

# Report to Cabinet

20 July 2022

<b>Subject:</b>	Land at Cranford Street, Smethwick – Compulsory Purchase Order
<b>Cabinet Member:</b>	Cabinet Member Regeneration and Growth, Councillor Peter Hughes
<b>Director:</b>	Director of Regeneration & Growth, Tony McGovern
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Planning Regeneration Team Leader, Hayley Insley Hayley_insley@sandwell.gov.uk

## 1 Recommendations

- 1.1 That approval be given to make a Compulsory Purchase Order under Section 226(1)(a) of the Town and Country Planning Act 1990 as amended by Section 99 of the Planning and Compulsory Purchase Act 2004, Acquisition of Land Act 1981, and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 to be known as The Borough Council of Sandwell (Cranford Street, Smethwick) Compulsory Purchase Order, in respect of approximately 1.67 hectares of land bounded by land to the south of Cranford Street as shown on the attached Drawing SAM/12980/005 or such lesser land as may be deemed necessary and also including the air space above an area lying to the north and south of the development during the construction as shown on Drawing SAM/12980/005.
- 1.2 That approval be given to the use of the Council's Compulsory Purchase powers to acquire land and property required for the Grove Lane Towns Fund project.



- 1.3 That approval be given to authorise the Service Manager - Legal to make and the (Cranford Street, Smethwick) Compulsory Purchase Order in respect of the land needed for residential development shown outlined on drawing No. SAM/12980/005 and more particularly, marked "Map referred to in Borough Council of Sandwell (Cranford Street, Smethwick) Compulsory Purchase Order" or such lesser land as may be deemed necessary under the powers contained in Section 226(1)(a) of the Town and Country Planning Act 1990 as amended by Section 99 of the Planning and Compulsory Purchase Act 2004, Acquisition of Land Act 1981, and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.4 That approval be given to the Director of Regeneration & Growth to make minor amendments to the (Cranford Street, Smethwick) Compulsory Purchase Order and more particularly, marked "Map referred to in Borough Council of Sandwell (Cranford Street, Smethwick) Compulsory Purchase Order" prior to it being made and submitted for confirmation.
- 1.5 That approval be given to authorise the Service Manager - Legal to affix the common seal of the Council and serve the necessary notices and documentation as required by Section 226(1)(a) of the Town and Country Planning Act 1990 as amended by Section 99 of the Planning and Compulsory Purchase Act 2004 and Acquisition of Land Act 1981 and submit the Compulsory Purchase Order to the Secretary of State for Levelling Up, Housing & Communities for conformation.
- 1.6 That in the event the Compulsory Purchase Order is unopposed and granted powers to do so by the Secretary of State for Levelling Up, Housing & Communities to confirm the above order and serve all necessary notices to implement the Compulsory Purchase Order including the issuing of sheriff warrants.
- 1.7 That approval be given to authorise the Service Manager – Strategic Assets & Land to enter into negotiations and to acquire, on terms to be agreed by the Director of Regeneration & Growth, land and property within the proposed Order lands, in advance of confirmation of the Compulsory Purchase Order by the Secretary of State subject to the availability of finances.



- 1.8 That approval be given to authorise the Service Manager - Legal to enter into any licences, undertaking or other agreements to facilitate the Compulsory Purchase Order on terms to be agreed on terms to be agreed by the Director of Regeneration & Growth.
- 1.9 That approval be given to authorise the Service Manager - Legal to take all necessary action to secure the making, confirmation and implementation of the Compulsory Purchase Order and if objections are received to the Compulsory Purchase Order make arrangements for public inquiries including instructing external Counsel and Consultants to assist in the preparing evidence and the presentation of the Council's case at any public Inquiry.
- 1.10 That in the event that the Compulsory Purchase Order is confirmed by the Secretary of State for Levelling Up, Housing & Communities, authorises the Service Manager – Legal to serve all necessary notices to implement the powers of compulsory acquisition, including be authorised to make General Vesting Declarations, notices to treat and notices of entry to take all other requisite steps to obtain possession of the properties and to obtain a Sheriff's Warrant for possession of any lands where it has not been given.
- 1.11 That approval be given to authorise the Director of Law and Governance and Monitoring Officer to acquire the necessary interests in the land and property included in the confirmed Compulsory Purchase Order on terms to be agreed by the Director of Regeneration & Growth or as ordered by the Lands Tribunal.

