

## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	Compulsory Purchase Order Resolution for the Regeneration of Phase 3 North Prospect
<b>Committee:</b>	Cabinet
<b>Date:</b>	7 July 2015
<b>Cabinet Member:</b>	Councillor Penberthy
<b>CMT Member:</b>	Anthony Payne (Director for Place)
<b>Author:</b>	Paul Barnard Assistant Director of Strategic Planning and Infrastructure
<b>Contact details</b>	Tel: 01752 304077 email: paul.barnard@plymouth.gov.uk
<b>Ref:</b>	N/A
<b>Key Decision:</b>	No
<b>Part:</b>	I

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### **Purpose of the report:**

This report seeks approval to make a Compulsory Purchase Order (CPO) in the future, if necessary, as part of the third phase of the North Prospect regeneration project. This request relates to properties that were within the estate transferred to Plymouth Community Homes (PCH) as part of the Housing Stock Transfer on 20th November 2009.

Approval for CPO is being sought by PCH under provisions laid out in schedule 24 of the Housing Stock Transfer Agreement (see appendix 2), to ensure that landownership within Phase 3 of the development is unified and clear title can be provided to the developer to enable the proposed redevelopment to take place. The circumstances in which the Council would be making a CPO would include the failure to purchase a freehold or leasehold property by agreement with the owner, or the need to deal with covenants or secure other interests in the land. This action would only be taken where all other negotiated approaches fail. A similar resolution to make a CPO was approved by Cabinet for Phases 1 and 2 of the development, most recently on 14th August 2012, and in both those cases a CPO was not required as all properties were acquired by PCH through negotiation.

The properties that would fall within the boundaries of the CPO for Phase 3 are located within the following streets and shown on a plan in appendix 1:

- a. 9 Mavisdale
- b. 1, 11, 12, 14, 20, 22, 29, 32, 33, 35, 42, 44, 46, 48, 52, 56, 60, 62, 64, 68, Wordsworth Road
- c. 3, 26, 30, 38, 65 Wordsworth Crescent

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### **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The regeneration of North Prospect contributes to a number of the Council's corporate priorities, most specifically Growing Plymouth and Confident Plymouth. This is being achieved by demolishing existing properties that are in poor repair, and refurbishing existing properties where repairs are cost effective and by building a range of new properties for sale and rent. This is likely to improve both the quality of life and the health of the residents living in the improved houses.

In addition improved community facilities have been created in the area, with the construction of a 'community hub' building known as the Beacon, which provides a new library, early years children's centre, community café and kitchen, community hall, shops and office space.

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

Provision has been made within the Housing Stock Transfer Agreement for PCH to meet the costs of acquisition and associated home-loss compensation, disturbance and all legal costs associated with purchasing a replacement property or any future CPO action that might be required. Therefore there is no direct cost implication for the Council.

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

The regeneration of North Prospect will have the long term effect of reducing rates of child poverty within the neighbourhood by replacing older housing which is expensive to heat with modern, energy efficient property, achieving level 4 of the Code for Sustainable Homes. This will result in more affordable utility bills for residents and also help improve the health of occupants by reducing the occurrence of illnesses linked to cold and damp housing. In addition changing the tenure mix of the neighbourhood by introducing new homes for open market sale and low cost homeownership will help raise levels of aspiration for all residents in this area.

Community safety is also being improved by designing new houses that achieve the Secured by Design accreditation.

The project and risk management form part of the governance arrangements between Plymouth City Council, PCH and the Homes and Communities Agency, and are discussed at regular meetings of these partners at the North Prospect Project Board and the Executive Group.

