

Title of Report	COMPULSORY PURCHASE ORDER - 65 STATION ROAD	
Presented by	Councillor Michael Wyatt Communities and Climate Change Portfolio Holder PH Briefed <input checked="" type="checkbox"/> yes	
Background Papers	Empty Homes Policy Cabinet approval - Agenda for Cabinet on Tuesday, 29th March, 2022, 5.00 pm - North West Leicestershire District Council (nwleics.gov.uk) Housing Strategy - Housing Strategy 9 March 2016 with glossary.pdf (nwleics.gov.uk)	Public Report: Yes Key Decision: Yes
Financial Implications	There are costs associated with this action due to the formal offer which is a requirement before the formal Compulsory Purchase Order process can commence. The costs are detailed in Section 3.0 of the report. There will be an indemnity agreement with a developer to mitigate costs associated with purchasing and maintaining the property.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The process of a CPO is complicated and governed tightly by legislation. The Council's Legal Service is being supported by specialist external lawyers throughout the process.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no additional staffing implications. This is work that will be absorbed within existing capacity of Environmental Protection, Legal and Finance Services.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek approval to put forward an offer to purchase a long-term empty property and authority to commence the formal Compulsory Purchase Order process should a voluntary sale not be agreed.	

Reason for Decision	<p>On this occasion due to the nature of the case, Cabinet is requested to review and confirm the value of the offer. They are also requested to review and confirm that should the offer not be accepted, the formal process of the Compulsory Purchase Order can commence.</p> <p>Officers have delegated powers to carry out enforcement action under the Empty Homes Policy. In the Constitution, Section E sets out that where Executive Functions have been delegated, it does not prevent the Cabinet from reviewing decisions made in the discharge of those functions in accordance with the provisions of the Constitution.</p>
Recommendations	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1. AGREES TO THE VALUE OF THE OFFER TO BE MADE TO THE OWNER OF A LONG-TERM EMPTY PROPERTY 65 STATION ROAD IN KEGWORTH 2. AUTHORISES THE HEAD OF LEGAL SERVICES TO TAKE ALL NECESSARY STEPS TO SECURE THE MAKING, SEALING, CONFIRMATION AND IMPLEMENTATION OF THE CPOS, INCLUDING BUT NOT LIMITED TO THE PUBLICATION OF ALL STATUTORY NOTICES, SECURING THE CONFIRMATION OF THE ORDER BY THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT (AS APPROPRIATE) INCLUDING (BUT NOT LIMITED TO) THE NEGOTIATION AND COMPLETION OF ANY NECESSARY AGREEMENT AND UNDERTAKING IN ORDER TO SECURE THE REMOVAL OF OBJECTIONS TO THE CPO; THE PRESENTATION OF THE COUNCIL'S CASE AT ANY PUBLIC INQUIRY OR VIA WRITTEN REPRESENTATIONS AND ALL OTHER ASSOCIATED PROCEDURAL STEPS AND VESTING OF THE LAND IN THE DISTRICT COUNCIL 3. AUTHORISES THE HEAD OF LEGAL SERVICES, TO ACQUIRE INTERESTS IN THE LAND WITHIN THE ORDER EITHER BY AGREEMENT OR COMPULSORILY, THE PAYMENT OF COMPENSATION AND STATUTORY INTEREST AND THE INSTITUTING OR DEFENDING OF PROCEEDINGS WHERE NECESSARY, TOGETHER WITH THE PROPERTIES' SUBSEQUENT DISPOSAL

	<p>4. ISSUE AND SERVE ANY WARRANTS TO OBTAIN POSSESSION OF THE PROPERTY ONCE ACQUIRED FOLLOWING EXECUTION OF A GENERAL VESTING DECLARATION OR NOTICE OF ENTRY IF IT NECESSARY TO OBTAIN VACANT POSSESSION</p> <p>5. SUSPEND OR ABANDON THE CPO PROCEEDINGS OR WITHDRAW THE CPO IN RELATION TO ALL OR PART OF THE PROPERTY</p> <p>6. TAKE NECESSARY ACTION TO DEAL WITH ALL MATTERS RELATING TO THE PAYMENT OF STATUTORY COMPENSATION INCLUDING, WHERE REQUIRED, INSTITUTING, OR DEFENDING PROCEEDINGS</p> <p>7. TAKE ALL OTHER NECESSARY ACTION TO GIVE EFFECT TO THESE RECOMMENDATIONS</p>
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1.0 BACKGROUND

1.1 In March 2022, Cabinet approved the Council's Empty Homes Policy which gives the Environmental Protection team the opportunity to unlock the potential of empty homes thereby contributing towards meeting local housing demand.

