



Assests, Regeneration and Growth Committee

13th June 2019

Title	Sale of a long term vacant property
Report of	Councillor Cornelius
Wards	West Hendon
Status	Public
Urgent	No
Key	Yes
Enclosures	None
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Summary

The property at 22 Edgeworth Avenue, London NW4 was compulsorily purchased pursuant to a report to the Cabinet Resources Committee on 1 December 2008. The subsequent Compulsory Purchase Order was confirmed by the Secretary of State on 7 October 2010.

Following legal challenge, appeals and evaluation of options for the future use of the property, the most viable option identified is the sale of the property at public auction and authorisation for this course of action is sought in this report.

Officers Recommendations

- 1. That the Assets, Regeneration and Growth Committee authorise the sale by public auction or by private tender as appropriate, of the property identified as 22 Edgeworth Avenue, London NW4 4EH on terms requiring the property to be restored to a habitable condition and to residential use and occupation.**
- 2. That the proceeds of sale are returned to the Council's Capital Programme (Empty Property Project).**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council's constitution requires that any transaction over £500,000 has the approval of the Assets, Regeneration and Growth Committee.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Following compulsory purchase of this property as per the report to the Cabinet Resources Committee on 1 December 2008, the London Borough of Barnet (22 Edgeworth Avenue, Hendon, London NW4 4EH) a Compulsory Purchase Order was made and confirmed by the Secretary of State on 7 October 2010.
- 2.2 The council eventually took possession of the site on 15 January 2014.
- 2.3 The dispossessed proprietor continued to engage the Council in litigation culminating in a hearing at the Upper Lands Tribunal at the Royal Court of Justice on 18 August 2015 where the amount of compensation was decided with the Tribunal's decision being made on 28 September 2015.
- 2.4 Following this, title of the property was vested in the Council on 20 January 2016.
- 2.5 The value of the property, as decided by the Upper Lands Tribunal was £650,000.
- 2.6 In light of the length of time the property has been empty along with its poor condition and poor visual appearance, sale by public auction or by private tender as appropriate, seems to be the most expedient option.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Following the acquisition of the property, consideration was given to of the future use of the property. Development and refurbishment were both considered but, after initially declining any interest in the house, the Barnet Group declared an interest in developing the property.
- 3.2 Barnet Group prepared a planning application to demolish the house and rebuild a pair of semi-detached houses in lieu. A planning application was submitted on 29 November 2018.

3.3 The application unfortunately drew considerable opposition from local residents and was subsequently withdrawn. Barnet Group then decided to withdraw their continued interest in the site

3.4 The alternative is to do nothing – this is not felt to be appropriate due to the drain on Council resources caused by long term empty properties, the pressure on the existing housing stock and the continued effect on the local community.

4. POST DECISION IMPLEMENTATION

4.1 Should the recommendation be approved, Property Services will be instructed to enter the property for sale in a suitable public auction or by private tender as appropriate.

4.2 The sale will be on terms that the house is restored to a habitable condition and brought back into residential use and occupation within a period of twenty four months.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Corporate Plan 2019-24 is based on three outcomes for the borough focusing on place, people and communities:

- a pleasant, well maintained borough that we protect and invest in
- our residents live happy, healthy, independent lives with the most vulnerable protected
- safe and strong communities where people get along well

5.1.1 This approach meets the Council's key corporate priority detailed in the Barnet Corporate Plan 2019-24 as follows:

- Ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents

5.1.2 Barnet's Housing Strategy 2019-24 is based on the following themes:

- Raising standards in the private rented sector
- Delivering more homes people can afford to buy or rent
- Safe and secure homes
- Promoting independence
- Tackling homelessness and rough sleeping

5.1.3 Sale of this property will increase the supply of good quality housing in the borough

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

The costs to the Council are divided into capital and revenue costs

Estimated Capital Cost

- a. The property has a valuation determined by the Upper Land Tribunal, in its present condition, of £650,000.
- b. This money has already been paid into court for the owner to claim following the decision of the Upper Land Tribunal. The sale price from the auction will belong to the Council as a capital receipt.
- c. The proceed from the sale will fund the original purchase of the property.

