



CABINET

10th October 2018

Subject Heading:

Rainham and Beam Park Housing Zone – Making of the CPO(s).

Cabinet Member:

Cllr Damian White, Leader of the Council.
Cabinet Member

SLT Lead:

Neil Stubbings, Director Regeneration
Programmes

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Policy context:

Havering Housing Strategy,
Havering Economic Development
Strategy.
Rainham and Beam Park Housing Zone
submission.
Rainham and Beam Park Housing Zone
Overarching Borough Agreement.
Rainham and Beam Park Planning
Framework.

Financial summary:

The Housing Zone Land Acquisition Strategy was approved by Cabinet on 10th February 2016; this included the principle of using the Council's Compulsory Purchase Order powers to acquire land interests. On 21st February 2018 Cabinet agreed to use the Council's Medium Term Financial Strategy and in particular the capital programme to fund land acquisitions and CPO costs. There is an allocation from the GLA of Housing Zone funding of £12,010,000 to support the proposed scheme.

Is this a Key Decision?

Yes

When should this matter be reviewed? **Autumn 2019**

Reviewing OSC: **Towns and Communities OSC**

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

The purpose of this report is to update and confirm a prior resolution agreed by Cabinet on 10th February 2016 that enabled implementation of the Rainham and Beam Park Housing Zone Land Acquisition Strategy. A further resolution on the same date delegated to the Leader of the Council, Cabinet Member for Housing Company Development & One Source Management and the Group Director Community and Resources the authority to approve the making of a Compulsory Purchase Order (“CPO”) and for confirmation (if subject to objections) by the Secretary of State.

At the Cabinet of the 13th December 2017 the Council agreed to appoint Notting Hill Housing Trust (now known as Notting Hill Genesis – “NHG”) as the development partner to implement the first phases of housing delivery in the Rainham and Beam Park Housing Zone. Consequently, Cabinet gave approval to the Council entering into a joint venture Limited Liability Partnership (to be known as Rainham and Beam Park Regeneration LLP – “RBPR”) with Notting Hill Commercial Properties (a subsidiary of NHG) in which the Council became a Member on 29th March 2018.

Cabinet also noted that the Council and NHG would be responsible for the land acquisition process on behalf of RBPR where necessary, supported by CPO powers, to enable the acquisition of the land interests required for the housing development schemes and infrastructure which cannot be acquired by private treaty. Members noted that authority to make the CPO was delegated by Cabinet on 10th February 2016. This paper is brought to cabinet with further detail consequent to the original decision and provides additional details on;

- the proposed CPO(s) within the Red Line Plan; and
- requests that Cabinet approves the making of a CPO(s) and related powers in respect of the land, interests and rights to obtain vacant possession, where necessary to enable the delivery of the regeneration of the A1306 (New Road) in Rainham where it has not been possible to acquire the land. Interest and rights by agreement. The scheme, which is shown on the CPO Red Line Plan at Appendix 1, being the provision of new build housing to the north and south of the A1306 (New Road).

RECOMMENDATIONS

That Cabinet:

1. **Agree** to the Council making Compulsory Purchase Order(s) (CPO(s)) pursuant to the statutory powers contained in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended), and section 13 of the Local Government (Misc. Provisions) Act 1976 and all other necessary action to

acquire all property and other proprietary interests on the land, including where appropriate new rights, located within the outline on the CPO Red Line Plan at Appendix 1, for the purpose of securing the regeneration of the Rainham and Beam Park Housing Zone in accordance with the decision to adopt the Masterplan and Planning Framework taken on 10th February 2016.

2. **Agree** that the Director of Regeneration Programmes after consultation with the Leader of the Council and Deputy Director Legal and Governance be authorised to;
 - a. Make the CPO or multiple CPOs to enable the acquisition of land, interest and rights within the CPO Red Line Plan as attached to this report at Appendix 1;
 - b. Appoint surveyors, barristers and any other professionals required to promote the CPO(s) and to facilitate the vacant possession of interests located within the CPO Red Line Plan;
 - c. Settle the final form and content of the CPO(s) and associated documentation to include the draft;
 - CPO Red Line Plan; Appendix 1;
 - Draft Compulsory Purchase Order; Appendix 2;
 - Draft Schedule Freehold and Leasehold Interests Appendix 3;
 - Draft Statement of Reasons Appendix 4;
 - Draft Equalities Impact Assessment Appendix 5
 - Consultation Report Appendix 6
 - d. Take all necessary steps to secure the making, confirmation and implementation of the CPO(s) including publication and service of notices and presentation of the Councils case at Public Inquiry, or Court should such representation be necessary;
 - e. Take such actions so as to facilitate Notting Hill Genesis (on behalf of Rainham and Beam Park LLP) acquiring properties and proprietary interests within the CPO Red Line Plan by agreement, such actions to include; the relocation of businesses, residents and statutory undertakers apparatus or Communication Code Operators; and any other interests and setting out the terms for the withdrawal of objections to the CPO(s); and
 - f. Amend the number of properties and leasehold acquisitions with the CPO Red Line Plan at Appendix 3, should such amendment be required to deliver the overall Rainham and Beam Park Housing Zone strategy.