1.2 One of the District's problem long-term empty properties is 65 Station Road, Kegworth. More information on the history of this property can be found in Appendix A. In summary the reason why the Council is taking action against this property is because for the last 25 years there has only been one communication from the owner. Whilst they have paid their bills including council tax and the costs of any works the Council has undertaken in default, they have not maintained the property and this is causing distress to local residents. Having sought legal advice, a Compulsory Purchase (CPO) was determined as the best option and last resort for bringing the property back into use. Cabinet approved the CPO of this property in March 2025. (See previous report in Appendix B, please note that some confidential information has been redacted using 'XXXX...' and the 2 appendices of this report are not included due to them not being necessary to give context to this report).

1.3 Since permission was granted to proceed with the CPO of this property, the Environmental Protection team has:

- continued working with the Council's legal service
- met monthly with external legal specialists in CPO's, nplaw
- sent a letter to the owner advising of Cabinet's approval to proceed with the CPO
- Received contact from the owner on 1 September 2025 confirming the following "I have received your letter of 20/08/25 regarding 65 Station Road. I am currently seeing if a private sale is possible". This is the only contact received in over 25 years and no further contact has been received since
- Conducted an independent house valuation on 29 September 2025, confirming the current value of the property is £47,000.

2.0 KEY ISSUES FOR CONSIDERATION

- 2.1 NPlaw has recommended that prior to instigating formal CPO action that a formal offer to purchase the property is made to the owner to enable a voluntary sale and avoid the need for commencing the CPO process.
- 2.2 If the CPO process is implemented and the property obtained either via a General Vesting Declaration or a Notice to Treat, the property owner would be entitled to compensation. One of the heads of compensation is the market value on the day of vesting, as determined by formal valuation.
- 2.3 In addition to the market value, compensation may also include claims for other heads of compensation such as loss payments (in the case of an empty property basic loss may be claimed at 7.5% of the property value), disturbance payments (if an owner or occupier can demonstrate losses caused by losing possession such as removal fees) and legal and surveyor fees.
- 2.4 In line with Government Guidance “Guidance on Compulsory purchase process and the Crichel Down Rules” the Council will remain open to a voluntary purchase.
- 2.5 During the CPO process the Council will continue to attempt to negotiate with the owner in order to purchase the property by agreement. However, the Council will continue with the CPO process alongside any new negotiations and will look to take ownership of the property via a GVD or the Notice to Treat/Notice of Entry process if an agreement cannot be reached in a reasonable timescale.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The current basic loss payment is 7.5%. Therefore, the suggested formal offer could be **£50,525**. This is calculated as follows, current valuation + 7.5% basic loss payment = formal offer i.e. **£47,000.00 + £3,525.00 = £50,525.00**. Nplaw have advised that including an uplift with the offer shows the Council's intention to avoid formal CPO action. It should be noted the same values may not be offered/agreed in relation to compensation should formal CPO action be undertaken.
- 3.2 It is proposed that the formal offer will be put forward with a timeframe, upon the expiry of the timeframe, the formal and legal CPO process will commence. As above, the Council will continue negotiations where possible alongside the formal CPO process.
- 3.3 As detailed in the March 2025 report, prior to instigating any CPO action, the Council will enter into an agreement with a developer to ensure that the Council is indemnified in full for the total costs of the compensation, acquisition costs and associated expenses of the acquisition of the property. The Council as the acquiring authority will initially own the property once the General Vesting Declaration vests the land in the Council, however, the property will be transferred as soon as possible to the developer as per the indemnity agreement.

4.0 RISKS

- 4.1 There is a risk that the owner may accept the formal offer but then withdraw from or unreasonably protract the process further down the line. If this happens, the formal CPO process can be started.
- 4.2 There are plans to line up a new purchaser who will bring the empty property back into use. There is a risk that the new purchaser could back out of the purchase, or they could proceed with the purchase but not make timely progress on bringing it back into use. To overcome these issues, an indemnity agreement will be drawn up.

Policies and other considerations, as appropriate	
Council Priorities:	- Communities and housing
Policy Considerations:	Acquisitions policy – N/A in this CPO case Empty Homes Policy
Safeguarding:	If any safeguarding matters were raised during the CPO process relevant referrals would be made.
Equalities/Diversity:	This is a decision under an existing policy, therefore, an Individual EIA has been completed.
Customer Impact:	CPO's give the local authority the legal right to return the property back into use.
Economic and Social Impact:	CPOs will improve the local area and neighbours' lives by not having a blighted property in the area.
Environment, Climate Change and Zero Carbon:	N/A
Consultation/Community/Tenant Engagement:	N/A
Risks:	The CPO process would ensure a purchaser/developer has been identified prior to the final CPO process being commenced. Risks will be managed as part of the project management team.
Officer Contact	Paul Sanders Head of Community Services paul.sanders@nwleicestershire.gov.uk