

## PLYMOUTH CITY COUNCIL

**Subject:** Compulsory Purchase Order Resolution for the Regeneration of Phase 4 North Prospect

**Committee:** Cabinet

**Date:** 16th January 2018

**Cabinet Member:** Councillor Patrick Nicholson

**CMT Member:** Anthony Payne (Director for Place)

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**Ref:** N/A

**Key Decision:** No

**Part:** 1

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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 4th and final 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 4 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, 2, 3 and 5 of the development, most recently on 30<sup>th</sup> May 2017, and in each case 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 4 are located within the area shown on a plan in appendix 1.

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### **The Corporate Plan 2016-2019**

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 new retail premises, shops, early years children's centre, community café and kitchen, community hall, 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. 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.

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### **Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

Due to the current limited information relating to the remaining owners in Phase 4 of the North Prospect regeneration project, before taking any CPO action, Cabinet will give further consideration to the impact of this decision on groups with protected characteristics, such as are identified in the Equalities Impact Assessment.

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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 4 of North Prospect defined 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:**

N/A

**Background papers:**

- **Appendix One** - Plan of CPO area
- **Appendix Two** - Schedule 24 of the Housing Stock Transfer Agreement – Nov 2009 see document attached.
- **Appendix Three**- list of addresses in private ownership in Phase 4.
- North Prospect Area Planning Statement- July 2012  
<http://www.plymouth.gov.uk/northprospectaps>

| Title | Part I | Part II | Exemption Paragraph Number |   |   |   |   |   |   |  |
|-------|--------|---------|----------------------------|---|---|---|---|---|---|--|
|       |        |         | 1                          | 2 | 3 | 4 | 5 | 6 | 7 |  |
|       |        |         |                            |   |   |   |   |   |   |  |
|       |        |         |                            |   |   |   |   |   |   |  |

**Sign off:**

|  |                |     |                      |            |         |    |     |        |     |    |     |               |     |
|--|----------------|-----|----------------------|------------|---------|----|-----|--------|-----|----|-----|---------------|-----|
| Fin  | PI171<br>8.150 | Leg | 29538/AC<br>/7/12/17 | Mon<br>Off | N/<br>A | HR | N/A | Assets | N/A | IT | N/A | Strat<br>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 On the 23<sup>rd</sup> November 2009 the Council agreed the transfer of housing stock from Plymouth City Council to Plymouth Community Homes. This decision 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 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 Phase 2. The construction of Phase 3 is now in full flow and the planning application for Phase 5 is expected to be decided over the next few months with a start on site scheduled for April 2018. In addition the refurbishment programme has 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 shops, early years children's centre, library, community café and kitchen, community hall, 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 Compulsory Purchase Order (CPO), should the need arise, in the event that properties in Phase 4 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 Phase 4 area.
- 2.2 See appendix 3 for a list of properties in private ownership in Phase 4 of the North Prospect regeneration project.

## **3.0 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, 2, 3 and 5 of the development, and up to now in every case privately owned properties have been successfully acquired by PCH without the need to resort to CPO powers. It is expected that this can also be achieved for Phase 4 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 4 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.

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 future developer partner. Without this certainty the developer partner would be unable to enter a contract for the redevelopment of Phase 4 and the project would not continue.

## **4.0 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 4 of the development 51 owners have been identified, some of whom are also occupiers whilst others are renting out their properties to private tenants.

4.2 PCH will carry out the following actions to engage with the owners living in this phase of development:

- Newsletters have been sent to all residents in the Phase 4 area, explaining the regeneration proposals for the area.
- 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 will carry out 1 to 1 interviews with the owners of properties and provide a detailed information pack outlining the basis of any offers that PCH make.
- The offers made by PCH are based on the open market value of property as assessed by an independent valuer and the statutory compensation required by legislation.
- In addition to the offer PCH covers the costs of: independent property valuations, conveyancing, and providing Independent Financial Advice for home owners.
- PCH also pays a disturbance allowance covering the reasonable costs of one house move, including removals, disconnection and reconnection of utilities.

4.3 So far 2 of the 51 owners have agreed terms and have sold their properties to PCH, leaving a further 49 owners who are yet to agree terms. PCH intends to reach agreement with all of the remaining owners, however in the event that this is not possible 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.

## **5.0 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, 2, 3 and 5 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.

