

CONFIDENTIALITY

The content of this report qualifies as exempt information under section 100(A)(4) and paragraphs 3 and 6b of Part I of Schedule 12A of the Local Government Act 1972 as it is *“Information relating to the financial or business affairs of any particular person (including the authority holding that information)”* and *“Information which reveals that the authority proposes (b) to make an order or direction under any enactment”*.

and

In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure of the value will prejudice the public view, adversely affecting the authority’s ability to obtain best value for the property and the failure to progress the CPO will result in a dilapidating property attracting anti-social behaviour being left in a popular village.

Accordingly, it is proposed that the Appendix to this report should remain exempt.

Subject: Compulsory Purchase Order

Report to: Policy & Resources Committee – 19th March 2019

Report by: Sue Bolan - Enabling & Empty Homes Officer

RECOMMENDATIONS

This report requests approval for Great Yarmouth Borough Council to compulsorily acquire a property in Thurne and sell the property with restrictions to start on site within 3 months then to complete and occupy within 2 years.

That the Policy and Resources Committee give authorisation for a budget from capital receipts to be made available to cover the time period between vesting and sale.

1. INTRODUCTION

The work of the Operational Property Enforcement Task Group (OPETG) has identified a long term empty property in Thurne as requiring enforcement action. Through investigations it has been deemed that a Compulsory Purchase Order (CPO) is the best approach for this property.

The property is a small 2 bed end terraced house located in the small popular village of Thurne 13 miles North West of the town of Great Yarmouth.

The property was brought to the attention of the Great Yarmouth Borough Council in December 2017. The property is causing concern and damage by way of damp and pests.

The property has been empty since 5th August 2013 when the owner passed away and has remained in probate since.

2. ACTIVITY SO FAR

Following the complaint.

- Enquiries were made with enforcement, environmental health and police regarding previous involvement. Environmental health visited the property with regards to the report of vermin.
- As the property is within the Broads Authority area, a request was made for a S215 inspection – this was deemed unnecessary by the Broads Authority.
- Enquiries with council tax with regards to probate.
- Land registry search carried out.
- Relevant correspondence to establish intentions including the bank.
- OPETG consulted with regards to consideration for CPO.
- Member enquiry received and replied to.
- Chasing correspondence.
- Established the family wants to relinquish any involvement with the property.
- Continued chasing of the bank.
- Bank response to say they will take possession through litigation and have started pre-checks – same response from 12 months ago.
- All parties given notice of entry for purpose of valuation for CPO.

Initial work was carried out to assess for environmental health issues following the reports of damp and rodents. As the property is within the Broads Authority planning area they were requested to inspect the property under S215.

The bank have been contacted but are particularly difficult to obtain a response from, the last contact received stated that the bank had started their pre-litigation checks. Nothing further has been received from them despite sending a letter and attempting several telephone calls. The bank did not attend the first attempt to enter the property despite receiving notification in accordance with Section 174 (Housing & Planning Act 2016).

Following legal advice the property was entered, surveyed and valued on 7th November 2018 and again on 27th February 2019, whilst at the property it became apparent through conversations with various residents that there is concern about the condition of the property and interest in purchasing the property should it become available.

Contact details have been received from one resident who is interested in purchasing the property.

3. CPO OUTCOMES

It is the intention of Great Yarmouth Borough Council to acquire this property through their powers of CPO.

The recommendation is to then sell the property with restrictions secured via a S106 agreement to ensure the works are started within 3 months of purchase and completed within 2 years at which time the property also needs to be occupied. This approach has been used previously at 5 St James' Walk which was renovated and brought back into use within 6 months.

This decision has been reached following consideration of retaining the property as our stock or renting the property privately.

Retaining the property – This option was dismissed after discussing the property with the housing options team. The need for affordable units in Thurne is limited and due to the location, layout and garden levels is not suitable. Also to ensure the property meets our standards would incur considerable costs to the council and is not justifiable given the need in the village.

Renting the property privately – This option was dismissed as we do not have a property management company in place presently. However, if the property didn't sell this could be explored using an external agent.

4. NEXT STEPS

Should approval be given to the CPO, NP Law will be instructed. It is expected that the process will take approx. 1 year. All interested parties will be informed of the CPO. The process can be stopped at any stage during the process, for example if any involved party was to apply for probate and decide to sell. Where this has happened in the past the CPO has progressed until the sale has completed to ensure that the property is dealt with.

5. FINANCIAL IMPLICATIONS

The CPO will have a revenue cost of £500 mainly to cover land registry charges; otherwise legal fees are covered by the ongoing contract with NP Law (estimated to be £1,500).

The property has been valued by Easton Surveyors Ltd.

Works to make the property habitable are estimated to be £45,000 - £50,000 as significant works are required to the roof and to address the extensive wet rot. It is estimated the

property could be worth up to £220,000 if fully refurbished to a high standard; this is due to the popularity of the village.

The value of the property is the amount which would need to be paid should a claim for compensation be made. Funding will need to be available to cover the time period between when the property is vesting with the council and for 7 years following the onward sale which is the time allowed for claims to cover this compensation.

There are two risks with the CPO both relating to a compensation claim being made between the vesting date and sale.

Firstly, as during this period the council do not have the funds from the sale of the property to cover the compensation. It should be noted that this risk is mitigated by the significant work undertaken prior to the commencement of the CPO to identify interested parties so a claim is considered unlikely. However it is recommended that for reassurance a capital budget is created and be funded from current capital receipts until such time as the property is sold.

Secondly, the risk that compensation is paid at the vested valuation amount during the period flagged above and subsequently the property is sold for less than that amount. The council would then have to finance the shortfall between compensation paid and the sale price from other funding sources. If capital receipts from other sales were unavailable then this would need to be met from borrowing which would have revenue implications. For example, based on borrowing of £10,000 being required, a minimum revenue provision and interest charges of approximately £1,600 would be charged to revenue per year for 7 years.

The property is currently not paying council tax as the letters of administration have not been applied for therefore it remains in probate, once brought back into use this property will be paying £1,538 per annum (18/19 rate), there is no council tax debt on this property.

6. RISKS

If left this property will deteriorate and continue to cause problems.

The property is on the main approach road to the village, and provides a negative impression of the surrounding area. Work has been carried out to tidy the front of the property but only that authorised to gain entry for the purpose of CPO, the vegetation will return without proper attendance.

The property is not insured and would cause damage in the instance of fire or flood.

There is potential to be taken to public inquiry over a compulsory purchase, however this only occurs where there is an objection from a 'relevant person' to the purchase. If this was to happen, costs would be incurred by way of legal representation. Investigations have been carried out to mitigate this but it remains a risk.

There is a risk that once the property has been purchased by Great Yarmouth Borough Council it could take time to sell or may sell for a lower price than anticipated. However, as a result of Council Officer visiting the property, it is clear that there is substantial local interest in buying the property, due to its desirable location and the potential results following successfully renovation.

7. RECOMMENDATIONS

That the Policy and Resources Committee give authorisation for the property to be compulsorily acquired and that a budget from capital receipts is made available to cover the time period between vesting and sale.

8. BACKGROUND PAPERS

A copy of the compulsory purchase report is attached.

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Yes – Policy CS3 Local Plan (December 2015)
Financial Implications (including VAT and tax):	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No