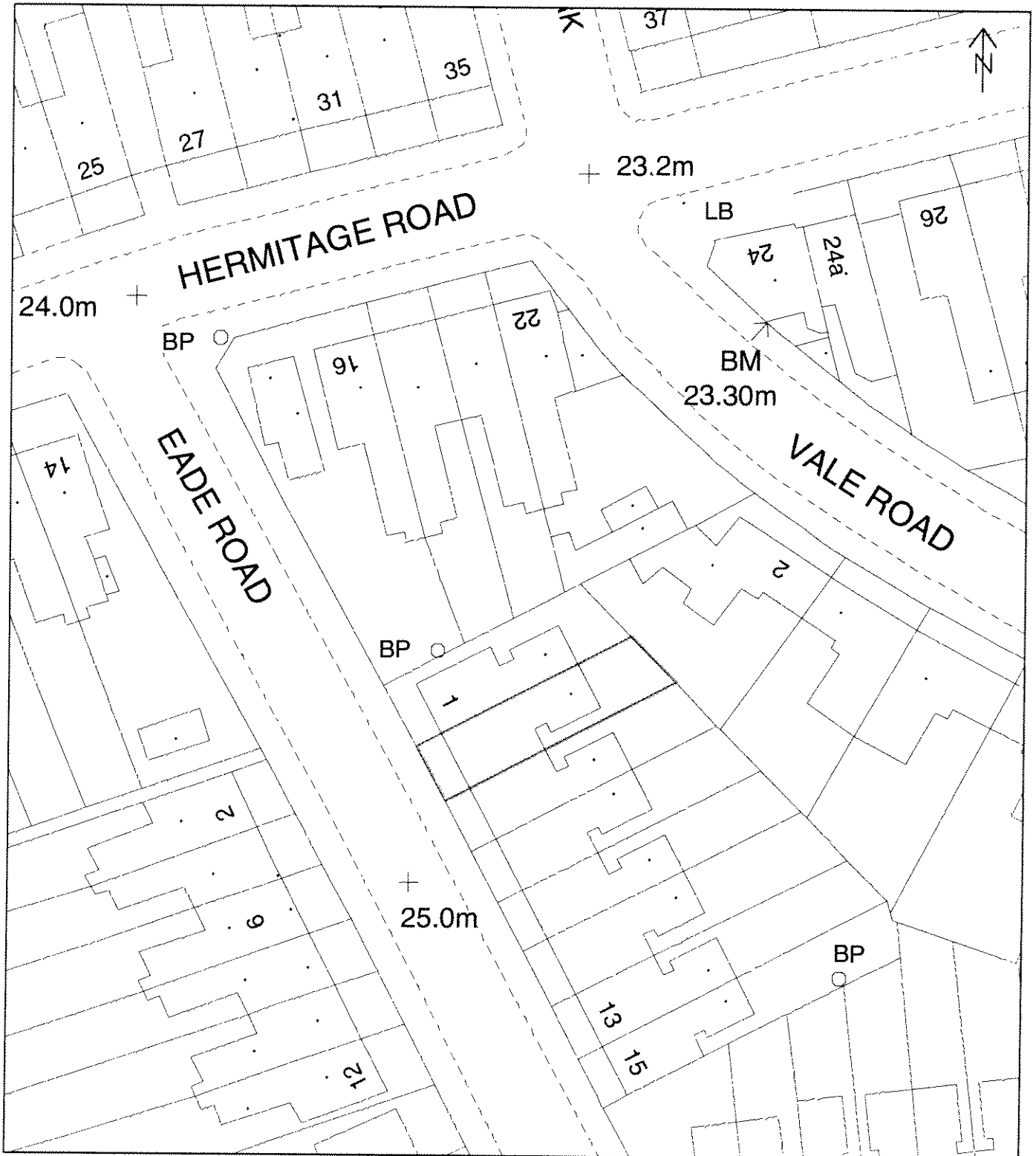


This three bedroom terraced house in Northumberland Park ward has been empty for over 5 years. It has routinely been squatted and entered by youths and has been a cause of great distress to the neighbours. Just before Christmas it became squatted as Romanian gypsies moved in. The owner came to the Council for a grant a year ago but the failed to progress any application and get work on site. There is a large Council Tax debt owed but there is a discrepancy with the names on the Council Tax bill and Land Registry so an Enforced Sale cannot be proceeded with. A CPO is therefore the only way forward with this case.

