

	<h2>ASSETS, REGENERATION AND GROWTH COMMITTEE</h2> <h3>12th December 2016</h3>
<p style="text-align: center;">Title</p>	<p>Granville Road New Housing Development Compulsory Purchase Order (CPO) of Pramsheds and Beech Court</p>
<p style="text-align: center;">Report of</p>	<p>Commissioning Director, Growth and Development</p>
<p style="text-align: center;">Wards</p>	<p>Childs Hill</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Urgent</p>	<p>No</p>
<p style="text-align: center;">Key</p>	<p>No</p>
<p style="text-align: center;">Enclosures</p>	<p>Annex 1 – Plan showing Pramsheds and Beech Court to be affected by the CPO</p>
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<h3>Summary</h3>
<p>This report seeks authority to make a Compulsory Purchase Order for the Granville Road Estate pramsheds and Beech Court. The use of a Compulsory Purchase Order will be an option of last resort and will only be utilised where third party interests cannot be acquired through private treaty negotiations.</p>

<h3>Recommendations</h3>
<p>That the Assets, Regeneration and Growth Committee:</p> <ol style="list-style-type: none"> 1. Authorises the making of a compulsory purchase order to purchase the Pram Sheds and Beech Court, at Granville Road Estate and as shown on Annex 1 to secure the delivery of Granville Road New Housing Development Scheme; 2. Authorises the appropriate Chief Officer to negotiate and complete a Compulsory Purchase Order Indemnity Agreement to ensure that the Granville Road LLP indemnify the Council for the full financial costs incurred in

- preparing, making and implementing the CPO.
3. **Authorises the commencement of all preparatory work required for the making of the CPO(s), including (but not limited to):**
 - (a) **appointing a land reference company to review all relevant proprietary interests with a view to producing a draft schedule and plan for the CPO(s);**
 - (b) **the service of requests for information notices under section 16 of the Local Government (Miscellaneous Provisions) Act 1976 on those who may be affected by the proposed CPO(s);**
 4. **Authorises appropriate Chief Officer to issue and sign the order, notices and certificates in connections with the making, confirmation and implementation of the CPO.**
 5. **Authorises the appropriate Chief Officer to issue and serve any warrants to obtain possession of property acquired by the Council following the execution of a General Vesting Declaration or service of a notice of entry relating to the CPO if it was considered appropriate to do so;**
 6. **Authorises the appropriate Chief Officer to transfer all properties and proprietary interests acquired pursuant to the CPO to New Granville LLP in accordance with the terms of the Development Agreement dated 23rd December 2013.**
 7. **Authorises the appropriate Chief Officer to take any further necessary actions to secure the making, confirmation and implementation of the CPO.**
 8. **That any amendments required to the Development Agreement regarding the CPO to be delegated to the Commissioning Director of Growth and Development.**

1. WHY IS THIS REPORT NEEDED

- 1.1 The Granville Road Estate, NW2 is situated at the southern end of the Borough within Child's Hill Ward. This 1960s social housing estate is typical of its type and time resulting from clearance of traditional terraced streets within an area which is characterised by low rise suburban housing. It consists of three tall tower blocks, as well as three lower rise blocks. The quality of the estate is generally poor; reflective of the problems of 1960s council estate developments.
- 1.2 The estate includes large areas of under-utilised and unstructured land including garage courts, undefined parking, unused amenity space, pram sheds and vacant land. In addition, the estate does not offer a range of housing types or tenure options but is predominantly social rented. It is not well integrated into the surrounding neighbourhood, and does little to enhance Childs Hill as an attractive residential location. There is potential to radically improve the estate and transform it into a desirable residential location for all tenures.
- 1.3 Further to a Competitive Dialogue Procurement Process in November 2012, Cabinet Resources Committee agreed to appoint Sherrygreen (New Granville LLP) and One Housing Group to take forward the New Housing Project at

Granville Road Estate. The Development Agreement was signed on 23 December 2013.

- 1.4 Following a Planning Appeal in June 2016 Planning Permission was achieved on 8th August 2016 and it is now necessary to complete the land acquisition to allow the development to proceed.

2 REASONS FOR THE RECOMMENDATIONS

Compulsory Purchase Powers

- 2.1 Following the execution of the Granville Road Development Agreement a number of actions are required before the development of the Granville Road New Housing Project can commence. One of these actions is the acquisition or extinguishment of any third party interests which includes the pram sheds. All the pram sheds on the estate are to be demolished. Approximately 66 of the pram sheds are owned by leaseholders although many are derelict and not being used. The pram sheds are located in 5 different areas on the estate. Three pramsheds have been purchased so far by private treaty.
- 2.2 Negotiations have begun with the leaseholders to acquire the pram sheds. Two letters have been sent to each leaseholder. Only 7 leaseholders are prepared to sell. HB Public Law has been instructed to progress these acquisitions and three pramsheds have been purchased so far.