3. **Agree** that the Director of Regeneration Programmes after consultation with the Leader of the Council and Deputy Director Legal and Governance be authorised following the confirmation of the CPO(s) by the Secretary of State to secure vacant possession of all properties and proprietary interests located within the confirmed CPO Red Line land to include:
 - a. to take all necessary actions to secure the making and confirmation of a General Vesting Declaration (GVD) or multiple GVD's under the Compulsory Purchase and (Vesting Declarations) Act 1981 and /or to serve Notices to Treat and Entry (if required); and
 - b. to appropriate to planning / or housing purposes any parcel of land within the CPO Red Line Plan; and
 - c. to transfer all properties and proprietary interests acquired pursuant to the CPO(s) to the relevant development partner in accordance with the Members Agreement and the Strategic Land Agreement dated 29 March 2018; and
 - d. if necessary make representation of the Councils case such as at the Upper Tribunal (Lands Chamber) or court should such representation be necessary.

4. **Agree** that in the event that the Cabinet approves resolutions 2 and 3 above, and upon the Deputy Director Legal and Governance being satisfied that further information and all the Equalities Impact Assessment outcomes are satisfactory and to not require reference back to Cabinet, that the Deputy Director Legal and Governance be authorised to affix the common Seal of the Council to the CPO(s), GVD(s), maps and elsewhere and to take all necessary steps as necessary, such as to issue notices and sign certificates to attain the resolutions above.

REPORT DETAIL

1.0 BACKGROUND

- 1.1 The vision for the Rainham and Beam Park Housing Zone ("The Housing Zone") is the transformation of a declining industrial area into a vibrant new urban extension providing much needed new housing, including affordable and family homes, social, physical and green infrastructure with good access to public transport and employment opportunities. The regeneration proposals include the construction of a new railway station, with direct transit to central London, significant works to remodel the A1306 to a residential scale street, and the creation of a new linear park within the Housing Zone.

Cabinet, 10.10.2018

- 1.2 Cabinet approved the Housing Zone bid in September 2014 and the Overarching Borough Agreement authorising the Council to enter into contract with the Greater London Authority (“GLA”) on the 4th November 2015. In establishing the Housing Zone the GLA confirmed its intention to catalyse development by providing funding to unlock site assembly.
- 1.3 The Rainham and Beam Park Masterplan and Planning Framework (“The Masterplan and Planning Framework”) was produced following extensive stakeholder consultation and was adopted as non-statutory planning policy by Cabinet in February 2016. It forms part of the evidence base of the forthcoming Havering Local Plan.
- 1.4 The Masterplan and Planning Framework document sets out the Council’s investment priorities in the area and guides and shapes the quality of the development that will be coming forward. It sets out a clear vision supported by key design and development principles that will ensure a coherent approach to any development activity. The Masterplan and Development Framework seeks to avoid piecemeal development with its lack of integration, poor design, build quality and lack of infrastructure provision.
- 1.5 The Housing Zone Land Acquisition Strategy was approved by Cabinet on 10th February 2016 including the principle of using the Council’s CPO powers to acquire land interests and ensure comprehensive development is delivered and thereby embarking on the formalities necessary for the making of the CPO. Cabinet also agreed to approve land negotiations and the acquisition of sites by private treaty by various means and noted the commensurate need for the relocation of businesses within the A1306 corridor where appropriate.
- 1.6 At the Cabinet of the 13th December 2017 the Council agreed to appoint Notting Hill Housing Trust (now known as Notting Hill Genesis – “NHG”) as the development partner to implement the Housing Zone Strategy, the A1306 Land Acquisition and Development Strategy to assemble key sites along the A1306 corridor, and to undertake the first phases of housing development in the Housing Zone.
- 1.7 The Cabinet also gave approval to the Council entering into a joint venture Limited Liability Partnership with Notting Hill Commercial Properties Ltd (a subsidiary of NHG), noting that the land acquisition process will be implemented by NHG and is to be supported by the making of a CPO by the Council to enable the acquisition of the land interests that cannot be acquired by private treaty. The full funding for the CPO was approved by Cabinet on the 13th December 2017.
- 1.8 The joint venture between the Council and Notting Hill Commercial Properties Ltd (“NHCP”) known as The Rainham and Beam Park Regeneration LLP (“RBPR”) was incorporated on 9th February 2018. On 29th March 2018 various project arrangements were entered into to facilitate the regeneration delivery activities of RBPR including a Members

Agreement, Strategic Land Agreement, CPO Indemnity Agreement (“CPOIA”) and Development Management Agreement.

- 1.9 As a party to the CPOIA the Council will use its CPO powers to support the land assembly by making one or more CPO’s in relation to Sites (as are identified) in order to secure the acquisition of Third Party Interests in the Sites and address the relocation or removal of the apparatus of any Statutory Undertakers or Communication Code Operators on the basis that the Council is fully indemnified by NHG against any CPO Costs.
- 1.10 In order to authorise the making and implementation of the CPO(s), section 226(1)(a) of the Town and Country Planning Act 1990 requires that members must be satisfied that the use of the compulsory powers will facilitate the development, redevelopment or improvement of land, and that it is likely to contribute towards the promotion or improvement of the economic, social and environmental well-being of the area. Further, members must be satisfied that there is a compelling case in the public interest for making and promoting the CPO(s), that the use of the powers is proportionate, and that the public benefits associated with the proposed regeneration will clearly outweigh the interference with the rights of those affected. These matters are explained and considered in more detail below and in the draft Statement of Reasons at Appendix 4.
- 1.11 The draft Statement of Reasons is the document that sets out the basis of the Council’s case and justification for making and pursuing the CPO(s). This will be served on all those affected by the CPO(s).