Compulsory Purchase Cabinet Report

Appendix 3
Maps of property Location.

**Map referred to in the LONDON BOROUGH OF HARINGEY
 (3 Eade Road N4 1DJ) COMPULSORY PURCHASE ORDER 2010**



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**Haringey Council
 CORPORATE PROPERTY SERVICES**

FREEHOLD LN141254 freehold

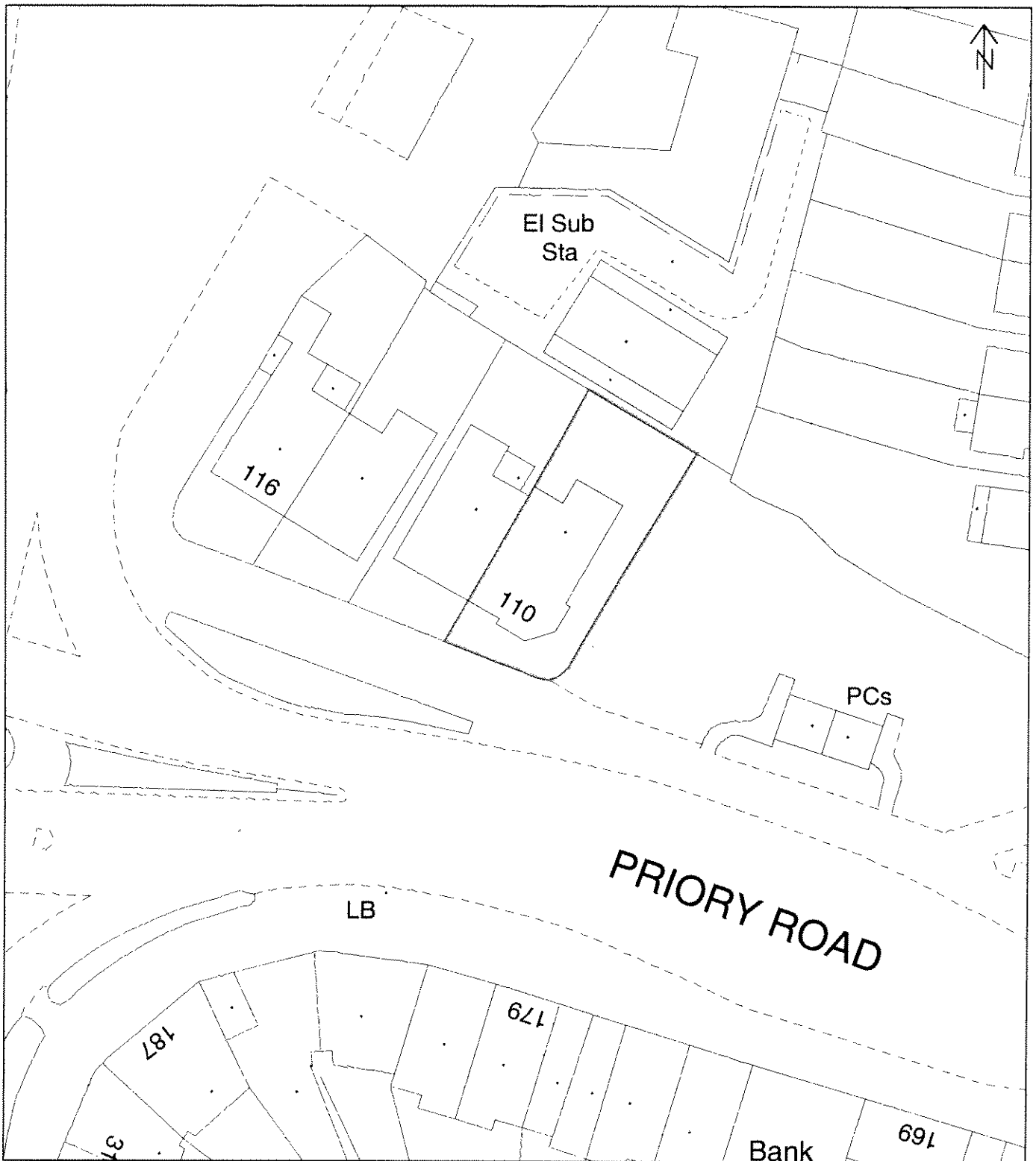
Site Area (square metres) : 124 sq m
 Report Template: Formal Bodies
 Overlay : Property Terrier