Of the remaining leaseholders:

- 24 are prepared to accept an alternative pram shed if positioned close to their flat
- 5 are undecided
- 30 have not responded to the letters but assumptions have been made that their requirements will be similar to those who have responded.

Given the number of leaseholders that have either failed to respond to the letters, or have refused to enter into negotiations concerning the buy-back of their pram-shed, the remaining course of action to acquire the pram sheds is to progress matters via a CPO.

The pram sheds form a critical part of the proposed development. The new housing development can only sensibly be achieved in a timely fashion with the acquisition of the pram sheds.

Although negotiations with the leaseholders will continue, it is advisable to begin the first stages of CPO action if voluntary negotiations fail.

- 2.3 Failure to secure the pram sheds will result in amendments to the phasing of the development, delayed capital receipt, more disruption to the estate residents as the development will begin at the north and south end of the

development site. Stage 1 expiry date is 19th June 2017 and Stage 2 expiry date is 19th September 2017.

- 2.4 In Beech Court, there is one leasehold property that has not yet been acquired by the development partner. Although negotiations are continuing with the leaseholder of 16 Beech Court, this property is to be included in any CPO actions.
- 2.5 The costs of acquiring or re providing the pram sheds and the purchase of 16 Beech Court will be paid for by the development partners. We are currently in negotiation with development partners on them covering the costs of CPO action. The costs are likely to be up to £200,000 in legal and administrative costs and disbursements for the making of the CPO (including any public inquiry costs) and take up to two years in the worse case scenario where a public inquiry is required.

The power to compulsorily acquire third party proprietary interests would only be exercised as a last resort in the event that those interests cannot be obtained by private treaty.

Resolution in principle to exercise compulsory purchase powers

- 2.6 Consultants will be appointed to assist the Council with the preparation, making and progression of any CPO. Officers are seeking authority for the New Granville LLP to appoint a land reference company to identify third party proprietary interests, and to help the council serve appropriate notices.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 In order to deliver the Granville Road New Housing Development the Granville Road LLP will require vacant possession of the pramshed land. Although the Council and its development partner will seek to acquire the relevant interests through private treaty negotiation, in order to secure the delivery of the scheme within the programmed timescales the use of CPO powers as a last resort will mitigate against any potential risk that it may not be possible to acquire all interests by agreement.

4. POST DECISION IMPLEMENTATIONS

- 4.1 Post ARG, delegated authorities will be sought for the final CPO proposals, including an making an application to the Secretary of State for confirmation of the Order. Subject to those formal decisions and to formal confirmation of the CPO(s), vesting dates will be agreed and appropriate legal notices issued.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The vision for 2020 expressed within the Council's corporate plan 2015-2020 emphasises the principles of fairness, responsibility and opportunity and the following strategic objectives

5.1.2 The council, working with local, regional and national partners, will strive to ensure that Barnet is the place:

- Of opportunity, where people can further their quality of life
- Where people are helped to help themselves
- Where responsibility is shared, fairly
- Where the services are delivered efficiently to get value for money for the taxpayer.

5.1.3 The Granville Road New Housing development also supports the Sustainable Community Strategy for Barnet 2010-2020 through the following objectives:

- A new relationship with citizens – the new developments will offer more choice and promote independence by providing a number of different housing options such as shared ownership to residents and other people in the wider community.
- A one-public sector approach – the Council is working together with other public sector partners to ensure the delivery of the scheme
- A relentless drive for efficiency – the Council is working with development partners to ensure that the scheme is delivered in the most cost effective way.

5.1.4 The new development also complies with the strategic objectives in the Council's Housing Strategy 2010-2025 which include:

- Increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and promoting mixed communities and maximising opportunities available for those residents wishing to own their own home.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The Council will recover the costs incurred in preparing, promoting and implementing the CPO (including the recovery of professional fees and staff time), by entering into an indemnity agreement with the Granville Road LLP. The Committee is therefore requested to authorise the appropriate Chief

Officer(s) to negotiate and complete the CPO Indemnity Agreement on behalf of the Council.

- 5.2.2. As reported in 2.5., the use of CPO powers is a last resort; the costs are likely to be up to £200,000. It may be that the developers carry out initial work on behalf of the Council. Any costs that need to be funded initially by the Council will be charged to the HRA (Granville Road regeneration budget), which will then be reimbursed by the developer.

5.3 Social Value

- 5.3.1 As indicated in sections within this report, the new housing development at Granville Road will secure wider social, economic and environmental benefits.

