

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO**

**Cabinet  
09 June 2021**

**Report Title:** Proposed Compulsory Purchase Order – 12 Cheddar Drive, Newcastle, Staffordshire, ST5 6QR

**Submitted by:** Executive Director - Commercial Development & Economic Growth

**Portfolios:** Community Safety and Wellbeing

**Ward(s) affected:** Silverdale

**Purpose of the Report**

To obtain approval to commence the Compulsory Purchase Order process with a view to acquiring and subsequently disposing of an empty property to bring it back in to beneficial use

**Recommendation**

That

- 1. The Executive Director – Commercial Development & Economic Growth be authorised to work up proposals to compulsorily acquire 12 Cheddar Drive, Newcastle, Staffordshire, ST5 6QR under Part II and section 17 of the Housing Act 1985.**

**Reasons**

Research into this empty property, which in a state of disrepair, shows there is no known owner and no realistic alternative prospect of bringing it back into beneficial use.

1. **Background**

- 1.1 The Council is unable to identify an owner or next of kin of a previous owner and no one is taking responsibility for the property, the property will continue to fall into disrepair unless the Council intervenes. In addition to the issue of a dilapidated property blighting the neighbourhood, the property is no longer making a contribution to meeting the housing needs of the borough.

2. **Issues**

- 2.1 Extensive research has identified the history of the property and the reasons it is empty. However it has not identified any other options for returning the property to a beneficial use and there is a high likelihood its condition will continue to deteriorate and adversely affect the local community.
- 2.2 With the right disposal approach the property could contribute to affordable housing options in the borough, or as an alternative contribute to the assessed need for market housing.

### 3. **Proposal**

3.1 The Executive Director – Commercial Development & Economic Growth be authorised to work up proposals to compulsorily acquire 12 Cheddar Drive, Newcastle, Staffordshire, ST5 6QR under Part II and section 17 of the Housing Act 1985.

3.2 This will include:

- i) obtaining an accurate valuation of the property;
- ii) establishing the likely costs to acquire by CPO;
- iii) investigating likely disposal options including a preference for discussions with registered providers operating locally.

3.3 In the event that proceeding by way of CPO is considered to be viable, to present a further report to Cabinet with a detailed proposal seeking authority to make a Compulsory Purchase Order.

### 4. **Reasons for Proposed Solution**

4.1 Research into this empty property, which in a state of disrepair, shows there is no known owner and no realistic alternative prospect of bringing it back into beneficial use.

4.2 The action will send a strong message to other empty home owners who are not taking responsibility that the Borough will use the full range of options available and will provide learning for further cases.

### 5. **Options Considered**

5.1 Option 1 – Do Nothing

This approach will only lead to the property being left empty indefinitely, falling into increased disrepair, attracting anti-social behaviour and elevated levels of crime which will ultimately put more pressure on the services.

5.2 Option 2 - Enforcement Actions

There is a range of legislation which can be used to require owners to manage the condition of an empty property. This has been discounted as the owner cannot be identified to enforce against and it does not directly result in a change in ownership and beneficial reuse of the property.

### **Legal and Statutory Implications**

6.1 Section 17 of the Housing Act 1985 enables the Council to acquire houses, together with any land occupied with the house, compulsorily for the purposes of providing housing accommodation.

6.2 Before a CPO can be implemented, the acquiring authority must be able to justify the use of powers to the Secretary of State, usually through a public inquiry process. The acquiring authority must be able to demonstrate that:-

- there is a compelling case in the public interest to deprive the landowner of their land;
- there are no other impediments to implementing the proposal for which the CPO is required. This usually involved demonstrating that the council has sufficient resources to deliver what it intends to deliver, and there are no other consents (planning etc.) outstanding;

- that CPO powers are needed to achieve what the Council is seeking to achieve. This involves being able to demonstrate that the Council was not able to acquire the land by agreement.

6.3 The process involves assembling a case such that these matters can be demonstrated, making (drafting and publishing) an Order, inviting representations, and then undertaking a public examination process (usually through public inquiry) through which an inspector appointed by the Secretary of State will determine whether or not to “confirm” the Order.

6.4 Once confirmed, the Council then needs to take certain steps to implement the order, thereby taking legal ownership of the property. Where ownership cannot be ascertained, the compensation payable is paid into court and held in “escrow” in the event of an entitlement to claim against it arising at a later date.

6.5 This report seeks authority to process to assemble that detailed case, with a view to seeking a further authority to proceed if that detailed work demonstrates that the proposal is viable.

## 7. **Equality Impact Assessment**

7.1 There are no equality impact issues arising from the recommendation, although if increased social housing is ultimately achieved, that makes a positive contribution to meeting a particular housing need.

## 8. **Financial and Resource Implications**

8.1 The authority may have to initially fund the purchase of the property which includes the costs of the process and the compensation payable to the owner based on the property’s value. Those costs are commonly offset by the income received upon subsequent disposal. The proposal is to purchase and dispose of the property within a short time frame in the same financial year to minimise any financial implications. There may be options around a development partner funding the initial acquisition costs.

8.2 A property valuation would need to be obtained as part of the process but research suggests property values in the same street according to Zoopla, sell on average for £90,000. However, the property in question will need substantial renovation to bring it back to a decent home standard, therefore the purchase price will reflect this.

8.3 Specialist legal support would be needed to support the process.

8.4 The costs will be set out in the detailed proposal intended to be brought to Cabinet in the event that authority to work up the same is given.

## 9. **Major Risks**

9.1 There is always a risk that the Council does not recover all of the costs that it incurs in the process. The compensation payable along with process and refurbishment costs may ultimately exceed any disposal income received. That will be determined by prevailing market conditions, with risks increasing with any increase in time between acquisition and disposal. The risk could be reduced if the process is implemented promptly, or if arrangements are whereby a development partner meets those costs.

9.2 There is also a risk that any third party development partner or purchaser (from the Council) may not complete the refurbishment within an acceptable time frame. That risk can be mitigated through the way in which sale and/or development agreements are structured.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The proposal seeks to prevent blight to a community and to work in partnership to contribute to affordable housing options in the borough. Through this the following UNSDGs are supported.



11. **Key Decision Information**

11.1 This is not a key decision as the costs of preparing a detailed business case will not exceed the Key Decision threshold. A subsequent decision to proceed may amount to a Key Decision dependent on the costs then involved.

12. **Earlier Cabinet/Committee Resolutions**

12.1 There are no relevant earlier cabinet or committee resolutions.

13. **List of Appendices**

13.1 Appendix 1 Pictures of the property

14. **Background Papers**

None

**Appendix 1**

Pictures of the property