2.0 Progress

- 2.1 On 10th February 2016, Cabinet gave authorisation for certain preparatory steps to be undertaken in connection with (if necessary) the making of a CPO, relating to private treaty negotiations and the land referencing exercise required to identify all parties with an interest in the land to be acquired. Persona Associates Limited (“Persona”) have been appointed to provide specialist advice and support to the Council in respect of the application of CPO legislation including exhaustive land referencing.
- 2.2 Glenny LLP (“Glenny”) were appointed as the Council’s property advisors and they have compiled property cost estimates for all the acquisition sites including valuations, compensation and disturbance costs where appropriate. As from 31st August 2018 the Glenny CPO Team will be transferring to Ardent Management Limited (“Ardent”) and moving forward Ardent will be appointed as the Council’s property advisors.
- 2.3 Ardent have been appointed by NHG to actively negotiate with all parties with an interest located within the CPO Red Line Plan with a view to acquiring their interests by agreement wherever possible including possible options for the relocation of business interests.

- 2.4 The Council have attempted to engage with landowners via the undertaking of site visits, holding meetings to explain the acquisition and public consultation process ahead of outline planning applications being submitted. Letters have been circulated to business and residential property owners respectively, to keep them informed of the regeneration proposals and acquisition process as it has progressed.
- 2.5 Glenny have also met with as many of the landowners as possible in order to inspect the properties and provide the Council with accurate valuations for each property to establish potential acquisition costs.
- 2.6 There are 97 freehold interests identified along New Road, which will be affected by the implementation of the Housing Zone strategy, which include premises for both business (office and light industrial) and residential usage. Following inspections and valuations Ardent are negotiating on NHG's behalf for the private treaty acquisition of properties within the CPO Red Line boundary. At present, of the 97 freehold interests identified, Glenny/Ardent have successfully negotiated the purchase price of 4 properties (subject to contract and RBPR Board approval) and the purchase of 1 property has been successfully concluded by NHG.
- 2.7 In June 2017 Persona sent S16 Notices to 178 different people identified as having a land interest inside the proposed red line boundary for the CPO(s); requesting that they furnish the Council with details of all known interests in the affected land. Persona are currently in the process of sending out further S16 Notices in order to ensure that land interest information is up to date.
- 2.8 The Council have also written to all 178 parties identified, providing updates on progress, inviting positive engagement and requesting their co-operation in filling out the S16 Notices for Persona, in order to enable them to complete their land referencing activities. A notice served under section 16 of the Compulsory Purchase Act 1965 has statutory authority and it can be considered an offence not to respond to the notice once served.
- 2.9 To support the acquisition process and if necessary the making of the CPO(s) the Council has engaged SW Planning and Bell Phillips Architects to formulate and submit outline residential planning applications for the nine residential sites and one site that enables access to new Beam Park Station. Ten outline planning applications have been submitted to the Local Planning Authority, seven applications have been approved and one application is to go before the Strategic Planning Committee in October 2018. The remaining two outline planning applications are currently being revised and they are expected to be re submitted in October/November 2018 and go before the Strategic Planning Committee in January/February 2019. Planning Applications which were undecided following the setting up of the joint venture have been transferred into the name of RBPR.

- 2.10 A Strategic Land Agreement in place between RBPR, NHG and the Council, details how the relevant landowner and proprietary interests of each site are to be purchased by NHG, held and then passed to the RBPR once a full development site is assembled. NHG will consolidate the various titles into a single freehold title and transfer a long leasehold interest for the private sale land to RBPR, who will be obliged to take and fund the transfer. The freehold title will remain in NHG along with the affordable housing land.
- 2.11 A CPO Indemnity Agreement is in place, under which NHG provide an indemnity for the Council's CPO costs including the costs of promoting the CPO and the compensation payable to third parties whose land and interests are acquired pursuant to the CPO. These costs whilst initially born by NHG through the CPO Indemnity Agreement will be covered in full by the RBPR at the point at which land is drawn down for development or at a longstop date.
- 2.12 There is an approved allocation of £12,010,000 from the GLA of Housing Zone funding. This is provided to NHG to support the delivery of the scheme and is being administered by NHG.

3.0 Benefits of the Scheme

- 3.1 The scheme comprises the first phases of housing delivery of the Housing Zone and will contribute significantly to achieving the Housing Zone target.
- 3.2 The sites located within the CPO Red Line Plan are located to the north and south of the A1306 (New Road) and characterised by low value, low density commercial and light industrial uses which do not enable the change in land use and transformation as envisaged in regional or local planning policy; or facilitate the vision of the Council to create a vibrant new residential community in the area. Many of the businesses also detract from the visual amenity and environmental quality of the area with operations often over spilling directly onto road frontages, in some cases creating a negative visual impact, as well as increasing levels of contamination.
- 3.3 The purpose of the scheme is to enable the acquisition of land and proprietary interests within the area shown on the CPO Red Line Plan (Appendix 1) considered as necessary to facilitate change of land uses in the area in order to promote and enable comprehensive high quality housing development where existing landowners fail to bring forward high quality schemes that meet the Housing Zone design and investment criteria and deliver substantial amounts of housing and affordable housing. The Scheme will in turn act as the catalyst for further investment and development activity along the A1306 corridor, improving the long term economic growth and visual amenity of the area and facilitating the creation of a sustainable new residential neighbourhood which will transform the profile and perception of the area.

