

Meeting:	Executive
Meeting date:	9 September 2026
Report of:	Garry Taylor, Director of City Development
Portfolio of:	Councillor Merrett and Councillor Perrett, Joint Executive Members for Housing, Planning and Safer Communities

Preparation for Potential Use of Compulsory Purchase Powers at Willow House to Support the Delivery of Affordable Housing

Subject of Report

1. This report seeks an in-principle decision to enable the Council to continue preparatory work for the potential use of compulsory purchase powers under Section 17 of the Housing Act 1985, should they ultimately be required to support land assembly for the Willow House development. The report is being brought at this stage to ensure that, whilst negotiations with the remaining leaseholders continue, the Council can undertake the necessary preparatory work to avoid delays to the delivery of the approved scheme and remain in a position to act promptly if voluntary acquisition cannot be achieved.
2. The Willow House scheme will redevelop the former Willow House care home, associated garages and storage units on Council-owned land into 36 high-quality affordable homes with new play and amenity space. Full planning permission for the scheme was granted on 7 May 2026.
3. To deliver the approved layout, six assets (stores and garages) must be acquired by the Council in the northern section of the site, where 10 of the 36 homes would be delivered. Negotiations have progressed positively, but not all interests have yet been secured. A Compulsory Purchase Order (CPO) would only be pursued as a last resort if negotiations are unsuccessful and the statutory tests for the use of compulsory purchase powers can be satisfied.
4. The boundary plan for the Willow House scheme includes several residential properties that are not proposed for compulsory acquisition, and the Council is not seeking to acquire occupied homes as part of this process.

Benefits and Challenges

5. Benefits

- Delivery of 36 high-quality affordable homes on a brownfield site
- Improved amenity, play space and security for Walmgate
- Regeneration of a site vacant since 2017
- Supports wider Walmgate Improvement Proposals
- Provides programme certainty and protects external funding

6. Challenges

- A small number of leaseholders have not yet reached agreement
- A CPO process may require extended timescales if objections lead to inquiry

Policy Basis for Decision

7. The proposal supports the Council Plan priorities approved in 2023, the high-quality affordable homes and amenity space at Willow House supports health and wellbeing, sustainable transport, affordable housing supply and environmental sustainability. The enabling works and main works construction contracts will support the education, skills, economy and employment priorities.
8. The scheme forms part of the Housing Delivery Programme and aligns with the Local Plan brownfield strategy. It also reflects previous Executive decisions relating to Willow House, including:
 - Executive, 16 November 2023: approval to progress a 100 percent affordable scheme
 - Executive, 7 October 2025: approval to procure a principal contractor and enabling works and extend the red line boundary.
 - Executive, 14 April 2026: approval of the Housing Delivery Programme Delivery Strategy and recognition of availability of CPO powers, Executive board were asked to *“note the availability of Compulsory Purchase Order (CPO) powers, and to receive further reports (should they be required) in respect of any potential CPOs which may be required to facilitate the delivery of the schemes.”*¹

Financial Strategy Implications

9. All acquisition, compensation and associated CPO-related costs are already accounted for within the approved Willow House project budget and will be funded through the Housing Revenue Account. No additional budget approval is

¹ [\(Public Pack\)Agenda Document for Executive, 14/04/2026](#) p285 28j

required as a consequence of the recommendations within this report. While final costs may vary depending on the outcome of negotiations, these risks have been modelled and accommodated within the existing approved scheme budget.

10. Early resolution of land assembly reduces the risk of cost escalation, contractor delay and jeopardy to external grant funding. The scheme remains financially viable with the assumed acquisition costs.

Recommendation and Reasons

Recommendation

11. It is recommended that the Executive:

- a) Notes the preparatory work already undertaken to assemble the land, interests and rights required for the Willow House development, including engagement with leaseholders, initial land referencing activity and preparation of the supporting documentation needed for a potential Compulsory Purchase Order. This preparatory work supports the future potential use of compulsory purchase powers should they be required.
- b) Approves the principle of using compulsory purchase powers under Section 17 of the Housing Act 1985 to acquire the land, interests and rights in the six assets, included within the plan at Appendix 1, for the purposes of the erection of houses as part of the Willow House development.
- c) Notes that authority to make a Compulsory Purchase Order will only be requested following a further detailed report and a Statement of Reasons being brought back to the Executive. That future report will request authority to make a CPO only where voluntary acquisition has not been achievable and where the statutory tests are met.
- d) Notes, for the avoidance of doubt, the in-principle approval of the use of compulsory purchase powers relates only to the land, interests and rights required for the Willow House development and does not include the acquisition of any residential properties shown within the wider boundary plan.
- e) Delegates authority to the Director of City Development, in consultation with the Director of Finance and the Director of Governance, to prepare draft documentation for any potential Compulsory Purchase Order referred to above without authorising the making of the order at this stage. This includes appointing land referencing agents, preparing the Statement of Reasons, preparing an Equalities Impact Assessment and securing any statutory consents, licences or orders required to support timely project delivery. These activities form part of the preparatory stage of a CPO process.
- f) Delegates authority to the Director of City Development, in consultation with the Director of Finance and the Director of Governance, to use all reasonable

endeavours to assemble the land, interests and rights required for the scheme by agreement prior to making any CPO. This includes settling compensation and related terms where appropriate and in accordance with statutory requirements where appropriate, removing land no longer required from any proposed CPO, and making arrangements for the relocation of leaseholder possessions and vesting of land acquired in the ownership of the Council where required.