Revenue Costs

- 5.2.1 Once the property in question is sold and subsequently returned to use, it will no longer generate a demand for Council resources, enabling these to be focused on other priorities. Previous issues have included repairs to the surrounding hoarding, maintenance of the rear garden, pest control measures, pruning of trees and removal of rubbish.

5.3 Social Value

- 5.3.1 The area will benefit from the sale and refurbishment/development of this site. For many years it has lain empty and an eyesore causing distress for the local community.

5.4 Legal and Constitutional References

- 5.4.1 The Council's Constitution, Article 7.5 states that the Assets Regeneration and Growth Committee has responsibility for 'all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council'
- 5.4.2 The Council Constitution, Article 10 Table A states that Assets Regeneration and Growth Committee is responsible for authorising all acquisitions of this value.
- 5.4.3 Local Authorities are given powers to dispose of housing land in accordance with *The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 - 2013 which came into force on 11 March 2013*, which states: A Local Authority may dispose of land for a consideration equal to its market value.
- 5.1.1 In the case of this empty property held for housing purposes the relevant section of those general consents is A3.3.1 which states that a Local Authority may dispose of an unoccupied dwelling-house to a person who intends to use it as their only or principal home.
- 5.1.2 It should be noted that any transfer to the buyer will contain a covenant that the purchaser must, having carried out works (where appropriate), restore the property to residential use and occupation
- 5.1.3 The Council will not be under any legal obligation to complete a sale of the property back to the original owner (from whom it was compulsory purchased) or anyone connected with that person.

5.5 Risk Management

- 5.5.1 There is a financial risk. This arises if the resale value of the property is less than the compensation paid for it as determined by the Upper Land Tribunal.
- 5.5.2 The Office for National Statistics say that *“Average house prices in the UK have increased by 3.0% in the year to May 2018 (down from 3.5% in April 2018). This is its lowest annual rate since August 2013 when it was also 3.0%. The annual growth rate has slowed since mid-2016 and has remained under 5%, with the exception of October 2017, throughout 2017 and into 2018”*. It is therefore unlikely that the value will have fallen but advice will be taken from Property Services in respect of a reserve price being placed on the sale.
- 5.5.3 Any shortfall in value would have to be funded from Council resources.
- 5.5.4 There is also a risk to the Council in not dealing with empty properties, both in the way central government assesses the Council’s strategic housing performance and in the way residents see the ability of the Council to intervene in the problems which beset them.
- 5.5.5 If the sale of this property does not proceed, the property will continue to deteriorate and be the subject of further neighbour complaints

5.6 Equalities and Diversity

- 5.6.1 The Equality Act 2010 sets out the Public-Sector Equality Duty which requires public bodies to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other conduct prohibited by the Act
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not
 - foster good relations between persons who share a relevant protected characteristic and persons who do not
- 5.6.2 The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 5.6.3 The proposed action has been reviewed against the protective characteristics and it is considered that there will not be any specific adverse impact on any of the groups.
- 5.6.4 It is considered that requiring the improvement of this property will have a positive impact for all local residents. Empty properties can lead to residents having an increased level of area insecurity and fear of crime in their neighbourhood.
- 5.6.5 Any regulatory activity will be carried out in accordance with the current Development and Regulatory Services Enforcement Policy to ensure the objective application of powers and responsibilities.

5.7 Corporate Parenting

5.7.1 The property was considered for use by Barnet Homes, however, as described above, their interest was withdrawn.

5.8 Consultation and Engagement

5.8.1 The local residents objected to the proposal for re-development of the site as two semi-detached properties and that proposal was withdrawn.

5.8.2 Anecdotally, the neighbours would be pleased with the sale of the property for refurbishment/development as a single-family house.

5.9 BACKGROUND PAPERS

[Cabinet Resources Committee on 1 December 2008](#)

The Cabinet Resources Committee was decommissioned in 2014 but the link above gives access to both the agenda item and the minutes.