- 3.4 Due to historically low residential values and other technical and economic constraints (including a pattern of fragmented and disparate land ownership) only a limited number of residential schemes have come forward this far. These have been on a small scale, piecemeal basis, generally offering poor design and build quality with limited contribution to the environment, affordable housing and infrastructure provision.
- 3.5 The Scheme comprises the first phases of delivery within the Rainham and Beam Park Housing Zone at New Road in Rainham. Nine sites totalling 6.32ha have been identified which are able to deliver at least 774 new homes of which subject to viability a minimum 35% will be available to the community as affordable housing. The disposition of some sites suggests these are more effectively combined for the purposes of development, giving an overall number of eight strategic sites.
- 3.6 The Scheme also includes a non-residential site which requires acquisition to provide access to the new Beam Park Station to enable public transport, pedestrian and cycle access.
- 3.7 The area represents a significant large-scale strategic residential development opportunity in London. The Council's intervention through the Land Acquisition Strategy aims to act as a kick-start and encourage the bringing forward comprehensive development within the area in order to bring about the transformational change and to achieve the identified development outputs and objectives of the Housing Zone.
- 3.8 The draft Statement of Reasons at Appendix 4 sets out in detail the rationale and justification for the Scheme, including how the Scheme's development will contribute to the achievement of the Council's regeneration and planning objectives, and result in substantial public benefits being realised, both within the land included in the Scheme and in the wider area. Those details will not be repeated in this report, but it is essential that members review the draft Statement of Reasons before reaching a decision.
- 3.9 The draft Statement of Reasons clearly demonstrates that there is a compelling case in the public interest to make the proposed CPO(s). Development of the land which may be the subject of CPO will itself contribute very significantly to the economic, social and environmental well-being of the area and will also be an important catalyst for the regeneration of the whole of the Housing Zone. The CPO is to be made under the provisions of s.226(1)(a) of the Town and Country Planning Act 1990 since this represents the most appropriate mechanism to acquire the land given that the scheme is intended to secure regeneration of the Beam Park area to secure the delivery of new market and affordable homes but also wider infrastructure including open space, highway improvements and public realm enhancements.

- 3.10 Compulsory Purchase and the Crichel Down Rules, published 29 October 2015 and last updated 28 February 2018 advise that in deciding whether or not to confirm a CPO, the Secretary of State can be expected to consider factors including the following:
- whether the purpose for which the land is being acquired fits in with the adopted planning framework for the area, including, any non-statutory planning guidance where this has been consulted upon and is intended in due course to be incorporated into the development plan;
 - the extent to which the proposed purpose of acquisition will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area;
 - the potential financial viability of the scheme for which the land is being acquired; and
 - whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means.
- 3.11 As to the first criterion (the planning framework for the area) the opportunity and need to regenerate this area have been consistently recognised by the Council and it's Strategic Partners over the past decade or more dating back to the strategic regeneration objectives of the Thames Gateway and The London Thames Gateway Development Corporation. The London Development Agency acquired significant land holdings in the area from the Ford Motor Co, to facilitate residential led regeneration. More recently the Mayor of London confirmed the area as an Opportunity Area and adopted the London Riverside Opportunity Area Planning Framework. As such it is one of the Mayors key regeneration areas and is designated as a Housing Zone.
- 3.12 The Council's Local Development Framework, Site Specific Allocations identify the sites to be acquired for residential led redevelopment. The Rainham and Beam Park Planning Framework (adopted Feb 2016), which was subject to public consultation further develops planning policy for the area. The Planning Framework now forms part of the evidence base for the Havering Local Plan, agreed by Cabinet and Council for statutory consultation under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The Havering Local Plan was submitted to the Secretary of State for examination on 27th March 2018 and examination is expected to commence in early October 2018.
- 3.13 Ten outline planning applications have been submitted to the Local Planning Authority, seven applications have been approved and one application is to go before the Strategic Planning Committee in October 2018. The remaining two outline planning applications are currently being revised and they are expected to go before the Strategic Planning Committee in January/February 2019.

3.14 As to the second factor (contributing to well-being), as explained above, the use of CPO powers to facilitate the regeneration and delivery of new homes (including affordable homes) on the land shown on the CPO Red Line Plan at Appendix 1 will contribute towards the Council's promotion of the following:

Economic well being of the area

- New jobs will be created during the construction phase of the housing developments and there will also be opportunities for the local supply chain to benefit.
- The new housing will bring new residents to the Borough which will result in additional consumer spend in the local economy enabling local businesses to grow and create new job opportunities.
- Enabling the implementation of the infrastructure improvements, inclusive of public amenity.

Social well being of the area

- New affordable homes will be provided for the local workforce, especially lower wage earners.
- The provision on new quality well designed homes with good daylight levels, good ventilation and the provision of open space will have positive health and well-being impacts for residents.
- Additional Council Tax revenue will be realised by the Council enabling increased spend on local services.
- There will be construction training and apprenticeship opportunities for local people.
- Achievement of the wider regeneration Housing Zone objectives including amenity and infrastructure improvements.
- New highway, public realm and landscape works to facilitate access to proposed new Beam Park railway station.

Environmental well being of the area

- The redevelopment of the land will improve the visual amenity of the area replacing low quality commercial and light industrial uses with high quality new housing developments.
- The new housing will be constructed to high-energy efficiency standards resulting in reductions in energy consumption and carbon emissions.
- There will be high quality open space and amenity space within the housing developments.
- Enabling the implementation of the Linear Park.

3.15 As to the third factor (viability), the development of land within the CPO Red Line Plan is to be taken forward by RBPR whose partners have the experience and expertise to carry out the scheme. RBPR have

undertaken financial modelling of the proposed developments based on a series of assumptions including the cost of land assembly, development costs and sales revenues. Each of these inputs has been subject to close review and it has been determined, following professional advice, that the development of land within the CPO Red Line Plan is capable of achieving a positive return in accordance with RBPR's financial strategy. On this basis it is considered that there is a reasonable prospect of the going ahead and being delivered in its entirety.

