



## Housing and Growth Committee

27<sup>th</sup> January 2020

<b>Title</b>	<b>Purchase of a long term empty property</b>
<b>Report of</b>	Chairman of Housing and Growth Committee
<b>Wards</b>	West Hendon
<b>Status</b>	Public with accompanying exempt report
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	
<b>Officer Contact Details</b>	Belinda Livesey – Group Manager (Private Sector Housing) 0208 359 7438 <a href="mailto:belinda.livesey@barnet.gov.uk">belinda.livesey@barnet.gov.uk</a>  Clive Dinsey – Environmental Health Officer 020 8359 2494

### Summary

Property A as identified in the linked exempt report was considered for compulsory purchase pursuant to a report to the Housing Committee on 21 June 2018.

One of the options approved by the Housing Committee was to authorise the Deputy Chief Executive to enter into negotiations for consensual purchase of the property at current market value or to enter into alternative dispute resolution with the owner.

The owner chose to negotiate and this report considers the outcome of those negotiations.

## **Officers Recommendations**

**That the Housing and Growth Committee do not authorise the purchase of property A identified in the linked exempt report due to a reduced budget approved for 2020/21 for compulsory purchase of long term empty properties. This budget needs to be prioritised for empty properties causing a more significant detrimental impact on the local community where the property owner is not locatable or able to bring the property back into residential use.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 “Property A” as identified in the linked exempt report was considered for compulsory purchase pursuant to a report to the Housing Committee on 21 June 2018. It is thought to have been empty since 2005. On inspection the property was found to be in good order and repair with no significant or obvious defects.
- 1.2 One of the options approved by the Housing Committee was to authorise the Deputy Chief Executive to enter into negotiations for consensual purchase of the property at current market value or to enter into alternative dispute resolution with the owner. The owner chose to negotiate and this report considers the outcome of those negotiations and the Council’s consideration of the appropriateness of this course of action given the Council’s increasing financial constraints.

### **2 REASONS FOR RECOMMENDATIONS**

- 2.1 Following the report recommending compulsory purchase of this property as per the report to the Housing Committee on 21 June 2018, the owner chose to exercise his right to negotiate the voluntary sale of the property to the Council. These negotiations have been on going.
- 2.2 At a time of reducing budgets the Council needs to prioritise resources to deal with the worst cases first and those where there is no owner available or capable of bringing the property back into residential use. Whilst the property has been empty for a long time it is not in a poor condition, it is secure and is not currently causing anti social behaviour issues or public health issues for the local community.

### **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 If the property is purchased on a voluntary or non voluntary basis the council will be liable for Basic Loss Payment to the owner of over £70,000. As the budget for long term empty property CPOs is limited and is being reduced in 2020/21 this must be more targeted at the properties that are having the most detrimental impact on the local community as well as having been empty for a long time.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 If the Committee is minded to approve the recommendation the property owner will be advised that a CPO, voluntary or otherwise will now not be entered into and advised to make alternative arrangements to bring the property back into residential use.
- 4.2 The property will be monitored to ensure that it doesn't start causing more issues for the local community. If this starts to be the case the appropriate enforcement action will be taken.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

5.1.1 The Corporate Plan 2019-2024 is based on three main outcomes:

- A pleasant, well maintained borough that we can 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.

Each outcome has a set of key priorities underneath it. Of relevance to the fees considered in this report are:

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

5.1.3 Keeping well and promoting independence are part of the overarching vision detailed in the Health and Wellbeing Strategy. One of the key themes of the strategy is how we live and wellbeing in the community. Bringing empty properties back into residential use increases public perception that the local community is a safe environment.

5.1.4 As detailed in Barnet's Joint Strategic Needs Assessment Barnet was London's most populous borough in 2018 and its population is projected to continue to increase. The high cost of home ownership in Barnet has led to a tenure shift away from owning a property and towards privately rented accommodation, so that over a quarter of households in the borough now rent from a private landlord. Between 2001 and 2016, the use of privately rented accommodation in Barnet rose from 17% to 26% of households. As such it is key that the local authority is taking the appropriate action to ensure that empty properties are brought back into residential use.

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

#### **5.2.1 Finance and Value for Money:**

5.2.2 This course of action will leave the property empty which may cause future enforcement costs for the local authority. If the recommendation is taken then the council should incur no additional costs. However, costs associated with empty properties should be kept under review.

5.2.2 A claim may be received from the property owner in relation to costs incurred to date in relation to the voluntary CPO negotiations. There is no legal obligation to meet any such claim.

5.2.4 **Procurement:** At this time there are no procurement implications.

5.2.5 **Staffing:** With the property remaining empty it is likely to involve some level of Council staff involvement in the future due to the property conditions potentially deteriorating.

5.2.6 **Property:** At this time there are no property implications.

5.2.7 **IT:** At this time there are no IT implications.

5.2.8 **Sustainability:** Leaving a property empty in a borough with a shortage of housing is not an ideal solution to this issue.

### **5.3 Social Value**

5.3.1 The Social Value considerations are that the area will not benefit from the sale and subsequent refurbishment of this property. It is likely to continue to lay empty and neighbours have, anecdotally, advised Officers they would prefer the house to be occupied. The resources can however be used for other properties that will provide more value for money due to their more significant impact on the local community due to for example significant disrepair, vermin, target for crime etc.

### **5.4 Legal and Constitutional References**

5.4.1 Article 7 of the Council's Constitution, 'Committees, Forums, Working Groups and Partnerships' sets out the terms of reference of the Housing and Growth Committee including commissioning of environmental health functions for private sector housing and responsibility for housing grants. It also has responsibility for recommending for approval fees and charges for those areas under the remit of the committee.

5.4.2 The Council is not under any legal obligation to proceed with the consensual purchase of the property following negotiations with the owner.

### **5.5 Risk Management**

5.5.1 There is a financial risk. The property owners may have incurred costs through the legal negotiations to date which they may seek to claim from LBB.

5.5.2 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.

5.5.3 If the purchase and subsequent sale of this property does not proceed, the property may continue to lay empty, may deteriorate and be the subject of neighbour complaints. This will be a drain on Council resources.

### **5.6 Equalities and Diversity**

5.6.1 The Corporate Plan 2019-2024 contains a commitment to treating residents equally, with understanding and respect, with all having access to quality services. Changes to policies and services are analysed in order to assess the potential equalities impacts and risks and identify any mitigating action possible before final decisions are made.

5.6.2 Section 149 of 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

5.6.3 The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

5.6.4 The proposed refusal to purchase this property has been reviewed against the protected characteristics and it is considered that there will not be any specific adverse impact on any of the groups.

## **5.7 Corporate Parenting**

5.7.1 The decision required by this report does not have a direct impact on looked after children and care leavers if they live in the private rented sector.

5.7.2 The property was considered for use by Barnet Homes, however, they were unable to reach agreement over the terms of a full repairing lease with the owner.

## **5.8 Consultation and Engagement**

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

## **5.9 Insight**

5.9.1 There is no Insight considerations for this report.

## **6 BACKGROUND PAPERS**

6.1 [The report to the Housing Committee 21<sup>st</sup> June 2018](#)

6.2 [The minutes to the Housing Committee 21<sup>st</sup> June 2018](#)