

## **AGENDA ITEM NO. 10**

**CABINET**  
**20<sup>th</sup> September 2016**

**SOLICITOR TO THE COUNCIL**  
**REPORT NO. LEG1611**

### **REDAN ROAD, ALDERSHOT – COMPULSORY PURCHASE**

#### **PURPOSE**

This report seeks approval to move towards the compulsory acquisition of the former TA Centre at Redan Road, Aldershot. Appendix 1 to this report shows the proposed acquisition site edged black.

#### **1. BACKGROUND**

The former TA Centre (“the Site”) is in private ownership having been acquired by the owner in August 2000. A small section of land being the existing access way is owned by the Secretary of State and registered under a separate title number.

#### **2. PLANNING POSITION**

The site is identified in the Rushmoor Borough Council 2015 Strategic Housing Land Availability Assessment as a site that is available and deliverable to deliver 22 units of housing between 2014- 2019. This is the document required by Government policy to ensure that a local planning authority has sufficient and suitable land available to meet the community's need for homes – it assesses the amount of land available for housing development in the Borough. The SHLAA contributes to the council being able to demonstrate its five year land supply, as required by the National Planning Policy Framework (NPPF), and is used to inform decisions about land use in the Local Plan and prevents planning by appeal.

Inclusion within the SHLAA does not necessarily mean that planning permission will be granted but this is a site that has a history of planning permissions being granted but the site still has not been built out for housing. The planning history is as follows:-

May 2002 02/00194/FUL demolition and erection of twenty 2 bed roomed flats and fourteen 1 bed flats with associated parking and landscaping . The section 106 agreement was completed but the planning permission lapsed because it was not implemented within the 5 year period.

In December 2013 an application for the erection of 4 two bed roomed , 6 3 bedroom and 4 4 bedroom houses and a block of 8 2 bedroom flats 13/00618/FUL was withdrawn to enable discussion with the District Valuer on viability.

In April 2014 application 14/00028/FUL for the same quantum of development was approved by the Development Management Committee subject to the completion of

a section 106 agreement. The planning agreement was completed on 23<sup>rd</sup> February 2015 and the planning permission issued on the 5<sup>th</sup> March 2015.

## **IMPLEMENTATION OF THE PLANNING PERMISSION**

Due to the Councils dwindling supply of SANGs land a decision was made to impose a planning condition on all residential consents requiring the development to be begun before the expiration of one year from the date of the permission. This condition was imposed upon consent no 14/00028/FUL. The development therefore had to be begun before 4<sup>th</sup> March 2016 or the planning permission would have lapsed, meaning that the consent would no longer be capable of implementation.

On the 18<sup>th</sup> February 2016 the owners agent advised that work had been started on the foundations of block 1-7 in accordance with the approved details and that the foundations had been inspected by building control. The council accepted that this work was done in accordance with the permission, which triggered the payment of the financial obligations under the section 106 agreement. An invoice was raised for the appropriate contributions totalling £196,451 and sent to the owner. The invoice was not paid and the owner's agent requested a variation of the section 106 agreement to allow the payment to be made in two stages- £100,000 following the sale of the first property to be completed and the balance on the completion of the second property.

This variation to the section 106 agreement was refused by Development Management Committee on the 22<sup>nd</sup> June 2016. Notwithstanding this refusal, the financial payments due under the section 106 agreement remain outstanding and the owner has made no attempt to continue with the development of the site. The owner has now suggested that he does not want to works to be taken as an implementation of the permission as he cannot afford to pay the contributions. Having accepted the works as implementation the council cannot resile from this position.

It would therefore seem likely that the owner has no plans to continue with the build and that the site will remain undeveloped as it has since acquisition in 2000.

## **COMPULSORY PURCHASE**

The NPPF at paragraph 51 acknowledges that LPA's should bring back into residential use empty housing and buildings and where appropriate acquire property using CPO powers.

Government advice on Compulsory Purchase advises that compulsory purchase powers are an important tool for local authorities to use as a means of assembling the land needed to help deliver social and economic change. Used properly, they can contribute towards effective and efficient urban regeneration, the revitalisation of communities,– leading to improvements in quality of life. Bodies possessing compulsory purchase powers are therefore encouraged to consider using them pro-actively wherever appropriate to ensure real gains are brought to residents and the business community without delay.

To justify the use of CPO there needs to be a compelling case in the public interest.

Given the length of time that the owner has owned the site; the failure to build out any consented scheme, and the fact that the Site is an allocated housing site that needs to contribute towards the Council's housing land supply by 2019 it is considered that a compelling case can be made to justify the acquisition of the Site so that land can be developed for housing either by the Council or by a development partner.

The acquisition power to be used would be section 226 (1) (a) Town and Country Planning Act 1990 which provides that an LPA can acquire land compulsorily if it believes that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in respect of the land. The acquiring authority must not exercise this subsection (1)(a) power unless it thinks that the proposed development, redevelopment or improvement is likely to promote or improve the economic, social or environmental well-being of its area.

However, before embarking upon the making of a compulsory purchase order, the government advises that acquiring authorities should seek to acquire the land by negotiation wherever practicable, as compulsory purchase is a power of last resort to be used if attempts to acquire by agreement fail. There is power to acquire land by agreement under section 227 TCPA.

The Council has been approached by a developer who has expressed an interest in acquiring this site to deliver a housing scheme, possibly working with the Council.

If the Council were to have to make a CPO to deliver the redevelopment of the site then compensation would be payable to the owner of the Site.

Compensation following a compulsory acquisition of land is based on the principle of equivalence. This means that an owner should be no worse off in financial terms after the acquisition than they were before. Likewise, they should not be any better off. Because the effects of the CPO on the value of a property are ignored when assessing compensation, it is necessary to value the land on the basis of its open market value without any increase or decrease attributable to the scheme of development which underlies the CPO. Thus, an offer would be made to acquire the site on this basis. The confidential Appendix contains the figure up to which an offer is to be made.

It is important that once made, such offer is only open for acceptance for a limited period of time. If the owner fails to accept the offer then a report will be brought to Cabinet seeking authority to make the compulsory purchase order and seeking approval of the statement of reasons for making the order. This will minimise delay on delivery of housing on this Site. A further report will be brought to cabinet on the terms of the redevelopment of the Site following acquisition.

## **FINANCIAL IMPLICATIONS**

This report does not seek authority to actually make the order but to make an offer to acquire the land for a purchase price that reflects the compensation that would be payable should a CPO have to be made.

A developer partner would fund the acquisition of the land and the Council therefore will not incur any direct revenue effect from this matter. The Council may choose to be involved in the development of the Site with a development partner but this will be dealt with in a future report, after a response has been received from the owner to the offer to acquire the site by agreement.

### **LEGAL IMPLICATIONS**

The legal implications are discussed previously in this report.

### **POLICY FRAMEWORK IMPLICATIONS**

The Site is an allocated housing site in the councils Local Plan and the Council needs to act to ensure that the site contributes to the councils housing land supply.

### **RECOMMENDATION**

That, subject to the Council having entered into an agreement with a development partner to indemnify the Council for the acquisition cost of the Site, the Cabinet gives authority to the Solicitor to the Council to make an offer to acquire the Site up to the value set out in the confidential Appendix 2, under section 227 TCPA and to agree a period during which the offer should remain open for acceptance.

# APPENDIX 1