Reasons

12. To ensure the Council is able to secure the land, interests and rights required to deliver the Willow House development, where voluntary acquisition may not be achievable.
- a) To maintain progress on a scheme that has planning permission, secured funding and a clear delivery route, and which will provide new affordable homes and improved amenity space on a long-vacant site.
 - b) To allow preparatory work for a potential CPO to continue in parallel with ongoing negotiations, reducing the risk of delay to the programme and ensuring the Council is ready to act promptly if required.
 - c) To ensure that any future Executive decision to make a CPO is supported by a full Statement of Reasons, an Equalities Impact Assessment and a complete land referencing schedule, in line with statutory guidance.
 - d) To provide clarity that this report does not authorise the making of a CPO, nor does it predetermine any planning matters, which remain the responsibility of the Local Planning Authority.

Background

13. Willow House is a former care home that has been vacant since 2017. The site includes 19 garages and 6 storage units. The area has been identified as a priority regeneration opportunity due to vacancy, anti-social behaviour and the need for new affordable homes. The boundary plan includes three residential properties that fall within the red line for technical reasons, but these are not proposed for acquisition and are not part of the CPO scope.
14. Planning permission for 36 affordable homes was granted on 7 May 2026 (ref 25/02537/FULM). Demolition consent was granted on 12 March 2026 (ref 25/02383/FUL). Procurement for enabling works is underway through a direct award via the Government Commercial Agency. Main works are expected to begin with an appointed Strategic Developer Partner in March 2027.
15. Planning permission for the Willow House development has been granted and officers are not currently aware of any planning, highway, environmental or other

statutory impediments that would prevent implementation of the approved scheme following acquisition of the remaining land interests. This position will continue to be reviewed as the project progresses.

16. In any future report seeking authority to make a Compulsory Purchase Order, the Council would need to demonstrate that the relevant statutory and policy tests are met. This would include evidencing a compelling case in the public interest, that there is a clear and deliverable scheme underpinning the acquisition, that the necessary funding is available, that there are no planning or other legal impediments to implementation, and that reasonable efforts have been made to acquire the required interests by agreement. A full Statement of Reasons would be presented to the Executive at that stage.

Consultation Analysis

17. The Willow House project has been shaped through extensive engagement from 2021 to 2026 including estate-wide letters, drop-in events, design workshops and resident panels.

18. Engagement with affected leaseholders

- First contacted in early 2024 by letter
- Followed by meetings and written correspondence
- Most leaseholders have indicated willingness to proceed, via either acquisition or re-provision, others are in negotiation
- Heads of Terms have been shared and compensation principles explained

19. This demonstrates reasonable endeavours to acquire interests by agreement.

Options Analysis and Evidential Basis

Option 1: Do nothing.

20. Under this option the Council would continue without acquiring the outstanding leasehold interests. The approved scheme could not be delivered in full. Development would be restricted to the southern portion of the site only, reducing the number of homes from 36 to 26. This would require significant redesign work of the landscaping, could undermine the viability of the scheme and would delay delivery.

21. The northern part of the site, including the garages and stores, would remain in their current condition. This would leave an ongoing source of antisocial behaviour and would not address the long-standing issues associated with the garage buildings. The wider regeneration benefits of the scheme would not be achieved.

22. Not recommended.

Option 2: Continue negotiations only, without any intention to potentially use CPO powers, should voluntary agreement not be reached.

23. Risk of prolonged delay, jeopardising grant funding and contractor mobilisation.

24. Not recommended.

Option 3: Prepare for the potential use of CPO (preferred)

25. Provides certainty, protects programme and funding, and ensures delivery of public benefits.

26. Recommended.

Organisational Impact and Implications

27. **Financial:** The Willow House building scheme to deliver 36 affordable homes has been in planning and development for several years and is a key house building scheme for the strategic development partnership currently under procurement. Grant funding has been secured from the MCA and MHCLG through One Public Estate for the demolition and enabling works required on the south section of the site. This grant funding contains conditions relating to the date that work begins on site. It is financially advantageous to the council if the Willow House scheme could be developed as a whole, saving additional overheads and prelims, rather than in two separate sections. The current approved budget for the scheme includes an amount for land purchase to cover the acquisition and compensation to the leaseholders. Delays could also impact on the cost of the scheme through staff recharges and project management fees. It is therefore important for the scheme financial viability that the negotiations with leaseholders do not hold up progress on the works.

28. **Human Resources (HR):** There are no HR implications contained in this report.