- 3.16 As to the fourth factor (other means of achieving the Council's purpose in acquiring the land), the purposes for which the land is to be acquired could not be achieved by any alternative means or by development in other locations. This is given further consideration in section 4 below.
- 3.17 There have been extensive contacts and discussions with owners and occupiers regarding the acquisition of their interests and regarding parties' relocation requirements. Negotiations will continue to take place and relocation opportunities will be considered. Owners and occupiers of commercial premises will be kept informed.
- 3.18 Negotiations with owners thus far have delivered one acquisition and offers are in place for a number of other sites.
- 3.19 If the CPO is not made, then the only way of acquiring the land and interests needed to deliver the development scheme would be by agreement. Whilst it is recognised that implementation of a CPO is a matter of last resort discussions to date have made it apparent that, unless the CPO is made and confirmed, it is unlikely that NHG (on behalf of RBPR) would be able to assemble the land and interests needed to bring forward a comprehensive housing development on the identified sites.

4.0 Alternative Options

- 4.1 If the CPO is not made, then the only way of acquiring the land and interests needed to deliver the development scheme would be by agreement. Following initial discussions, officers consider that securing all of the required interests by negotiation is unlikely to be achieved.
- 4.2 Careful consideration has been given to the extent of the land and rights included in the CPO and whether it is necessary to include all of these interests. All of the land shown on the plan at CPO Red Line Plan are considered by officers as necessary to ensure that the Scheme can be delivered.

5.0 Implementation

- 5.1 It Cabinet approve the recommendations within this report then CPO(s) will be made if it continues to be apparent that the required land and proprietary interests cannot be secured by agreement.
- 5.2 After the CPO(s) is made, a statutory notice regarding the making of the CPO will be served on all affected parties (landowners, occupiers and other third party interests, advertised in the local press, and posted up on the sites. The notices served on those affected will be accompanied by the Statement of Reasons, which sets out the background to and justification for the Council using its CPO powers (Appendix 4) Service and advertisement of the statutory notices will take place shortly after the CPO(s) is made. Service of the appropriate notices highlights the intention to bring forward the Scheme and enables an opportunity for involvement in the process that requires active discussions.
- 5.3 Following service of the notices described above, those affected and members of the public have a period of 28 days within which to make representations including by objecting to the CPO(s). The period required by law is a minimum of 21 days, but officers wish to provide the community and those affected with ample opportunity to make representations. Officer's prime objective is to attain sensible dialogue and community engagement. A communications plan including a website is in place.
- 5.4 If no objections are received, or withdrawn prior to an Inquiry date, then the Council may confirm the CPO. If objections are received and officers and RBPR are not able to negotiate withdrawal then the Secretary of State will be required to confirm the COP and, to that end, he is likely to arrange for a public inquiry or hearing to be held before an inspector, anticipated for Spring 2019. Any member of the public may attend and present their support, objection and cross-examine the Council's witnesses regarding the case for confirmation of the CPO.
- 5.5 Following the Inquiry, the Inspector is likely to be directed to prepare a report inclusive of a recommendation to the Secretary of State as to whether the CPO should be confirmed. The Secretary of State will then make his decision, anticipated by December 2019. Following confirmation of the CPO, the Council has a statutory period of 3 years within which to exercise the powers and acquire the land and interests needed for the development.
- 5.6 This report seeks authorisation, if required, to exercise the necessary powers to obtain vacant possession in the event that the CPO is confirmed. The General Vesting Declaration establishes a process whereby an advance payment of 90% may at the Councils discretion be paid to the landowner with the ultimate purchase price resolved in the Upper Tribunal (Lands Chamber).

6.0 Consultation

- 6.1 The consultation and community involvement activity for the land acquisition delivery strategy has been delivered so far as part of the wider Housing Zone community involvement and consultation. Details of the community engagement and consultation activity are set out in the Master Plan and Planning Framework Cabinet paper. Further public consultation was undertaken during March 2017, ahead of the planning application submissions being made for the proposed housing sites along the A1306 (New Road).
- 6.2 The results of the March 2017 public consultation on the Master Plan and Planning Framework indicated that 80% of the local stakeholders were in favour of the changes proposed in the area.
- 6.3 As part of the engagement with the A1306 businesses, Council Officers made contact with over 30 businesses. While many of the businesses expressed concern about business continuity they generally acknowledged and accepted the proposals for change in the area and were receptive to the reassurances Officers gave them about business and relocation support.
- 6.4 Following the March 2017 formal public consultation the Council have attempted to further engage with landowners. Letters have been circulated to affected business and residential property owners respectively, to keep them informed of the regeneration proposals and acquisition process. Landowners and local residents have also been consulted as part of the statutory planning process for the outline planning applications, which have been submitted. Glenny have met with a number of affected landowners as part of the land acquisition process.

7.0 Business Relocations

- 7.1 While the Council has no statutory obligation to relocate businesses, officers have worked with business occupiers and owners to provide advice and support as recommended by the DCLG guidance. As part of its commitment to support local enterprise the Economic Development team will continue to assist businesses to seek suitable alternative accommodation, and where appropriate, will try to keep quality businesses within the borough.
- 7.2 A Business Relocation Strategy (“BRS”) has been developed to support the relocation of businesses to enable sites to come forward for comprehensive residential development. The action plan has involved the following since the February 2016 Cabinet:
- a) Communication and Engagement. Officers have written to business owners about the regeneration plans for the area, have encouraged

feedback and invited them to consultation meetings and a community public event.

