

TELFORD & WREKIN COUNCIL

CABINET

6 JANUARY 2022

BOROUGH OF TELFORD & WREKIN (GLEBE STREET, WELLINGTON) COMPULSORY PURCHASE ORDER 2022

REPORT OF DIRECTOR: PROSPERITY AND INVESTMENT

LEAD CABINET MEMBER – CLLR LEE CARTER, CABINET MEMBER FOR NEIGHBOURHOOD SERVICES, REGENERATION AND THE HIGH STREET

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSAL

- 1.1 To note the progress made by Wrekin Housing Group with their residential redevelopment proposals at Glebe Street/High Street, Wellington.
- 1.2 To seek Cabinet approval to the making of the Glebe Street/High Street Compulsory purchase Order 2022

2 RECOMMENDATIONS

- 2.1 That Cabinet notes the progress Wrekin Housing Group have made with their development proposals at Glebe Street/High Street, Wellington.
- 2.2 That Cabinet authorises the Council to make and advertise a compulsory purchase order of the land edged red and coloured pink on the plan at Appendix 1 under section 17 Housing Act 1985 (“the CPO”) for the reasons set out in the draft Statement of Reasons (Appendix 3) prepared in support of the CPO.
- 2.3 That Cabinet authorises the Director; Prosperity & Investment and the Associate Director; Policy & Governance to take all necessary steps to secure the making (including making such further amendments to the draft Statement of Reasons prepared in support of the reasons for making the CPO as are necessary) confirmation and implementation of the CPO, including the publication and service of all relevant notices, the presentation of the Council’s case at any local public inquiry and the resolution of any compulsory purchase claims including, if necessary, by way of making (or responding to) a reference to the Upper Tribunal (Lands Chamber).

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	Regeneration of those neighbourhoods in need and work to ensure that local people have access to suitable housing
	Will the proposals impact on specific groups of people?	
	Yes	In addition to meeting general housing need, the development will increase the availability of high quality affordable housing within the Borough.

TARGET COMPLETION/ DELIVERY DATE	<p>Local Growth Fund (Get Building) grant requires the projects to be delivered in their entirety by end March 2025.</p> <p>To meet these deadlines, the purchase of the remaining property interests need to conclude as soon as possible to enable site clearance and redevelopment to begin.</p>	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<p>The Council was awarded £2.38M grant through the Get Building Fund (allocated from Local Growth Funding) which is being used to support the second stage of the Stronger Communities Programme at New College, Wellington. The grant is also being used to support the redevelopment proposal at High Street/Glebe Street lead by WHG. The project must be delivered by 31 March 2025. Failure to meet this requirement may result in grant clawback.</p> <p>The award additionally identifies £18.62M of match funding which must be spent by the delivery partner Wrekin Housing Group (WHG). A back to back agreement is in place with WHG ensuring that the financial risk of non-delivery is addressed.</p> <p>The costs incurred in progressing the CPO will be funded by WHG either through the £1.5M grant allocated or as part of their match funding commitment.</p> <p>DR 29.11.21</p>
LEGAL ISSUES	Yes	<p>The Council has legal powers to promote CPOs under the Housing Act 1985 where the use of the powers will lead to a quantitative or qualitative improvement in housing.</p> <p>In promoting a CPO Government guidance provides that a CPO should only be made where there is a compelling case in the public interest. It is necessary for the Council to demonstrate that they have taken reasonable steps to acquire all of the land and rights required by agreement.</p> <p>Compulsory purchase is intended as a last resort to secure the assembly of land needed for the implementation of projects. However, it is appropriate to commence the CPO process whilst negotiations are ongoing.</p> <p>When making a CPO local authorities should be sure that the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected. The Council also has to give due regard to its Equalities Duties in the exercise of its CPO powers.</p> <p>The appended draft Statement of Reasons demonstrates that the Council has a compelling case in the public interest for exercising its CPO powers in this instance.</p> <p>EH 25.11.21</p>

OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>Whilst the use of CPO powers are to support Wrekin Housing Group with the acquisition of property interests, the responsibility for the CPO will remain with the Council. The Council will therefore work closely with Wrekin Housing Group in their discussions with third parties to ensure they are in accordance with CPO processes and procedures.</p> <p>The purchase of these remaining few property interests in a largely vacant residential area will support the delivery of new, fit for purpose, general needs housing and the regeneration of a key community</p>
IMPACT ON SPECIFIC WARDS	Yes	<p>This report has implications for the College Ward, Wellington with the replacing of outdated residential accommodation no longer meeting a housing need.</p>