Plan produced by Janice Dabinett on 16/11/2009

Scale 1:500

21
 Drawing No. BVES A1 2610

**Map referred to in the LONDON BOROUGH OF HARINGEY
(110 Priory Road N8 7HP) COMPULSORY PURCHASE ORDER 2010**



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**Haringey Council
CORPORATE PROPERTY SERVICES**

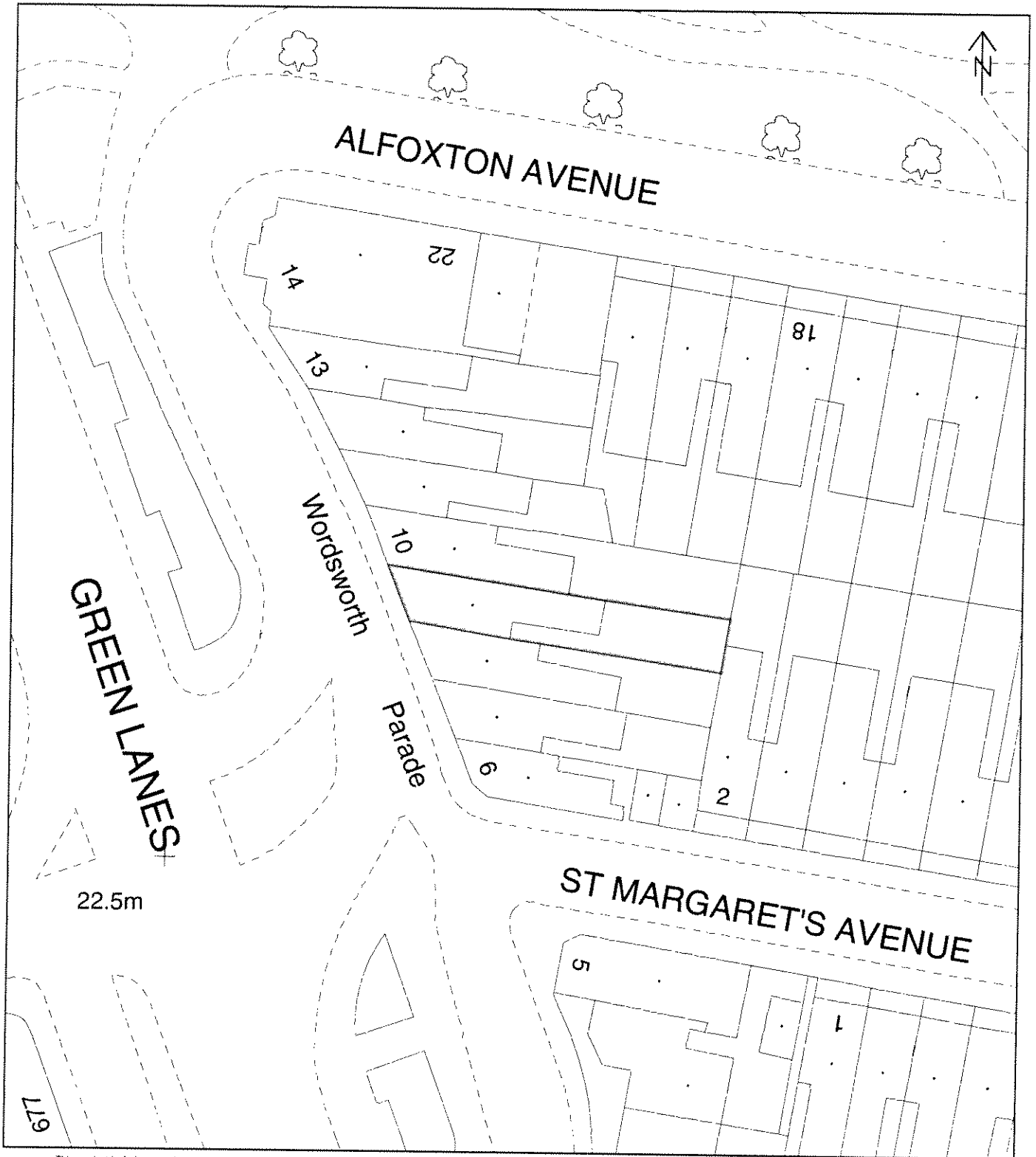
This CPO is of the freehold interest comprised in title MX460349 shaded pink and of the leasehold titles AGL99065 & AGL86432 which are registered against it.

