

**EXECUTIVE REPORT**

**Middlehaven Development Framework and Compulsory Purchase Process**

**Executive Member for Regeneration and Economic Development – Councillor Charles Rooney**

**Executive Director of Neighbourhood and Communities – Kevin Parkes**

**23<sup>rd</sup> April 2013**

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**PURPOSE OF THE REPORT**

- 1. The purpose of this report is to seek the approval of the principles of the Middlehaven Development Framework for the basis of public consultation and for authorisation to be given to make a Compulsory Purchase Order (CPO).

**SUMMARY OF RECOMMENDATIONS**

- 2. It is recommended that the Executive Member:
  - a) approves the principles in the Middlehaven Development Framework;
  - b) agrees to a four week public consultation on the Development Framework; and,
  - c) agrees that the Executive Director of Neighbourhood and Communities be authorised to take all necessary steps to secure the making, confirmation and implementation of the CPO and any associated Notice to Treat or General Vesting Declaration, and to acquire the order land including any steps necessary to agree and pay compensation including negotiating and entering into agreements or undertakings with landowners setting out the terms for the withdrawal of objections to the order, including where appropriate, seeking exclusion of land from the order.

**IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?**

- 3. It is over the financial threshold (£150,000)
- It has a significant impact on 2 or more wards
- Non Key

**DECISION IMPLEMENTATION DEADLINE**

- 4. For the purposes of the scrutiny call in procedure this report is
  - Non-urgent
  - Urgent report

## BACKGROUND AND EXTERNAL CONSULTATION

5. Middlehaven is the town's key economic regeneration site. It is now realising its potential as development and economic opportunities are being delivered and is therefore becoming the driving force of change in Middlesbrough. Covering an area of 42 ha (105 acres) Middlehaven is one of the north east's largest regeneration schemes. The regeneration of Middlehaven is a long-term commitment by the Middlehaven Partners - Middlesbrough Council and the Homes and Communities Agency (HCA). Appendix 1 shows the extent of the site.
6. In 2004, Will Alsop Architects prepared a Strategic Framework for the Middlehaven area which set out the broad principles of development. The framework established a highly conceptual vision for Middlehaven, focusing on residential development.
7. Subsequently the public sector partners have acquired the ownership of the vast majority of the Middlehaven area. The Council has concentrated on the acquisition of the area west of Cleveland Street, with the other public sector partners focusing on the area to the east and around the Dock.
8. The former Dock area was marketed in 2004/05 and Bio-Regional Quintain (BRQ) were appointed in 2006 as the preferred developer. Following their appointment they developed a masterplan for the Dock in accordance with the earlier Alsop vision. However the prospect of an early start on residential development was not forthcoming, due to the combined impact of the economic downturn; falling house prices; reduced developer return, and the overall uncertainty in the apartment market.
9. The Community in a Cube (CIAC) apartment block was finished by BRQ in Autumn 2011. Shortly after this BRQ's London-based parent company (Quintain) announced they were pulling out of further development at Middlehaven as part of their wider contraction of sites outside of London.
10. Despite the economic downturn and BRQ's announcement, Middlehaven has developed significant momentum, with over £140m invested in new development. Major anchors are in place and interest in new developments is growing. The site is performing well in a very difficult environment for more northern towns. Key successes to date include:
  - a) Middlesbrough College - £68m state of the art new college;
  - b) Sixth Form Centre 'MC6' at Middlesbrough College – a £6.8m development, which includes a full size floodlit Astro turf pitch;
  - c) the Boho Zone - £10m Boho One Headquarters and BoHouse live/work units;
  - d) Boho 4 at Gibson House – £1m prestigious new offices in the restored Cleveland Club;
  - e) Stages Academy - a £5.7m pioneering centre to provide a new start in life for homeless people;
  - f) Middlesbrough Police Head Quarters – officially opened in 2007;
  - g) Manhattan Gate – £20m stylish waterside office buildings (now fully let);
  - h) Community in a Cube (CIAC) – £11.5m 80 unit residential unit;
  - i) Temenos – an impressive sculpture by internationally renowned artist Anish Kapoor;
  - j) the Riverside Stadium – home to the Middlesbrough Football Club; and,
  - k) myplace at the Custom House – a new £4.3m youth centre.

11. During 2013/14 a further £15m will be invested in the Middlehaven area as follows:
  - a) the Transporter Bridge improvements - a £2.6m refurbishment and upgrade funded by the Heritage Lottery Fund. This includes the installation of glass viewing lifts and improvements to the Visitor Centre;
  - b) Keiro Ltd – an £8m neuro rehabilitation centre. The facility will help people in their recovery from serious brain or spinal injury and other conditions. Works started on site in Autumn 2012 and are due for completion in Winter 2013; and,
  - c) A £4.2m scheme to build a Boho 5 incubation space for new digital businesses between Bridge Street East and Windward Way.
12. Furthermore, Middlesbrough College has announced their aspirations to invest a further £20m in their estate, thus significantly expanding their facilities.