- b) Business needs analysis. Officers have arranged and undertaken face-to-face meetings with businesses in order to understand the nature of the business and to record their aspirations and business needs based on location, space requirements, facilities and rent paid.
 - c) Matching and relocation packages. Officers have looked for potentially suitable alternative premises for business in Havering and the neighbouring boroughs of Barking and Dagenham and Thurrock using existing business information databases and the extensive network of property agents within the region. Estimated costs covering disturbance and relocation expenses are included in the land acquisitions budget (Property Cost Estimate).
 - d) Ongoing engagement and support. As part of the relocation action plan officers have provided advice and support for businesses, which will not only assist them to relocate but also to grow. Those commercial owners and occupiers, including tenants along the A1306, who are affected, have been contacted by the Council, and discussions have taken place regarding the acquisition of the relevant land and rights with those who have engaged with the Council.
- 7.3 Glenny's have been utilised by the Council and also by NHG in order to identify potentially suitable alternate premises that viable businesses could relocate to. Ardent have been appointed by NHG to act on their behalf in assisting affected businesses.
- 7.4 Opportunities exist for relocation of some businesses within the London Riverside area, working with the GLA, partnering with landowners such as SEGRO and Rainham Steel both of whom are coming forward with major commercial development proposals in the area. In addition relocation opportunities exist in other borough wide and sub-regional destinations.
- 7.5 There have been discussions with owners and occupiers regarding the acquisition of their interests and regarding parties' relocation requirements. Negotiations are taking place and relocation opportunities will be considered until the Council should be successful in being granted CPO powers. Owners and occupiers of commercial premises will be kept informed.

8.0 Residential Relocations

- 8.1 There are 31 residential properties that have been identified within the CPO Red Line Plan. The Council has sought to engage with the freehold owners of all of these properties and with leaseholders/tenants where people occupy properties under a lease agreement.

- 8.2 The Council has sought to engage with residents along the A1306 who may be affected by the CPO(s) and has written to them to provide information about the proposals and where responses have been received, discussions have been held with residents to explain the process and outline their options moving forward. This process is continuing.
- 8.3 The existing residential dwellings are largely a mix of freehold bungalows and two storey houses, as well as flats above commercial premises. Ardent and NHG are engaging with freehold owners regarding the purchase of residential dwellings.
- 8.4 Many of the residential occupiers along the A1306 are private rental tenants, with short-term lease agreements in place.
- 8.5 The Council is engaging with RBPR to mitigate the impact of demolishing the dwellings and to relocate people appropriately where required. Phasing of the works will be key to ensuring the Council does not leave people homeless and plans are in development as part of the scheme.
- 8.6 Negotiations with freehold residential property owners are being actively pursued. A residential strategy has been adopted by the RBPR. Should the freeholders and/or their tenants request assistance in finding alternative accommodation for occupying residents, it is proposed that the Council and NHG provide such assistance through their agents, Ardent. Assistance being offered will be for private rented accommodation.
- 8.7 In consultation with social services those residents who are known to them and may have particular needs have been identified. Support will be provided by the Council Regeneration team and NHG to source suitable and affordable rented accommodation. This may include accommodation within the Private rented market and depending on the timing and need, allowing nominations to affordable rented properties being developed for NHG by the RBPR.

9.0 Compulsory Purchase Order Indemnity Agreement

- 9.1 A continuing risk is the costs incurred by the Council relating to the compulsory purchase process (including compensation payments and claims arising from purchase or blight notices and relevant expenses). These costs will be met by the NHG in accordance with the CPO Indemnity Agreement dated 29th March 2018 (“CPOIA”).
- 9.2 Costs met by NHG under the CPOIA are eventually met by RBPR under the Strategic Land Agreement dated 29th March 2018 at a point at which it is considered by RBPR that sufficient equity is available to meet these costs.
- 9.3 The Council and NHG have governance procedures in place to monitor costs against the agreed estimate that is continually under review in order mitigate this risk.

10.0 Financial Implications and Budget

- 10.1 There are a significant number of private land interests to acquire within the scope of the proposed development.
- 10.2 Before development of the various sites can proceed, it will be necessary to obtain vacant possession. NHG are continuing to work to acquire the various land interests by private treaty. However, in order to minimise the risk of delays to the redevelopment programme it will be necessary to enact a CPO over the remaining land interests.
- 10.3 The Council has made financial provisions in the 2018/19 budget approved on 21st February 2018.
- 10.4 The budget allocation was a prudent estimate based on the assumption that none of the private land interests could be acquired in advance of enacting a CPO.
- 10.5 Under the terms of the Strategic Land Agreement with NHG, the Council will benefit from an indemnity from NHG, which will ensure the CPO costs are in effect funded by NHG.
- 10.6 The agreement also makes provision for a transfer of the land interests acquired by NHG to RBPR. The interests would be transferred at or before the agreed longstop dates.
- 10.7 The Council as a 50% partner in RBPR will be required to provide 50% of the necessary equity funding in order to facilitate the land transfers. On 21st February 2018 Council gave approval to provide the required equity funding contribution to RBPR. It should be noted the RBPR will also utilise GLA funding (£12.01 million) and at a later date net sale proceeds to fund the earmarked land transfers.

REASONS AND OPTIONS

11.0 Reasons for the decision

- 11.1 Utilisation of the Council's CPO powers supports the delivery of the Housing Zone objectives, enabling the assembly of sites to catalyse and kick start comprehensive residential development.

