

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 OCTOBER 2016

8a

Report Title	ADVANCE NOTICE OF PROPOSED USE OF COMPULSORY PURCHASE POWERS AT BRIMSCOMBE PORT, THRUPP
Purpose of Report	The purpose of this report is to seek Committee support for the use, at the earliest opportunity, of the Council's powers to acquire land compulsorily, so as to allow the delivery of a package of works which are needed to facilitate the redevelopment of Brimscombe Port as a regeneration scheme.
Decision	Strategy and Resources Committee RESOLVES to support the principle of compulsory purchase of land in the vicinity of Brimscombe Port and instructs the Head of Asset Management to return to this committee at the earliest opportunity with a land acquisition plan and detailed proposals for a Compulsory Purchase Order (CPO) resolution, should that be considered necessary.
Consultation and Feedback	<ul style="list-style-type: none"> • Stroud Valleys Canal Company • Brimscombe & Thrupp Parish Council • SDC Ward Councillor
Financial Implications and Risk Assessment	<p>Whilst this report does not commit the Council to undertaking CPO arrangements around the Brimscombe Port site, the committee need to be mindful of the likely cost of using CPO power to acquire land and any impact this may have on the resources available to redevelop the Brimscombe Port site.</p> <p>The Council has committed £1m of funding to the Brimscombe Port scheme and obtained £2m of funding from the Homes and Communities Agency (HCA) by way of a recoverable investment to which certain conditions are attached.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>

Legal Implications	<p>Considerable preparatory work will be needed before the Council will be able to present a sustainable case for a CPO and to lawfully procure and enter into a development agreement as outlined in the report. Consequently, an 'in principle agreement' to such action is sought at this stage for review once essential preparatory work has been undertaken.</p> <p>Karen Trickey, Legal Services Manager Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk</p>
Report Author	<p>Andy Nash, Head of Asset management (joint) Tel: 01453 754430 Email: andy.nash@stroud.gov.uk</p>
Options	<p>This report seeks Committee support for a course of action. The redevelopment of Brimscombe Port cannot proceed without the use of land not owned or controlled by the Council, and whilst every endeavour will be made to acquire the necessary lands and rights by agreement, certainty is needed in order for the project to proceed, and that can only be delivered by having compulsory powers available should purchase(s) by agreement be unsuccessful.</p>
Performance Management Follow Up	<p>Scrutiny by Housing & Development Panel</p>
Background Papers/ Appendices	<p>Appendix 1 – Location Plan, Brimscombe Port At this stage only a general location plan of Brimscombe Port is supplied. Please note that until further research by civil engineers has been concluded, it is not possible to be clear as to which land or interests will be needed. Appendix 2 - Enabling works as precursor to Redevelopment.</p>

1. Background

1.1. The status of Brimscombe Port (see Appendix 1) as a potential redevelopment incorporating substantial canal-related infrastructure is well-known. Equally well-known is that financial viability is a significant problem, as was empirically tested in a wide-ranging marketing of the site in 2011, which resulted in only one proposal from a developer (out of a long list of c70), and that proposal invited the Council to subsidise the development by c£5m.

- 1.2. In late 2015 the Homes and Communities Agency (HCA) approached the Council to discuss additional funding to help bridge the viability gap and bring the site forward for redevelopment, with the expectation that the HCA's money would be used to deliver a package of "enabling works" (see Appendix 2).
- 1.3. The sum invested by the HCA in Nov 2015 (by way of a recoverable investment with Stroud District Council) is £2m, on the strength of which (and as witness to its corporate support for the redevelopment) SDC has invested £1m from its own reserves towards bridging the viability gap and to facilitate the redevelopment of Brimscombe Port and regeneration of it and the surrounding area.
- 1.4. The Council now has a (probably unique) opportunity to bring forward the redevelopment of a site which is in poor physical condition, fails to make a meaningful contribution to the locality, tells no story about its place in local history, fails to play its part in the regeneration of the local canal network, and makes no acknowledgement of the historic significance of the site and its place in the Industrial Heritage Conservation Area.
- 1.5. The Planning position is covered in Policy SA1 of the Local Plan, and will be elaborated by means of Planning Officer's advice in the Development Brief which will be put to the development market at the earliest opportunity.
- 1.6. A CPO can provide early possession of necessary land and that the redevelopment is facilitated, as it has become clear from early consultation with civil engineers that the enabling works are unlikely to be delivered without acquiring land and rights from third parties (i.e. on land not owned or controlled by the Council). A CPO would also ensure that there are no title issues which might otherwise compromise or undermine delivery of the redevelopment.
- 1.7. The Council should only make a CPO if it considers that there is a compelling case in the public interest to do so, and that it is confident that, should the CPO be approved, there is reasonable certainty that the redevelopment will proceed. The "compelling case in the public interest" is the standard that will be applied by the Secretary of State in considering whether or not to approve the Council's CPO, and is the test that Members will need to apply when considering a report in due course, recommending a resolution to authorise the use of CPO powers.

2. Consequences of the decision sought

2.1 The decision sought will support continuing work to secure a CPO, and to deliver a report recommending a resolution to use CPO.

2.2 Supporting the CPO will enable completion of work to formalise the CPO process and ensure the Council's intentions are open and in the public domain. At the same time, work will; continue towards the recruitment of a developer, which in turn will support to the Council's case for a CPO to secure possession of adjoining land needed for the redevelopment scheme.

2.3 Some of the work involved in promoting a CPO is as follows:

- determine the boundaries of the land and nature and extent of interests to be included within the CPO
- prepare the Statement of Reasons, which is the document which supports the case for a CPO.
- undertake a land referencing exercise (the term used to describe clarification of land ownerships and the precise property interests needed to include in any CPO).

3. Negotiations

3.1. Negotiations by private treaty will continue before and after any CPO is made, as the Council would rather acquire the outstanding interests by agreement. The CPO code requires this in any event. However, the CPO is needed to ensure that vacant possession can be secured and to clean up any title issues so that the redevelopment of the site can proceed unhindered.

4. Risk Assessment Implications

4.1 Any process of land assembly involves risks, and those attaching to a CPO are many and varied, including:

- i. The CPO might be unsuccessful (i.e. not confirmed by the Secretary of State).
- ii. Planning permission for the scheme is not granted, meaning that the development underpinning the CPO cannot happen.
- iii. The development is not viable, meaning that the project behind the CPO cannot be delivered.
- iv. Inadequate resources applied the CPO process. Promoting a CPO is resource-intensive and the Council needs to accept that considerable resource will be needed to pursue the CPO process effectively.

5. Conclusion and Recommendation

5.1 The Council has the opportunity to assist in the economic regeneration of the area, and promotion of a CPO (and, in due course, recruitment of a development-partner) is pivotal to that objective, and Committee is asked to support the decision sought.