5.4 Legal and Constitutional References

- 5.4.1 The Council has the power through various enactments to make a Compulsory Purchase Order and to apply to the Secretary of State for confirmation of the Order. The Management of Asset, Property and Land Rules with the Council Constitution, outlines the governance structure within which the council may acquire, lease, act as Landlord, licence, develop, appropriate, change use of or dispose of Assets within its Asset Portfolio. In addition it states that the Council may delegate responsibility to Authorise Service Providers to manage the Council's Asset Portfolio on its behalf in accordance with any approved scheme of delegation maintained by the Council and published on the Council's website.

Town and Country Planning Act 1990 Powers

- 5.4.2 Section 226 (1) (a) of the Town and Country Planning Act 1990, (as amended by the Planning and Compulsory Purchase Act 2004), provides that a local authority shall, on being authorised to do so by the Secretary of State, have power to acquire compulsorily any land in their area if they are satisfied that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land. However the power must not be exercised unless the authority thinks that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of their area. The compulsory acquisition of third party proprietary interests and/or rights in the CPO land will enable the delivery of the Granville Road New Housing Development in accordance with an agreed programme and will provide certainty with regard to land assembly and the implementation of the Scheme. The ability to deliver the pramsheds will enable the Council and New Granville LLP to progress the delivery of development in its entirety.

- 5.4.3 In using the enabling powers pursuant to section 226 (1) (a) of the Town and Country Planning Act 1990 and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976, the Council is using the most specific powers available to it for the purposes of the new housing development at Granville Road.
- 5.4.4 In the drafting of this Report consideration has been given to the provisions of the Human Rights Act 1998 including Article 8 (respect for private and family life and home) and Article 1 of the First Protocol (right to peaceful enjoyment of possessions). Any decision to make a compulsory purchase order must strike a fair balance between the public interest in the regeneration of the land and interference with private rights. In this case most of the existing pram sheds are un-used and in many cases derelict and sufficient replacement pram sheds will be provided as part of the redevelopment to cater for the needs of those who require them. Full account of Human Rights issues will be taken throughout the process of the CPO.
- 5.4.5 Constitution, Responsibility for Functions,– Membership and Terms of Reference of Committees – the terms of reference for the Assets, Regeneration and Growth Committee includes all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.
- 5.4.6 Constitution - Management of Asset, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop appropriate change of use of, or dispose of assets within its portfolio.

5.5 Risk Management

- 5.5.1 A CPO is essential to enable satisfactory completion of the project. Whilst it is hoped that all outstanding property interests can be acquired by negotiation, the project cannot proceed with the risk that negotiations may not prove successful in all cases and the scheme be brought to halt. To avoid this potential risk to the financial viability of the scheme and its satisfactory delivery officers are seeking a resolution in principle to the making of up of a CPO in order to work towards progressing the redevelopment of the Scheme.
- 5.5.2 As previously mentioned in this report a CPO Indemnity Agreement is being sought for all CPO costs to be recovered.

5.6 Equalities and Diversity

- 5.6.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough. The Granville Road New Housing Development scheme will provide a mix of affordable and private sale properties. The new mixed tenure housing

will improve the community cohesion in an area with a highly diverse population. It will provide increased choice and opportunity for Barnet residents. This supports the overall aim of the Council's Equalities Policy and the Council's duties under the Equality Act 2010.

- 5.6.2 At present the Granville Road Estate does not reflect a mixed and balanced community, with a heavy bias towards social rent. The development proposals seek to address this imbalance through the delivery of a range of residential tenures across the site e.g. private housing, a new range of intermediate housing, wider range of unit sizes across all tenures and 10% of all residential units meeting Wheelchair standards. The Scheme seeks to improve the demographic of the Estate to provide a step change in the levels of social inclusion to create a sustainable, mixed and cohesive community.
- 5.6.3 The public sector equality duty under section 149 of the Equality Act 2010 ("PSED") requires the Council to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. 'Protected characteristics' are: gender, race and disability, sexual orientation, age, religion or belief, pregnancy and maternity and gender reassignment.
- 5.6.4 The Council is aware that within the Granville Road estate there may be residents for whom English is a second language. The Council will offer a translation service when sending out CPO literature;
- 5.6.5 Having had due regard to its duty under the Equality Act 2010, the Council is confident that the delivery of the Scheme will contribute towards the social, economic, educational and cultural improvements for existing and future residents. It will also increase levels of social inclusion within a mixed and diverse community.

5.7 Consultation and Engagement

- 5.7.1 Regular resident engagement has taken place with public exhibitions and fun days. The plans for the demolition of the pramsheds have been available to the public since the beginning of 2013. Council has appointed Strategic Urban (StUF) as the Independent Resident Advisors for the development.

6. BACKGROUND PAPERS

- 6.1 CRC 7th November 2012

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<https://barnet.moderngov.co.uk/documents/g6756/Public%20reports%20pack%2007th-Nov-2012%2000%20Cabinet%20Resources%20Committee.pdf?T=10>