11.2 Other options considered:

1. Not implementing CPO powers – Not Recommended. Without making use of its CPO powers, the Council will be unlikely to be unable to acquire all of the land necessary to promote comprehensive residential development along the A1306 and thereby achieve the regeneration benefits, which are sought. Without the intervention of CPO(s), the existing commercial land uses would remain in place and infrastructure would not be improved. It will also not be possible to facilitate comprehensive residential development. Any residential development that is brought forward is likely to be poor quality and piecemeal as is characterised by proposals from others that have made to date. It will fail to deliver the required mix, tenures or typology necessary to meet the objectives of the Housing Zone.
2. If the CPO(s) is not made, then the only way of acquiring all of the land and interests needed to deliver the initial phases of housing development would be by agreement. It is clear however that unless a CPO is made and confirmed, it is unlikely that NHG (on behalf of RBPR) would be able to assemble the land and interests needed for the key first phases of housing development within a reasonable timescale and for a reasonable purchase price. The consequences of this would be that housing delivery would be delayed including the provision of much needed affordable housing.
3. Careful consideration has been given to the extent of the land and rights included in the CPO(s) and whether it is necessary to include all of these. All of the land shown on the plan at Appendix 1 is necessary to ensure that the Scheme is able to be delivered.

IMPLICATIONS AND RISKS

12.0 The key risks can be summarised as follows:

- 12.1 Affected parties failing to be identified in the CPO(s) – a specialist land referencing firm, Persona, have been appointed to undertake the land referencing exercise to mitigate against this risk. In order to minimise this risk discussions continue to be held and properties visited by Council Officers and external consultants, with those affected to assist to identify all the parties with interests in the area.

- 12.2 The preparation of CPO(s) and related documents is a technical and complex area, carrying a risk of challenge. However, the Council has retained experienced professional advisors and the documents have been reviewed by leading counsel.
- 12.3 The cost of preparing the CPO(s) for the land along the A1306. Through the CPO Indemnity Agreement, these costs fall to NHG, reimbursed as appropriate by RBPR. As such, the Council is protected.
- 12.4 There is a risk that owners and occupiers will seek sums in excess of the estimates for the costs of land acquisition. This risk has been mitigated through the receipt of professional valuation advice from Glenny and the setting of appropriate budgets. Subject to continual approval of the estimate of costs by NHG, a financial indemnity is provided to the Council by NHG through the CPO Indemnity Agreement. Additionally the rights to compensation and methods and procedures for assessing correct amounts are derived from the Compensation Code setting parameters, which in turn enable consistency and transparency the ability forecast
- 12.5 Further to all statutory procedures and reasonable endeavours being undertaken to undertake meaningful engagement with occupiers and landowners then there remains a limited risk that the Secretary of State confirmation may be refused. In the event that the CPO(s) were refused the full affordable housing will not be able to be delivered and the benefits of regeneration sought for the Beam Park area will be unlikely to be realised.

13.0 Financial Implications and Budget

- 13.1 Financial matters are dealt with in the exempt Appendix 7.

14.0 Legal implications and risks

- 14.1 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 the power to acquire compulsorily any land in their area if they are satisfied that the acquisition will facilitate the carrying out of development, re-development or improvement and is necessary to the achieve proper planning on or in relation to the land ...”.
- 14.2 The power set out in s.226(1)(a) is subject to the limitation set out in s.226(1A) which provides that the exercise of the power under that subsection must not be exercised unless the authority thinks that the development, redevelopment, etc. “is likely to contribute to the achievement of one or more of the following objects:
- (a) the promotion or improvement of the economic well-being of their area;
 - (b) the promotion or improvement of the social well-being of their area;

- (c) the promotion or improvement of the environmental well-being of their area.”
- 14.3 With regard to the objects set out subsection (1A), officers set out in the report that an intended purpose of the Scheme is to secure development to enable the delivery of homes, particularly the delivery of affordable homes. As such the subject scheme, would, as a matter of principle, be capable of fulfilling all three of the specified objects, and in particular the “promotion or improvement of social well-being”.
- 14.4 The Government’s advice on the use of compulsory purchase powers generally, and the use specifically of the power set out in s.226(1)(a) of the Town and Country Planning Act 1990 is set out in its “Guidance on the Compulsory Purchase Process and the Critchel Down Rules” (“the Guidance”). The Guidance represents the principal matters, which the Council, should it seek to acquire the site by use of CPO powers, will need to be in a position to demonstrate in evidence both when making and when seeking confirmation of that order.
- 14.5 In summary, the Council must be able to demonstrate, in addition to the legal requirements referred to above arising from the statutory enabling power:
- (a) that the development sought to be achieved on that land is in accordance with an up to date development plan or, a non-statutory planning framework adopted following public consultation;
 - (b) that the scheme will further social, economic and/or environmental well-being;
 - (c) that there are no reliable alternative means to deliver the scheme in the time period required; this requirement in practice will include demonstrating engagement with the landowners and occupiers to bring forward the required form of development;
 - (d) that the acquisition of the land can be funded and the scheme can viably and physically be delivered with no impediments.

These matters have been addressed above.