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

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**Recommendations and Reasons for recommended action:**

It is recommended that Cabinet make a CPO resolution, in the event that it is required for properties within Phase 3 of North Prospect defined as:

- a. 9 Mavisdale
- b. 1,11,12,14,20,22,29,32,33,35,42,44,46,48,52,56,60,62,64,68, Wordsworth Road
- c. 3,26,30,38,65 Wordsworth Crescent

As follows:

*Resolved that, Cabinet make a Compulsory Purchase Order pursuant to S17 of the Housing Act 1985 in respect of the areas outlined in red on the plan submitted (appendix one).*

*The Cabinet specifically notes the considerations that arise under the Human Rights Act (1998) in respect of the proposed CPO and has had full regard to the rights of those that would be affected by the CPO but, for the reasons set out in this report, determines nevertheless to authorise CPO procedure.*

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**Alternative options considered and rejected:**

It is considered that there is no alternative option to CPO that would guarantee delivery of the regeneration in a timely manner, should the situation arise where an interest in the land cannot be acquired by agreement. Although every effort will be made to achieve a negotiated outcome to the acquisition of a property, the redevelopment cannot proceed unless the option of making a CPO is available in the event that it is needed.

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**Published work / information:**

- North Prospect Area Planning Statement- July 2012  
<http://www.plymouth.gov.uk/northprospectaps>
- Plymouth Housing Plan 2012-2017  
[http://www.plymouth.gov.uk/housing\\_plan.pdf](http://www.plymouth.gov.uk/housing_plan.pdf)

**Background papers:**

None

**Appendices**

- **Appendix One** - Plan of CPO area
- **Appendix Two** - Schedule 24 of the Housing Stock Transfer Agreement – Nov 2009

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**Sign off:**

Fin	Place F PC 151 6 001	Leg	2330 5/24/ 6/15/ AC	Mon Off	2331 8/D VS	HR	N/A	Assets	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member: Anthony Payne													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

## **1.0 Introduction**

- 1.1 The Cabinet meeting on the 19<sup>th</sup> October 2009, followed by Council on the 23<sup>rd</sup> November 2009 agreed the transfer of housing stock from Plymouth City Council to Plymouth Community Homes. This included a joint agreement to proceed with the Masterplan for the North Prospect regeneration which envisaged the demolition of up to 800 properties, the construction of up to around 1200 new mixed tenure properties and the refurbishment of 300 social rented homes to Decent Homes standards. Since that time considerable progress has been made with the completion of Phase 1 and the construction of Phase 2 of the development now well under way. In addition discussions on the form of development within Phase 3 have reached a stage where a planning application is due to be submitted within the next few months. At the same time the majority of the homes due for refurbishment have now been completed, and the new community hub known as the Beacon is open to the public, providing a number of high quality services such as a new library, early years children's centre, community café and kitchen, community hall, shops and office space.
- 1.2 Schedule 24 of the Housing Stock Transfer agreement (North Prospect Covenant – see attached appendix two) states in section 6.1 that “the Council agrees to work with the Association (PCH) as it acquires or extinguishes any Third Party Rights necessary to allow the Association to undertake the Redevelopment”
- 1.3 PCH are now requesting that Cabinet takes the first step in the process by agreeing a resolution to make a CPO, should the need arise, in the event that properties in Phase 3 of the redevelopment cannot be acquired by agreement. PCH does not have compulsory purchase powers and therefore Cabinet is required to make a CPO, if needed, on their behalf.

## **2.0 Proposals**

- 2.1 It is proposed that Cabinet agrees a resolution to make a CPO for those properties which are in private ownership in the following streets:
- a. 9 Mavisdale
  - b. 1,11,12,14,20,22,29,32,33,35,42,44,46,48,52,56,60,62,64,68, Wordsworth Road
  - c. 3,26,30,38,65 Wordsworth Crescent

## **3. Justification for Using CPO Powers**

- 3.1 The use of CPO powers is very much seen as a last resort to be implemented only in the event that properties in private ownership cannot be acquired by agreement. A similar resolution was made for Phases 1 and 2 of the development, and in both those cases all properties were successfully acquired by PCH without the need to resort to CPO powers. It is very much expected that this can also be achieved for Phase 3 of the development.
- 3.2 However this cannot be guaranteed and it is necessary to have the agreement of Cabinet to make a CPO should the need arise to ensure that the regeneration of North Prospect is able to continue.
- 3.3 The following reasons are set out by way of justification for the use of CPO powers:
- PCH have advised the City Council that there is considerable building survey evidence that confirms the need for major redevelopment in North Prospect to the extent that repair and rehabilitation work in Phase 3 is not practicable.