Site Area (square metres) : 269 sq m

Overlay : Property Terrier

Scale 1:500

Map referred to in the LONDON BOROUGH OF HARINGEY
(9 Wordsworth Parade N8 0SJ) COMPULSORY PURCHASE ORDER 2010



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Haringey Council
CORPORATE PROPERTY SERVICES

NGL268415 freehold

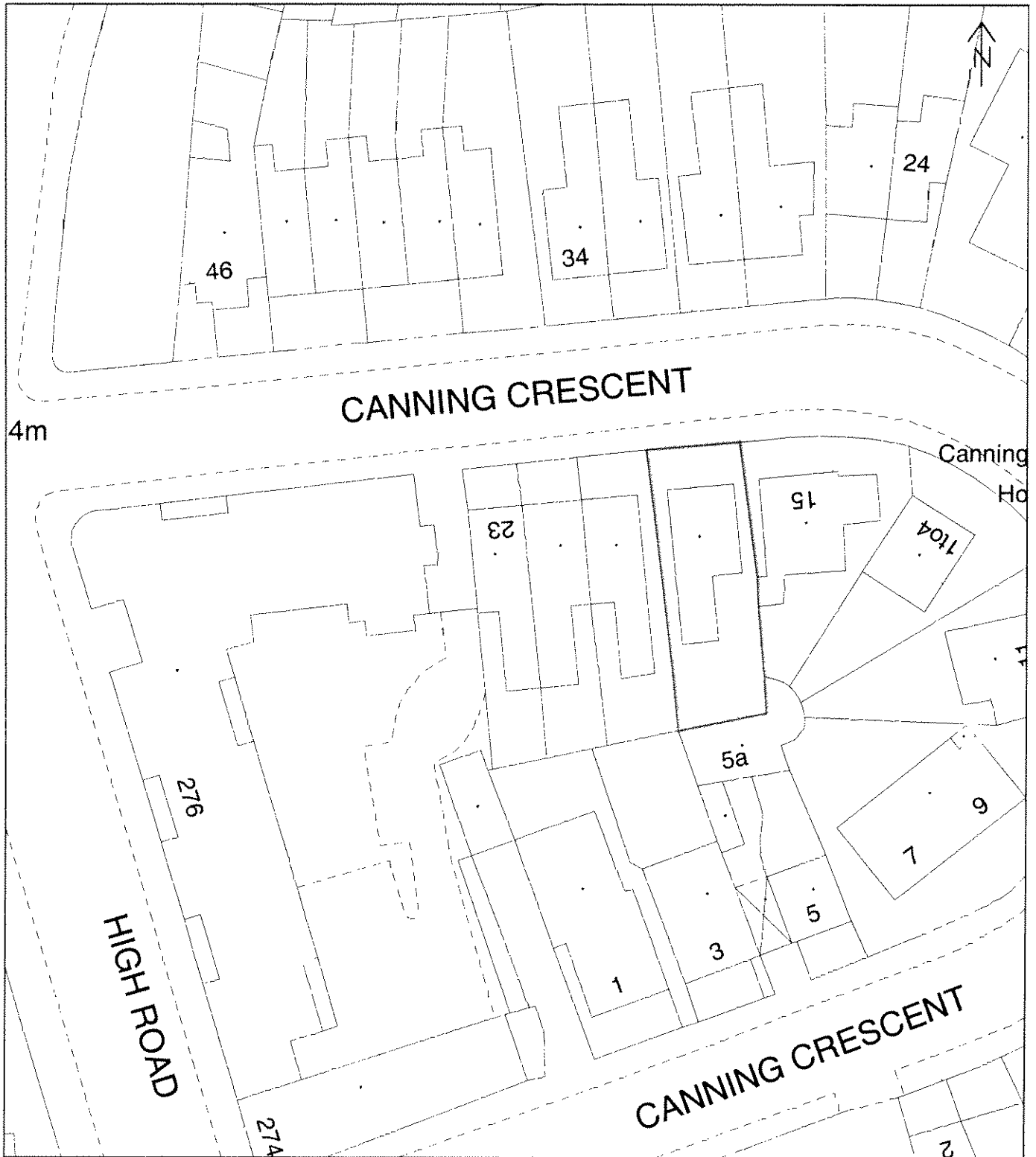
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Plan produced by Janice Dabinett on 16/11/2009

Scale 1:500

Drawing No. BVES A4 0600

Map referred to in the LONDON BOROUGH OF HARINGEY
17 Canning Crescent N22 5SR) COMPULSORY PURCHASE ORDER 2010



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Haringey Council
CORPORATE PROPERTY SERVICES