- 14.6 The overarching principle is that the local authority in seeking to exercise powers of compulsory acquisition are able to demonstrate a compelling case in the public interest for the exercise of those powers. Evidence is also required to demonstrate that there is no impediment to enable the delivery of the development the proposed acquisition is intended to facilitate. These matters have been addressed above but, in summary,
- (a) 10 planning applications have been made and 7 permissions have been granted for the development. There are no obvious reasons which are likely to impede the grant of the outstanding consents (paragraph 2.9 above and paragraphs 3.19 to 3.21 in the Statement of Reasons);
 - (b) Financial and physical resources are available to acquire the land and to deliver that scheme .The Joint Venture is operating with governance,

- funding and development phasing already in place (paragraphs 10.3 to 10.7 above and Section 3 in the Statement of Reasons);
- (c) The context of acquisition sought to be made being that the development proposed, is grounded in a “clear strategic framework” and “planning framework”, being the Rainham and Beam Park Planning and Regeneration Framework, to which the development of the land proposed and for which acquisition is required will facilitate (paragraphs 1.3 and 1.4 above and paragraphs 4.18 to 4.46 in the Statement of Reasons);
 - (d) Negotiations have been undertaken with landowners and occupiers, with business and residential relocation strategies in place (sections 7 and 8 above and Section 7 in the Statement of Reasons);
 - (e) The regeneration of the Rainham and Beam Park Housing Zone is a key deliverable for the Council as set out in the Local Plan, and the Submitted Local Plan, (paragraph 3.12 above and paragraphs 4.32 to 4.39 in the Statement of Reasons). The scheme seeks to avoid development in a piecemeal fashion and of a scale that can make meaningful contributions towards social infrastructure;
 - (f) Through delivery of the Housing Zone Scheme the housing stock will be significantly improved with an increased supply of Affordable Housing located in the administrative area of the borough (paragraph 3.5 above and Section 3 in the Statement of Reasons); and
 - (g) Construction phases of the development will include training and employment opportunities for residents within the borough and contribute to social infrastructure.
- 14.7 Consideration has been given to the provisions of the Human Rights Act 1998 including Article 8 (respect for private life and family life and home) and Article 1 of the First Protocol (right to peaceful enjoyment of possessions) as set out in paragraphs 6.4 to 6.9 in the Statement of Reasons (and addressed further below). A decision to make Compulsory Purchase Orders must strike a fair balance between public interest in the regeneration of the land and interference with private rights. Bearing in mind the provisions for compensation to be payable and the compelling case in the public interest for the acquisition of the interest, it is considered that the interference with private property rights is proportionate and strikes a fair balance between the public interest and the interests of landowners and occupiers in compliance with Article 1 of the First Protocol.
- 14.8 By way of conclusion s.226(1)(a) of the Town and Country Planning Act 1990 represents a basis which would, in principle, be available to the Council to acquire the site. The Council will need to be satisfied that the statutory tests and policy tests set out in the Guidance for the making and confirmation of CPO(s) pursuant to that statutory power are met, including in that all occupier negotiations have been undertaken or there is a clear plan to undertake such discussions in a meaningful way prior to a request for confirmation. If the statutory grounds are made out then the above contained within the report is considered to form a rational basis upon which the requested decisions can be made.

15.0 Equalities Implications and risks

- 15.1 In deciding whether to make CPO(s), the Council should be satisfied that there is sufficient justification for interfering with human rights of those with an interest in the land affected. In this respect the Human Rights Act 1998 incorporates certain provisions of the European Convention on Human Rights, namely:
- (a) Article 1 of the First Protocol – the right of everyone to peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international laws.
 - (b) Article 8 – private and family life, home and correspondence. No public authority can interfere with these rights 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 a country.
 - (c) Article 14 – the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or social origin.
- 15.2 In the case of each of these articles, the Council should be conscious of the need to strike a balance between the rights of the individual and the interests of the public.
- 15.3 The Council may decide that, in the light of the significant public benefit, which would arise from the proposed development, the use of compulsory purchase powers is necessary and proportionate taking into account the availability of compensation. In particular, the Council may consider that the CPO(s) would not constitute any unlawful interference with individual property rights. The CPO(s) process provides the opportunity for representations to be made and the holding of a public inquiry in the case of objections by affected parties.
- 15.4 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 Scheme will provide a much-needed mix of affordable and private sale properties. The new mixed tenure housing will improve the community cohesion in the area, as will be public realm enhancements proposed. It will provide increased choice and opportunity for Havering residents in a highly accessible and sustainable location. This supports the overall aim of the Council's Equalities Policy and the Council's duties under the Equality Act 2010.

- 15.5 At present the properties within the CPO Red Line area do not reflect a mixed and balanced community, with a heavy bias towards commercial and inappropriate mainly private tenanted housing stock. The Scheme 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.
- 15.6 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.
- 15.7 All landowners, commercial and residential occupiers who are located within the CPO red line area will be affected by implementation of the Compulsory Purchase Orders. The Council and NHG are and will continue to endeavour to reduce this effect by extensive consultation and through the relocation strategies. Consultation has and will continue to be undertaken with the commercial and residential owners and occupiers and wider community to ensure that the Scheme reflects local and borough needs.
- 15.8 An Initial Equalities Impact Assessment (EqIA) in support of the CPO / Land acquisition Strategy has been prepared for the Council by external Consultants Mott Macdonald (Appendix 5). This will now be finalised and any recommendations implemented prior to the CPO Order being made.

16.0 Human Resources implications and risks

- 16.1 The Regeneration Programmes Service will be required to dedicate resources to the programme management and delivery of the land assembly and compulsory purchase work stream. Additional time limited support may be required as the land assembly, CPO(s) and business relocation strategy work streams advance. Where this has been anticipated external funding for resources has been built into the overall project cost plan.
- 16.2 Delivering the Housing Zone Land Acquisition Strategy will at times require the input and resources of a number of Council services particularly, Housing, Planning, Highways, Legal and Property Services.

BACKGROUND PAPERS

None