

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	ENVIRONMENT, HEALTH AND HOUSING COMMITTEE	5 JANUARY 2016	6

PROPOSED COMPULSORY PURCHASE OF PROPERTY TO DELIVER AFFORDABLE HOUSING

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The council has confirmed the compulsory purchase order to acquire 93 St Albans Road, St Annes. The purpose of the order is to provide affordable housing on the land by transferring it to a registered provider of social housing. The council can implement the order by making a general vesting declaration, which would transfer the land to the ownership of the council. The report seeks authority to make the declaration, allocate money from section 106 funds for compensation and transfer the land to the registered provider.

RECOMMENDATIONS

The committee is requested to:

- 1) Recommend to the Finance & Democracy Committee a fully funded addition of £105,000 to the Councils 2015/16 Capital Programme for the compulsory purchase order of 93 St Albans Road to be met from a Section 106 contribution (Agreement Ref: 03/0157 – Queen Mary School Development) held by the council paid under planning obligations for affordable housing of the same amount.
- 2) Approve the onward transfer of 93 St Albans Road to New Fylde Housing Ltd (or another company in the Progress Housing group) for nil consideration.

CORPORATE PRIORITIES (delete v which are not relevant)

To Promote the Enhancement of The Natural & Built Environment (Place)	v	To Encourage Cohesive Communities (People)	v
To Promote a Thriving Economy (Prosperity)		To Meet Expectations of our Customers (Performance)	

SUMMARY OF PREVIOUS DECISIONS

On 4th July 2012, the Portfolio Holder for Finance and Resources in consultation with the Portfolio Holder for Planning and Development approved the following:

1. The portfolio holder agrees to the request from New Fylde Housing for s106 affordable housing monies to support the purchase of 93 St Albans Rd St Annes as phase one of a comprehensive scheme of improvement to the property.
2. The portfolio holder approves a revenue budget increase for 2012-13 of £85,000 to fund the payment to New Fylde Housing fully funded from the s106 affordable housing monies held by the council.

Cabinet, 25 June 2014:

1. Seek further to engage with the property owner with a view to acquiring the property voluntarily as mandated by previous decisions
2. If a voluntary sale is not achieved within a reasonable time, make a compulsory purchase order to acquire 93 St Albans Road, St Annes for the purposes of part II of the Housing Act 1985 for redevelopment to deliver 2/3 affordable housing units.

Environment Health and Housing Committee, 8 September 2015:

Confirm the Fylde Borough Council (93 St Albans Road, Lytham St Annes) Compulsory Purchase Order 2015

REPORT

BACKGROUND

1. 93 St Albans Road, Lytham St Annes is an unoccupied three storey mid terraced house whose very poor condition has generated many complaints from members of the public. Engagement with the owner failed to produce any improvement and it was clear that the condition of the property would continue to deteriorate under its present ownership. Efforts to engage with the owner of the property to bring about a voluntary sale were unsuccessful.
2. As a result, the council made the Fylde Borough Council (93 St Albans Road, Lytham St Annes) Compulsory Purchase Order 2015. The order was confirmed pursuant to the committee's decision of September 8 this year.
3. The report to the committee set out that following confirmation of the order, the council would again seek to engage with the owner of the property to avoid the need to use the compulsory powers given by the order. If this was unsuccessful, a further report would be brought before Members seeking authority to make a general vesting declaration to vest the property in the council.
4. Officers have tried to engage with the owner of the property, but it has not been possible to make contact. Accordingly, this report seeks authority to make a general vesting declaration ("GVD").

GENERAL VESTING DECLARATION

5. A GVD, made under the Compulsory Purchase (Vesting Declarations) Act 1981, is the most appropriate way to implement a compulsory purchase order where the intention is to pass the property to a third party for development.

6. A GVD enables an acquiring authority to obtain ownership of land subject to a compulsory purchase order without having to settle the amount of compensation owed to any person or agree on a conveyance of the land with the landowner. Instead, a GVD automatically vests title in the land with the acquiring authority on the date set out in it. Compensation is left to be agreed later, or settled by the Upper Tribunal (Lands Chamber) if necessary.
7. The acquiring authority must give at least two months' notice of its intention to make a GVD. The GVD itself must give at least 28 days notice of the land vesting in the acquiring authority.
8. The committee is requested to approve the making of a GVD to vest the property in the council.

COMPENSATION

9. The compensation, or purchase price, for compulsorily purchased property is based on the open market value of the property taken, together with an entitlement to compensation for disturbance and either a 'Home Loss Payment' or a 'Basic Loss Payment'. The tribunal would fix the amount if not agreed. Using the GVD procedure, the acquisition of the property would be likely to be completed before compensation is settled. The open market value of the property in its present condition is estimated to be not less than £85,000.
10. Developers of market housing are commonly asked to enter into planning obligations requiring the developer to make a financial contribution to facilitate the provision of affordable housing in the council's district. Payment of compensation for the compulsory purchase of the St Albans Road property to enable it to be used for affordable housing would be a proper and appropriate use of such funds. The committee is therefore asked to allocate up to £105,000 of these monies for compensation payments arising out of the acquisition of the property (or, should the property be transferred to the council voluntarily, as the consideration for the transfer of the property).

TRANSFER TO A REGISTERED PROVIDER

11. The statement of reasons, which accompanies the compulsory purchase order, states that the Council "*will work with Progress, a registered provider of social housing, to bring forward the Order Land for conversion into 2 or 3 self-contained flats, which Progress will operate. To that end, the council will purchase the Order Land and transfer it to Progress. The purchase of the Order Land will be financed by monies paid to the council as contributions towards the provision of affordable housing in Lytham St Annes or the Fylde area as a whole under planning obligations...The Council has agreed with Progress that Progress will convert the house...into two or three 1 and 2-bedroomed self-contained flats using further funding to be provided by the Council from the funds identified in the previous paragraph. Progress will let the flats on assured tenancies.*"
12. The committee is asked at this stage to approve the onward transfer of the property, once acquired by the council, to Progress Housing, for the purposes set out in the statement of reasons. Any allocation of further funding to finance the conversion of the properties and their provision by Progress as affordable housing would need to be reported for approval by the committee at a later date.

IMPLICATIONS	
Finance	This report requests that the Committee recommends to the Finance & Democracy Committee a fully funded addition of £105,000 to the Councils 2015/16 Capital Programme for the compulsory purchase order of 93 St Albans Road to be met from a Section 106 contribution held by the council paid under planning obligations for affordable housing of the same amount. The report also seeks approval of the onward transfer of 93 St Albans Road to New Fylde Housing Ltd (or another company in the Progress Housing group) for nil consideration.
Legal	The compulsory purchase order gives the council the authority to acquire the property compulsorily. A general vesting declaration would be the most appropriate means of effecting that authority.
Community Safety	There are no direct community safety implications arising from the report
Human Rights and Equalities	There are no direct human rights and equalities implications arising from the report
Sustainability and Environmental Impact	There are no direct sustainability and environmental implications arising from the report
Health & Safety and Risk Management	There are no direct health and safety or risk management implications arising from the report

LEAD AUTHOR	TEL	DATE	DOC ID
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LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Fylde Borough Council (93 St Albans Road, Lytham St Annes) Compulsory Purchase Order 2015	7 May 2015	Town Hall, Lytham St Annes
Statement of reasons	7 May 2015	Town Hall, Lytham St Annes