

## **Leaseholders and compulsory purchase**

*The Chair asked for legal advice on whether there is a duty to offer suitable alternative to all leaseholder displacees regardless of tenure and/or regardless of means, and, if there is a duty and it is not unconditional, what are the conditions under which the authority is entitled not to offer alternative accommodation. The response is below.*

The legal advice below is given on the basis that the position of leaseholders of flats in buildings owned by the Council and subject to regeneration schemes is of particular concern.

1. S39 of the Land Compensation Act 1973 requires local housing authorities to rehouse residential occupiers who are displaced from residential accommodation in circumstances which include where the land is acquired by a local authority possessing compulsory purchase powers.
2. The duty to rehouse in such circumstances only applies where *suitable alternative residential accommodation on reasonable terms is not otherwise available* to the residential occupier.
3. The duty to rehouse is subject to restrictions. It does not apply to trespassers or persons permitted to reside on the premises pending demolition. Nor does it apply where acquisition is pursuant to a blight notice or to persons to whom money has been advanced under discretionary powers conferred on public bodies for the purpose of enabling the person to obtain accommodation in substitution for that from which he is displaced.
4. The housing authority must rehouse leaseholders whose property is subject to a Compulsory Purchase Order or whose property the council has purchased by agreement for redevelopment purposes where suitable alternative accommodation on reasonable terms is not otherwise available.
5. In considering whether suitable alternative accommodation on reasonable terms is otherwise available, the local authority will need to look at the circumstances of the displaced person. This can include the person's financial circumstances. A local authority will need to have regard to its applicable decant policy.
6. The legal department will provide the housing department with advice on individual cases should issues arise.

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