FREEHOLD MX208238

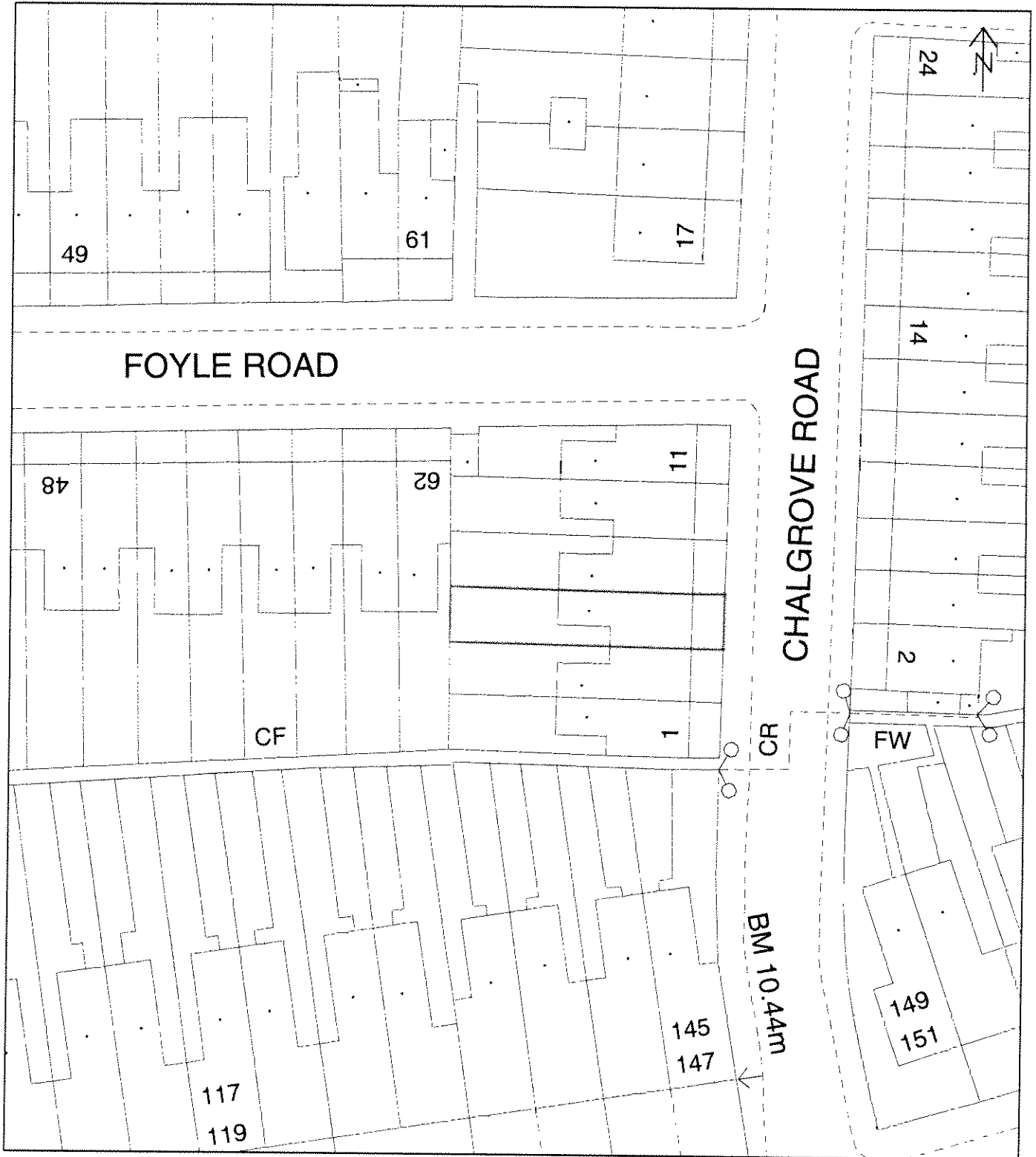
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Scale 1:500

Plan produced by Janice Dabinett on 16/11/2009

Drawing No. BVES A4 2615

**Map referred to in the LONDON BOROUGH OF HARINGEY
(5 Chalgrove Road N17 0NP) COMPULSORY PURCHASE ORDER 2010**



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**Haringey Council
CORPORATE PROPERTY SERVICES**