PART B – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 The Council entered into a Get Building Fund (GBF) grant agreement with MHCLG in March 2021 to support local recovery from Covid-19, administered by the Marches Local Enterprise Partnership (LEP). The award of £2.38M was made to support the delivery of linked development proposals at New College and at Glebe Street/High Street, Wellington.
- 4.2 Preliminary work at New College funded through the earlier Stronger Communities Grant award left the site cleared with enabling works complete. Through discussions with Wrekin Housing Group (WHG), an opportunity was identified to widen the New College proposals through the unlocking of additional WHG redevelopment proposals within Wellington together with improved pedestrian linkages into Wellington Town Centre. The Get Building Fund was secured by the Council on the basis of supporting both key regeneration developments and leveraging in the additional financial resources to support the comprehensive masterplanning and redevelopment.
- 4.3 The WHG proposal at Glebe Street/High Street is the replacement of outdated maisonettes and flats within an estate design that no longer meets housing need. GBF gap funding was secured to support the cost of the demolition and clearance, land assembly and enabling works. WHG are leading on these redevelopment proposals and providing the match funding required to support the LEP grant award. £1.5M of the grant award is allocated to support the regeneration scheme which has the potential to deliver up to 70 new affordable housing properties for rent across a range of accommodation sizes and types including properties built to M4 (2) standard.
- 4.4 Approval to accept the grant was provided at Full Council on 26 November 2020 on the basis that acceptance would support the delivery of both elements of the proposals. The report noted that Compulsory Purchase Order (CPO) powers may be needed to support delivery where third party interests could not be secured by Wrekin Housing Group (WHG) at Glebe Street/High Street.
- 4.5 WHG interests at Glebe Street/High Street comprise a concentration of 130 poor quality residential properties with inherent design related defects affecting the roofs, drainage and fire safety issues. The development also requires significant levels of housing management due to anti-social behaviour and criminal activity which has increased over recent years. The 'complex' was identified as in need of 'action' a number of years ago and WHG have been acquiring flats previously purchased under 'right to buy' when they have been available for sale. Following the grant funding award and with WHG Board approval in place to progress the development proposals, WHG secured vacant possession and ownership of the majority

of the properties with only a few long leasehold interests outstanding to acquire. Properties occupied by WHG tenants have been slowly vacated with tenants moving to other properties across the area within WHG's housing portfolio.

- 4.6 Whilst negotiations had concluded with the majority of those parties with legal interests (117 with only 13 long leaseholds interests outstanding), due to the timescales of the grant award, WHG formally approached the Council for the support of its CPO powers to assist with remaining property interests.
- 4.7 Under delegated authority granted to the Director of Prosperity and Investment in the Council's Constitution, approval was obtained on 19 July 2021 to authorise, in principle, the exercise by the Council of its CPO powers so it could take the necessary preliminary steps, including identifying all those with interests in the land necessary to allow Cabinet to make a future decision on the making of a CPO in respect of the site.
- 4.8 The Council is keen to support WHG in bringing forward the development and external Solicitors (Freeths) are appointed to lead on the CPO providing joint advice to WHG and the Council. With the support of Freeths, external land referencers (Land Referencing Services) have been appointed to formally identify all parties with an interest in the development site to ensure these are all fully captured and recorded. With the support of the earlier CPO approval, WHG have been able to progress discussions with a number of remaining parties with further settlements having now completed and others either been agreed in principle or under discussions.
- 4.9 Despite the progress made to date with regard the remaining interests, and the fact it is likely that agreement can be reached with the remaining parties, the legal advice continues to be to progress with the making of the CPO to mitigate the risk of delays to the delivery programme to enable contractual GBF outputs to be met. The certainty of a CPO will also provide the comfort and ratification of a statutory framework to support affected parties with compensation entitlement.
- 4.10 There are 12¹ property interests that remain to be acquired and the locations of these are set out in the appended draft Schedule of Interests and CPO map (Appendix 1 & 2). The justification for the Council exercising its CPO powers is set out in the draft Statement of Reasons (Appendix 3).

5.0. **PREVIOUS MINUTES**

GET BUILDING FUND - NEW COLLEGE, WELLINGTON – Full Council – 26 November 2020
GET BUILDING FUND – STRONGER COMMUNITIES – USE OF CPO POWERS – Delegated Decision by the Director of Prosperity & Investment - 19 July 2021

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¹ This figure will be updated prior to the making of the CPO post Cabinet Approval on 6th January 2022. It is likely that only 2 interests will be outstanding at this time.