## 2 Reasons for Recommendations

- 2.1 The submission for Towns Fund to support the acquisition and remediation of a site in the Grove Lane area has been approved by the Ministry for Levelling Up, Housing & Communities in May. The site identified would contribute significantly to the regeneration of the area surrounding the new Midland Metropolitan University Hospital in line with the approved masterplan.



- 2.2 The sum of £4.35m is provided to acquire a site identified south of Cranford Street and remediate the land sufficiently to accommodate residential development. The Towns Fund bid indicated approximately 145 homes could be provided, including 25% affordable homes and one commercial unit.
- 2.3 Surveyors were appointed by the council to undertake a valuation of the site and subsequently engage with the landowner's agents to seek acquisition by agreement. However, following several months of negotiation, the landowner's agents have indicated that their client requires significantly more than that offered by the council for the site and would therefore not dispose of the site unless their own valuation was matched.
- 2.4 In order to progress the Towns Fund Grove Lane project, and to not lose the £4.35m granted by MLUHC, it is necessary to undertake a compulsory purchase of the site.

### 3 How does this deliver objectives of the Corporate Plan?

	<p>Strong resilient communities</p> <p>Objective C2 within the Corporate Plan (2012-2025) states that 'We will deliver the Towns Investment Plans in West Bromwich, Smethwick and Rowley Regis secured through £64.5m of Town Deal Funding'. This project contributes £4.35m of that funding if delivered.</p>
	<p>Quality homes in thriving neighbourhoods</p> <p>Objective H1 within the Corporate Plan (2021-2025) is: We will deliver much needed new homes across the borough, especially affordable homes, on our own land and other viable sites in order to help meet the demand for affordable housing in our communities.</p> <p>This proposal will ensure that over 145 new homes are provided to meet the current housing need, including 25% affordable housing.</p>
	<p>A strong and inclusive economy</p> <p>Objective E4 is 'We will work proactively with our partners at the Local Enterprise Partnership, West Midlands</p>



	<p>Combined Authority and in central government to take maximum advantage of funding opportunities to secure additional funding for Sandwell regeneration projects'. This project is part of the Town Deal project attracting £4.35m of investment for Smethwick.</p> <p>Objective E6 is 'We will deliver the agreed Town Deals in collaboration with our partners across Rowley Regis, Smethwick and West Bromwich</p>
	<p>A connected and accessible Sandwell</p> <p>This project is one of many in the Grove Lane area that will assist in connecting existing with new development, access to the local public transport services and canal corridor.</p>

#### 4 Context and Key Issues

- 4.1 As part of the Smethwick Town Investment Plan, an Outline Business Case for a site near Grove Street was submitted to government in October 2020. The project involved acquiring and demolishing several industrial buildings and remediating the land ready for residential development. In March 2021, government announced a funding package of £23.5m to support the projects within the Smethwick Town Deal, subject to Full Business Cases being prepared within the next 12 months. The site at Grove Street was allocated £4.35m.
- 4.2 Whilst working up the Full Business Case, it was discovered that another site in the area, that had previously been discounted, was likely to be marketed. The site was located off Cranford Street adjacent to the Midland Metropolitan University Hospital and was being used as a compound for the hospital build. This site was in one ownership and likely to become vacant once the development was complete. A change request to Towns Fund was submitted for the revised site.
- 4.3 Council officers made requests of partner agencies such as Homes England and West Midlands Combined Authority to acquire the site on the council's behalf. Unfortunately, partners were not in a position to assist in this exercise.