FREEHOLD MX224805

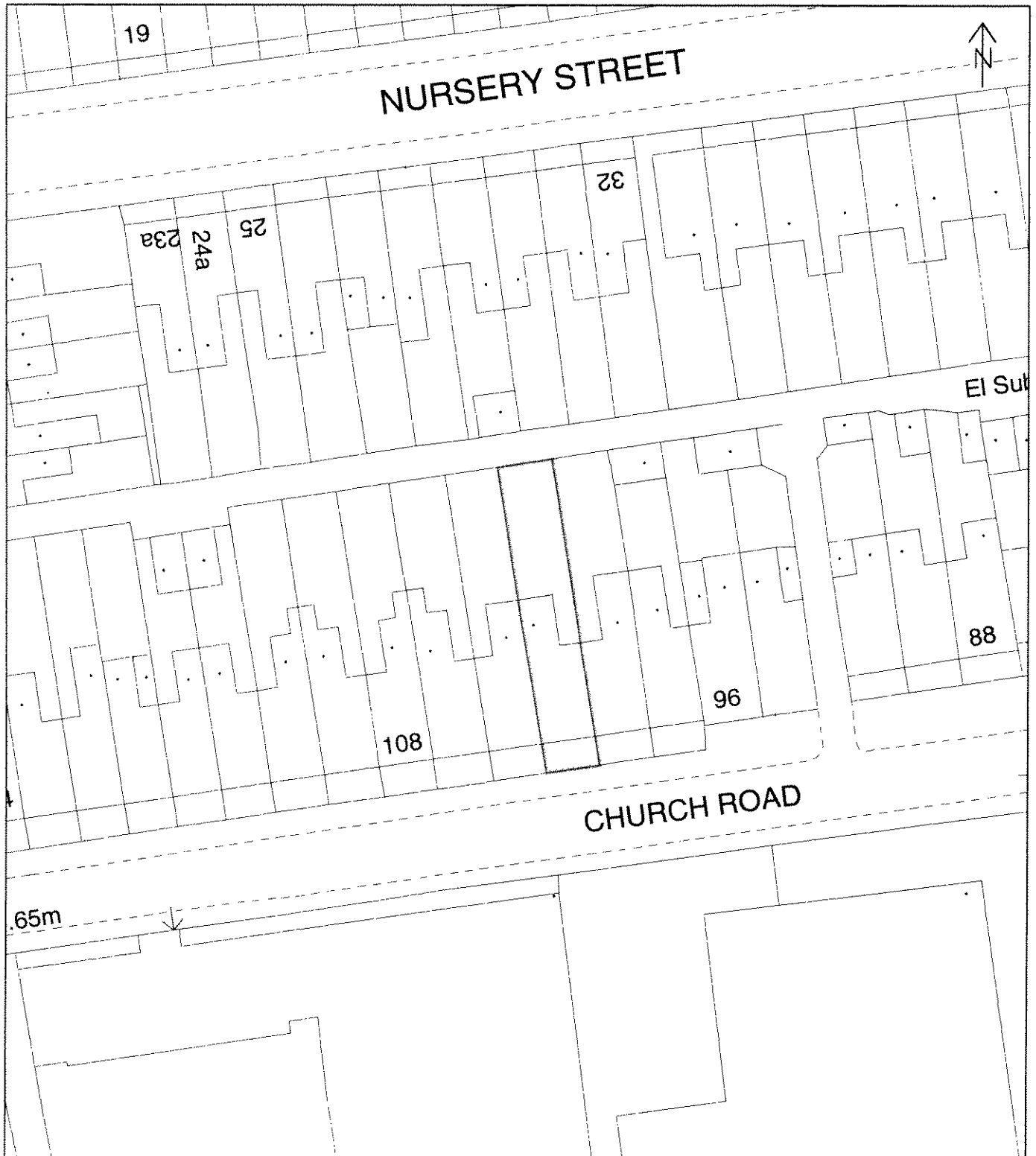
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Plan produced by Janice Dabinett on 16/11/2009

Scale 1:500

Drawing No. BVES A1 2616

Map referred to in the LONDON BOROUGH OF HARINGEY
(102 Church Road N17 8AJ) COMPULSORY PURCHASE ORDER 2010



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Haringey Council
CORPORATE PROPERTY SERVICES

FREEHOLD MX263172

Site Area (square metres) : 135 sq m
Report Template: Formal Bodies
Overlay: Property Terrier

Plan produced by Janice Dabinett on 16/11/2009

Scale 1:500

Drawing No. BVES A4 2618

Compulsory Purchase Cabinet Report

Appendix 4
Valuation Report

Valuations of Properties

1. 9 Wordsworth Parade N8	£350,000
2. 3 Eade Road N4	£350,000
3. 110 Priory Road N8	£500,000
4. 102 Church Road N17	£165,000
5. 5 Chalgrove Road N17	£170,000
6. 17 Canning Crescent	£300,000-£320,000.