- Resolving the housing conditions in North Prospect was a key requirement of the transfer of Plymouth City Council's housing stock to PCH to unlock the investment for the city wide Decent Homes Programme.
- The regeneration of North Prospect is identified as an investment priority in the City and contributes to delivery of the City Vision and Corporate Objectives to provide Decent Homes. The project also forms part of the Plymouth Housing Plan 2012-2017. In order to achieve the scale of change needed in the area, it is essential that the next phase of development continues through to completion.
- Without the use of CPO powers as a backstop solution, PCH are not able to offer a guarantee of site assembly to its developer partner, which in this case is Kier Living. Without this certainty the developer partner would be unable to enter a contract for the redevelopment of the phase and the redevelopment would not continue.

#### **4. Consultation**

- 4.1 A substantial amount of work has also been undertaken to understand the views and needs of the community affected by the redevelopment proposals, and in particular the needs of the owners of properties in future phases of the development. Within Phase 3 of the development 26 owners have been identified, some of whom are also occupiers whilst others are renting out their properties to private tenants.
- 4.2 To date the following actions have been undertaken to engage with these owners:
- Letters have been sent to all owners in the Phase 3 area, explaining the regeneration proposals for the area, and the likely impact upon those owners.
  - Drop in events have been held on a number of occasions to allow owners to meet with representatives of PCH, to discuss the terms of sale and details of the compensation offer that would be available.
  - PCH have carried out 1-1 interviews with the owners of properties and have provided a detailed information pack outlining the full offer that PCH are able to make available.
  - PCH have agreed to cover the costs of providing Independent Financial Advice for owners, paying both the open market value of property as assessed by an independent valuer and the statutory compensation required by legislation. This amounts to an additional sum equating to 10% of the value of the property or £4900 whichever is higher, plus the reasonable costs of disturbance including removal and legal costs.
- 4.3 So far 20 owners have agreed terms and have sold their properties to PCH at an agreed valuation. This leaves a total of 6 owners who are in negotiations and are yet to agree an offer, and of these 3 are close to reaching agreement. PCH will continue to make every effort to reach agreement with these remaining owners however in the event that this is not possible, within a reasonable timeframe, it will be necessary for the City Council to proceed with making a CPO in order to resolve the issue of ownership and enable the redevelopment process to continue.

#### **5. Legal Basis**

- 5.1 The CPOs would be made under S17 of the Housing Act 1985 to provide a quantitative or qualitative increase in housing provision and will follow a similar justification to that used in Phases 1 and 2 of the North Prospect regeneration project.
- 5.2 The City Council is fully aware of its responsibilities under the Human Rights legislation arising from the European Convention of Human Rights (2008) and of the need to address the rights of the individual in any action considered.

## **6.0 Conclusion**

- 6.1 PCH are requesting that Cabinet agree a resolution to make a CPO, in the event that all interests in land in Phase 3 of the development cannot be acquired by agreement. Without making this resolution, and in turn the CPO itself, should it be required, the continuing regeneration of the North Prospect area will be put at risk, as the other options to achieve the redevelopment have been considered and dismissed for the reasons stated above.
- 6.2 The resolution to make a CPO will provide a level of certainty of achieving unified land ownership to both PCH and their developer partner Kier Living to proceed with the development at Phase 3. To date substantial progress has been made to acquire the privately owned units by agreement and PCH will continue to make every effort to acquire all remaining interests without resorting to a CPO. However as this cannot be guaranteed it is considered necessary for Cabinet to agree a resolution to make a CPO should it be required.