- 4.4 The Council therefore procured a Chartered Surveyor in September 2021 to provide a valuation on the land. This was to understand the value of the site should the council set out to acquire in line with the council's Financial Regulations. The second part of the commission was for the Surveyor to undertake negotiations on the council's behalf to come to an agreed price for the acquisition of the site.
- 4.5 The landowner has in mind a price he would like to receive for the site. However, this is based upon the only recent land purchase in the area which was at the time thought to be exceeding true land values for this area. The valuation on behalf of the council took into account the demolition of buildings and significant remediation due to past industrial workings, potential asbestos and underground tunnels. The offer from the Council fell short of the landowner's expectations. An increased and final offer was made given the strategic importance of acquiring the site following several months of negotiation. However, the council has been unable to agree acquisition by agreement.
- 4.6 The site is required to further the Towns Fund project for the Grove Lane area. Its acquisition will enable the site to be cleared and remediated ready for residential to come forward, for at least 145 new homes, including 25% affordable homes, which is in line with its allocation in the local plan and the Grove Lane Masterplan approved by Cabinet in February 2022.
- 4.7 It is proposed therefore to acquire the land via a Compulsory Purchase Order (CPO). The council has an excellent record in winning CPO cases in the past, and it is considered that the regeneration benefits of undertaking this action with the investment of £4.35m from Towns Fund and the delivery of much needed homes will be a key component in the statement of case. The council can also evidence that it has tried to acquire the site by agreement.
- 4.8 The Towns Fund grant is required to be spent by 2024/5 and whilst the CPO process may take some time, it is considered that the delivery of the Towns Fund project of acquisition, clearance and remediation would still be achievable within the timescale.



## 5 Alternative Options

- 5.1 Option 1: Not progress with the CPO and not deliver the Towns Fund project leading to clawback of £4.35m to MLUHC. Reputation of the council at risk.
- 5.2 Option 2: Identify another site that could achieve the Town Fund project and submit another change request. There are no other sites in the area that could be considered at this stage given the timescales for the funding to be spent.

## 6 Implications

<b>Resources:</b>	The acquisition of the site and remediation of the land will be resourced from the Towns Fund allocation of £4.35m.
<b>Legal and Governance:</b>	<p>Section 226 of the Town and Country Planning Act (as amended by Section 99 of the Planning and Compulsory Purchase Act 2004) lays the basis of local authorities' positive planning powers. These provisions grant the authority the power to acquire any land compulsorily under section, if they think the acquisition will facilitate the carrying out of development, redevelopment, or improvement provided they think that the development, redevelopment or improvement is likely to contribute to one or more of the objects specified in subs.(1A).</p> <p>Section 226(1A) sets out what are known as the 'well being' powers. It confirms that the Local Authority should not exercise the power under section 226 unless it considers that the development the subject purpose of the exercise of the power will achieve the promotion or improvement of one or more of the following:</p> <ul style="list-style-type: none"> <li>• economic wellbeing and/or</li> <li>• social wellbeing and/or</li> <li>• environmental wellbeing of their area.</li> </ul>



	The details set out of this report under respective priority headings together with the planning application show that the redevelopment scheme will improve the economic, social and environmental well being of the area.
<b>Risk:</b>	The making of a Compulsory Purchase Order may attract objection from the current landowner, In certain circumstances if land is blighted by the proposed scheme the owners of the land in question may serve a Blight Notice on the Authority.  Not progressing with a CPO for this site would result in the clawback of £4.35m of Towns Funding by MLUHC.
<b>Equality:</b>	An initial screening was undertaken as part of the Full Business Case development for this project. There was an indication that certain groups may be affected by the proposal and a resolution made to undertake a full EQIA once the project was more developed.
<b>Health and Wellbeing:</b>	The acquisition of this site and remediation of the land ready for residential development will enable the provision of new homes, including affordable homes, close to public transport routes and access to the green and blue network of open space and the canal network. More sustainable routes for walking and cycling and access to open space will improve resident's health and wellbeing.
<b>Social Value</b>	As part of the Full Business Case submission to government, a monitoring and evaluation plan was included outlining the opportunities for apprenticeships, new construction jobs and other outcomes that would contribute to social value targets for this project. The construction of new homes would also lead to increased spend within the local area by the new residents.

## 7. Appendices

Draft Compulsory Purchase Order Map - Drawing No. SAM/12980/005



## 8. Background Papers

None