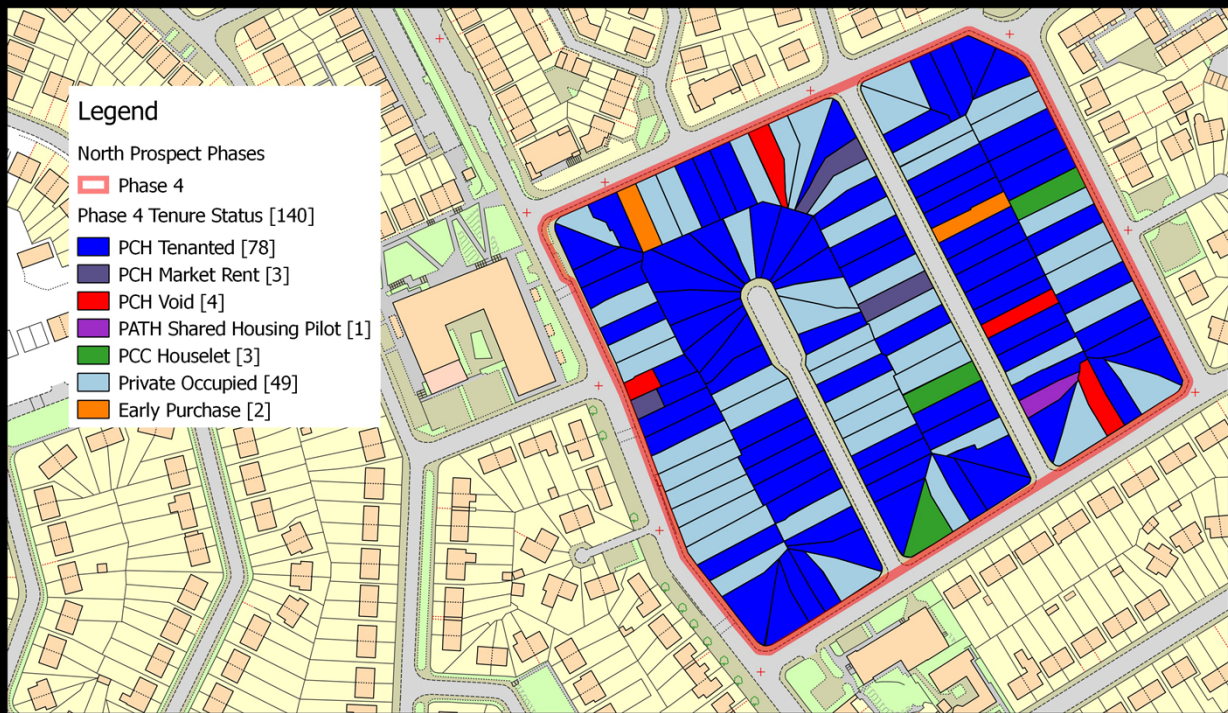
## **6.0 Conclusion**

6.1 PCH is requesting that Cabinet agree a resolution to make a CPO, in the event that all interests in land in Phase 4 of the development cannot be acquired by agreement. Without making this resolution, and in turn the CPO itself, should it be required, the completion of the 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 to proceed with the development at Phase 4. To date some 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.

# Appendix I



Phase 4

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Appendix 2

SCHEDULE 24 NORTH PROSPECT COVENANT

See document attached



### Appendix 3

#### Addresses in Private Ownership in Phase 4 North Prospect to be acquired.

|     |                     |         |
|-----|---------------------|---------|
| 7   | DINGLE ROAD         | PL2 2PS |
| 11  | DINGLE ROAD         | PL2 2PS |
| 17  | DINGLE ROAD         | PL2 2PT |
| 23  | DINGLE ROAD         | PL2 2PT |
| 7   | LAUREL ROAD         | PL2 2QA |
| 11  | LAUREL ROAD         | PL2 2QA |
| 13  | LAUREL ROAD         | PL2 2QA |
| 17  | LAUREL ROAD         | PL2 2QA |
| 27  | LAUREL ROAD         | PL2 2QA |
| 29  | LAUREL ROAD         | PL2 2QA |
| 39  | LAUREL ROAD         | PL2 2QB |
| 41  | LAUREL ROAD         | PL2 2QD |
| 43  | LAUREL ROAD         | PL2 2QD |
| 47  | LAUREL ROAD         | PL2 2QD |
| 55  | LAUREL ROAD         | PL2 2QD |
| 57  | LAUREL ROAD         | PL2 2QD |
| 63  | LAUREL ROAD         | PL2 2QD |
| 3   | MYRTLEVILLE         | PL2 2PY |
| 9   | MYRTLEVILLE         | PL2 2PY |
| 10  | MYRTLEVILLE         | PL2 2PY |
| 19  | MYRTLEVILLE         | PL2 2PY |
| 24  | MYRTLEVILLE         | PL2 2PY |
| 25  | MYRTLEVILLE         | PL2 2PY |
| 27  | MYRTLEVILLE         | PL2 2PY |
| 28  | MYRTLEVILLE         | PL2 2PY |
| 30  | MYRTLEVILLE         | PL2 2PY |
| 31  | MYRTLEVILLE         | PL2 2PY |
| 32  | MYRTLEVILLE         | PL2 2PY |
| 126 | NORTH PROSPECT ROAD | PL2 2PN |
| 130 | NORTH PROSPECT ROAD | PL2 2PN |
| 132 | NORTH PROSPECT ROAD | PL2 2PN |
| 134 | NORTH PROSPECT ROAD | PL2 2PN |
| 136 | NORTH PROSPECT ROAD | PL2 2PN |
| 138 | NORTH PROSPECT ROAD | PL2 2PN |
| 140 | NORTH PROSPECT ROAD | PL2 2PN |
| 154 | NORTH PROSPECT ROAD | PL2 2PW |
| 156 | NORTH PROSPECT ROAD | PL2 2PW |
| 160 | NORTH PROSPECT ROAD | PL2 2PW |
| 3   | ROSEDOWN AVENUE     | PL2 2QF |
| 8   | ROSEDOWN AVENUE     | PL2 2QF |
| 11  | ROSEDOWN AVENUE     | PL2 2QF |
| 13  | ROSEDOWN AVENUE     | PL2 2QF |
| 17  | ROSEDOWN AVENUE     | PL2 2QF |
| 21  | ROSEDOWN AVENUE     | PL2 2QF |
| 27  | ROSEDOWN AVENUE     | PL2 2QF |
| 31  | ROSEDOWN AVENUE     | PL2 2QF |
| 34  | ROSEDOWN AVENUE     | PL2 2QF |
| 36  | ROSEDOWN AVENUE     | PL2 2QF |
| 40  | ROSEDOWN AVENUE     | PL2 2QF |