

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Council

26 May 2011

AUTHOR/S: Executive Director, Operational Services / Corporate Manager, Affordable Homes

COMPULSORY PURCHASE ORDERS - 26 GRANDRIDGE CLOSE, FULBOURN AND 12 FARMERS ROW, FULBOURN

Purpose

1. This report recommends making Compulsory Purchase Orders in respect of 26 Grandridge Close, Fulbourn and 12 Farmers Row, Fulbourn to allow the properties to be demolished and the sites redeveloped for new housing.
2. This is a key decision because:
 - it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
 - it increases financial commitments (revenue and / or capital) in future years above existing budgetary approvals;
 - it requires the acquisition or disposal of any land or interest in land with a value in excess of Level 4 (£120,000);
 - it is of such significance to a locality, the Council or the services which it provides that the decision-taker is of the opinion that it should be treated as a key decision.

Recommendations

3. The Council is recommended to approve the making of the Compulsory Purchase Orders (attached at **Appendices E & F**) in respect of the site at 26 Grandridge Close, Fulbourn (which site is shaded on the plan attached at **Appendix B**) and in respect of the site at 12 Farmers Row, Fulbourn (which site is shaded on the plan attached at **Appendix C**) pursuant to the provisions of Section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981 to enable the provision of housing accommodation by the Council's partner housing association Accent Nene in respect of the Windmill Estate redevelopment project.

Reasons for Recommendations

4. To obtain authority to make Compulsory Purchase Orders under the Housing Act 1985 for the owner occupied properties known as 26 Grandridge Close, Fulbourn and 12 Farmers Row, Fulbourn, to ensure that the agreed regeneration and redevelopment programme can proceed to the timescales proposed. Detailed reasons for making these compulsory purchase orders are set out in the Statement of Reasons for each property (attached at **Appendices A & B**).

Background

5. The redevelopment of the Windmill Estate is a significant project for the Council, requiring the demolition of 164 homes and the building of around 270 new

replacement homes provided by the Council's partner housing association Accent Nene.

6. The original agreed objectives were to:
 - Provide a sustainable mix of new homes.
 - Improve the quality of life of tenants and owners who had been living in sub standard properties
 - Provide a boost to community cohesion within Fulbourn,
 - Maximise the number of new affordable rented homes
 - Increase the overall housing provision within the district
 - Mitigate the financial cost risks to the Council associated with attempting to maintain the old homes to an acceptable standard despite the design flaws of those properties.
7. The Council decided on 23 November 2006 to commence the redevelopment project.
8. The process has involved transferring land parcels to Accent Nene to enable their comprehensive redevelopment and regeneration programme to proceed. This has involved the demolition of the majority of the homes transferred via the land parcels, including a number of homes that have been purchased through the Right to Buy procedure. Under the arrangements to transfer, Accent Nene agreed to make every effort to purchase the units that had been acquired via the Right to Buy, through agreement with the owners.
9. Prior to the commencement of the redevelopment works, each owner-occupier was contacted, and detailed terms of the financial offer available provided to them for voluntary acquisition of their properties by Accent Nene. These terms ensure that no owner-occupier would be worse off through agreeing voluntarily to sell as opposed to being compulsory purchased. In addition owner-occupiers living on the estate at the time of the proposals were provided with additional options enabling them to buy a new property on a rent-free equity share basis.
10. Compensation payable to owner-occupiers under the relevant legislation includes payment of the market value of the property, a home loss payment of 10% of the value of the property and a disturbance payment for the reasonable costs of moving.
11. Accent Nene need the certainty that they will be able to acquire 26 Grandridge Close and 12 Farmers Row, Fulbourn, where negotiations with the owner-occupiers are still on-going, to enable their redevelopment programme to proceed according to the timetable agreed with local residents and to ensure that development costs do not escalate. The granting of a CPO can take up to 18 months if a Public Inquiry is required.
12. It is the intention of Accent Nene to continue to negotiate to voluntarily purchase interests in these two properties through negotiation with the owners but such agreement has not yet been reached.
13. On 27 January 2011 the Council agreed to reconsider its previous position of not utilising compulsory purchase to acquire properties where agreements had not been reached, and resolved that compulsory purchase powers may be used if there were no alternative way of ensuring the completion of the Windmill Estate project.
14. Government guidance Circular 06/04 on the use of compulsory purchase orders states:

“Before embarking on compulsory purchase, acquiring authorities should seek to acquire land by negotiation wherever practicable. However, although the compulsory purchase of land is intended as a last resort when attempts to acquire by agreement fail, acquiring authorities should consider when the land they are seeking to acquire will be needed and, as a contingency measure, should plan a compulsory purchase timetable at the same time as conducting negotiations. Indeed, given the amount of time which needs to be allowed to complete the compulsory purchase process, it may often be sensible for the acquiring authority to initiate the formal procedures in parallel with such negotiations. This will also help to make the seriousness of the authority's intentions clear from the outset, which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations.”

15. The Council must therefore proceed with making the two compulsory purchase orders now.

Considerations

16. It is considered necessary to obtain compulsory purchase orders as a fall-back position in case an agreement can not be reached with the owners of 26 Grandridge Close and 12 Farmers Row, Fulbourn.
17. If compulsory purchase orders are not obtained for these properties, it is possible that other owners (where agreements have not yet been finalised) could refuse to sell and vacate their property, hence obstructing and delaying the redevelopment works further. In consequence, the redevelopment would look incomplete and a number of affordable homes would not be constructed. This would result in a loss of better quality, affordable accommodation to local residents in housing need.

Implications

18. A compulsory purchase order for each property would be made under Section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981. Government guidance in circular 06/04 provides that a compulsory purchase order should only be made where there is a compelling case in the public interest, sufficient to justify interference with the human rights of those with an interest in the land. The human rights implications are addressed in the Statement of Reasons attached as **Appendix A** to this report.
19. **Appendix E** of Circular 06/04 deals with compulsory purchase orders made under housing powers. Paragraph 3 states that the acquisition must achieve a quantitative or qualitative housing gain and Paragraph 7 states specifically that the acquisition of land for housing development is an acceptable use of Compulsory Purchase powers, including where it will make land available for private development or development by Housing Associations.

20.

Financial	None
Legal	See comments at paragraph 15 and 16 above
Staffing	Additional resources may be required to support officers through the CPO procedure
Risk Management	The main risk associated with the proposed CPO is a delay in the delivery of the overall project, should the owner-occupiers of 26 Grandridge Close and 12 Farmers Row not agree to voluntarily sell. This risk is mitigated by the voluntarily compensation scheme and the proposals for compulsory purchase outlined in this report

Equality and Diversity	Not applicable
Equality Impact Assessment completed	Not applicable
Climate Change	Not applicable

Consultations

21. The decision to proceed with the regeneration of the Windmill Estate was only taken after widespread and lengthy consultation with the local community. All residents were given ample opportunity to contribute to the proposals including the voluntary compensation scheme.

Effect on Strategic Aims

22. The new homes will be better designed to meet the needs of the overall community and there will be an overall improvement in the quality and affordability of the units being constructed. It will also help to address some of the existing demand for affordable housing in Fulbourn.

Background Papers: the following background papers were used in the preparation of this report:

ODPM Circular 06/04 Compulsory Purchase and the Crichel Down Rules

Contact Officer: Schuyler Newstead – Housing Strategy and Development Manager
Telephone: (01954) 713332

Fiona McMillan – Legal & Democratic Services Manager
Telephone (01954) 713027