29. **Legal:** The Council has the necessary powers to acquire land compulsorily for the scheme. Part XVII of the Housing Act 1985 authorises local housing authorities to compulsorily purchase land, houses or other properties to provide housing accommodation. In using this power, the Council must then apply the procedure set out in the Acquisition of Land Act 1981 (as updated by the Levelling Up and Regeneration Act 2023), using the prescribed forms set out in the Compulsory Purchase of Land (Prescribed Forms) (Ministers) Regulations 2004 (as amended in 2024 and 2026).

30. The Compulsory Purchase Act 1965 deals with post confirmation procedure and the Land Compensation Acts 1961 and 1973 set out the assessment of compensation. Any CPO should only be made as a last resort where there is a

compelling case to acquire the property and where the acquisition of the property is in the public interest. The onus is on the acquiring authority to seek to acquire the property through negotiations with the property owners. All reasonable steps should be taken to acquire the property by mutual agreement before proceeding to a CPO.

31. **Procurement:** Should the Council require external Land Agents, or any other consultancy discipline following the outcome of this report, all works and/or services must be procured via a compliant, open, transparent, and fair process in accordance with the council's Contract Procedure Rules and where applicable, the Procurement Act 2023. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
32. **Health and Wellbeing:** Public Health support the recommendations contained in the report. Affordable housing which is of a good standard is a cornerstone of good health and wellbeing.
33. **Environment and Climate action:** No direct climate change impacts have been identified in relation to the decision of this report.
34. In accordance with the planning permission granted on 7 May 2026, the development as designed will significantly exceed the 75% improvement on Part L 2013 required by the local plan, with 104% achieved overall. Homes at Willow House have been designed to be net-zero carbon in operation. All new build elements are targeting Passivhaus certification. There is a target to maximise the area of Solar PV on all suitably oriented roofs in order to provide as much energy as possible from a local renewable energy source, with solar potentially providing 114% of total energy demand
35. **Affordability:** This report contributes to the provision of affordable housing with lower rents and running costs, alongside the social value commitments on the contractor to create employment/skills pathways for their employees.
36. **Equalities and Human Rights:** Please review the completed Human Rights and Equality Assessment in the Appendix. Those responsible will ensure the actions listed are completed in a timely manner.
37. When considering the use of CPO powers, the Council is obliged to act in a way which is compatible with the European Convention on Human Rights (as enacted in the Human Rights Act 1998). The Convention Rights relevant to CPOs are Article 1 (protection of property) and Article 8 (protection of private, family life and home). No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well-being of the country.
38. **Data Protection and Privacy:** Data protection impact assessments (DPIAs) are an essential part of our accountability obligations and is a legal requirement for any type of processing under UK data protection and privacy legislation. Failure

to carry out a DPIA when required may leave the council open to enforcement action, including monetary penalties or fines.

39. DPIAs helps us to assess and demonstrate how we comply with all our data protection obligations. It does not have to eradicate all risks but should help to minimise and determine whether the level of risk is acceptable in the circumstances, considering the benefits of what the council wants to achieve.
40. The DPIA screening questions identified that whilst there is processing of personal and/or special categories of personal data and/or criminal offence data, it is not likely to result in a high risk to the rights and freedoms of individuals. Therefore, a simple DPIA was completed.
41. This identified the data protections risks as well as the mitigations either in place or that need to be put in place, to minimise these identified risks. A summary of these is below:
- a) The Council has an appropriate lawful basis to process the personal information.
 - b) Only the minimum amount of personal information necessary to support the Compulsory Purchase Order process will be processed
 - c) The Council's data protection policies and procedures will be followed to ensure the secure and lawful processing of personal information.
42. **Communications:** This development is part of the council's wider narrative around supporting new affordable housing and is part of the story of delivering on corporate objectives. As such, communications on this issue will likely need to focus on the wider benefits and objectives of the scheme, and will include localised and well as city-wide materials, as required.
43. **Economy:** The proposals will bring about important regeneration benefits in this neighbourhood, to the benefit of residents, and are supported.

Risks and Mitigations

44. **Risk:** Ability for the Council to potentially use CPO powers is not confirmed.

Mitigation: Should voluntary agreement not be reached, the Council should develop robust planning status and legal advice that there is a clear public interest case.

45. **Risk:** Programme delay.

Mitigation: Early CPO preparatory work and continued negotiation.

46. **Risk:** Objections leading to inquiry.

Mitigation: Transparent engagement and robust evidence base.

47. **Risk:** Cost escalation.

Mitigation: Early land assembly and secured grant funding.

Wards Impacted

48. Guildhall Ward

Contact details

For further information please contact the authors of this Decision Report.

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Background papers

Executive Report, 16 November 2023

Executive Report, 7 October 2025

Executive Report, 14 April 2026

Planning Decision Notice

Walmgate Improvement Proposals, 7 May 2026

Annexes

Annex A: Equalities Impact Assessment

Annex B: Willow House Boundary Plan