## **KEY PRINCIPLES OF THE DEVELOPMENT FRAMEWORK**

13. Due to changing economic circumstances and emerging development opportunities, there is a need to refresh the Middlehaven Framework. In the past four years the development industry has fundamentally changed, particularly in respect of large brownfield regeneration sites outside of London. It is therefore necessary to have a framework capable of guiding forthcoming schemes, which reflect the current circumstances and which is likely to prove attractive to potential investors who would likely be interested in Middlehaven/Middlesbrough.
14. Without the framework, there is a danger that the successes already achieved could be diluted and new development will come forward in an ad-hoc fashion, which would ultimately be detrimental to the regeneration of Middlehaven. The framework is not prescriptive, but it does establish key principles to help guide developers. It also seeks to make development as easy as possible and allows the public sector Partners to proactively market development sites.
15. A new delivery focused Development Framework for Middlehaven has therefore been prepared. The Framework seeks to maintain the high standards of quality and contemporary design standards already achieved, whilst establishing a viable framework for delivery, which will create a diverse mixed-use quarter of the town centre.
16. The key principles in the framework can be summarised as follows:
  - a) the sub-division of the site into symmetric plots for disposal;
  - b) availability of development plots, allows for a flexible approaches to disposal;
  - c) a greater focus on commercial development, with less focus on residential;
  - d) strengthening the links to town centre;
  - e) concentration on the main thoroughfares – Cleveland Street and Bridge Street East;
  - f) improvement of transport and access – construction of a bridge over dock;
  - g) continuation of high quality contemporary architecture – dedicated Design Code; and,
  - h) different character zones to allow for various opportunities.

## Delivery

17. The framework is realistic about the challenges in delivering regeneration in Middlehaven, and has been prepared with delivery at its core. It provides a flexible platform for development to come forward, from large schemes down to small development driven by local people and business. The key overlapping delivery strands can be summarised as follows:
  - a) focus on redeveloping Cleveland Street, the main thoroughfare, in the early stages;
  - b) controlled land release – land disposal in response to interest and demand;
  - c) the facilitation of larger scale development as it comes along – predominantly around the Dock area;
  - d) Urban Pioneer Project – specific initiative to attract small-scale investors, mainly for self-occupation. This project is underway and will open up a new market; and,
  - e) the introduction of temporary interim uses on vacant land to create interest and footfall.

## CONSULTATION

18. The framework can help guide development as it evolves, but only if it is adopted as a formal delivery mechanism and has some credence in planning policy/guidance. Middlesbrough Council adopted the Middlesbrough Local Development Framework (LDF) Core Strategy in February 2008 and the Regeneration Development Plan Document (DPD) in February 2009. Since these documents were produced, the economic downturn has had a significant impact on the development industry, causing a significant reduction in house building across the town.
19. The Core Strategy and Regeneration DPD were prepared before the economic downturn and therefore the housing allocations within them do not reflect the current economic circumstances. Many allocated housing sites are not coming forward for development, as in the current climate they are no longer as economically viable.
20. The housing elements of these LDF documents are now being reviewed. This is essential so that the town can provide an adequate supply of housing and reduce out-migration. At present, the Middlehaven Development Framework is not compliant with the 2008 Local Development Framework (LDF) due to the revised residential figures. The 2008 LDF reflects the residential figures quoted in the Alsop plan - 2,800 residential units and the new framework stipulates approximately 800. However, the Alsop site included the whole of the extensive Able UK riverside estate, which is not included in the revised framework as his land is considered unsuitable for development in the foreseeable future. The Alsop plan particularly encouraged the construction of apartments, however the current demand for apartments is weak. The housing figures have also been revised to reflect the fact that the site no longer includes Able UK's land, resulting in Middlehaven being a smaller site than previously.
21. As the LDF is currently subject to review it is an opportune moment to have the new Middlehaven Development Framework inform the review. It is therefore proposed to consult more widely on the Middlehaven Development Framework and hold a four-week public consultation. Following this, the framework will form part of the evidence base for the LDF review and will be formally adopted by the Council.

22. The consultation would compromise of:
- a) a press release;
  - b) adding the framework to the front page of the Council's website and/or the Middlehaven website (when it is available);
  - c) posting a 'tweet' about the framework and where it can be found on the Middlehaven Twitter account;
  - d) a presentation to Community Council;
  - e) informing local residents and businesses via letter; and,
  - f) holding a Middlehaven Consultation Forum to inform stakeholders and address any queries.
23. Alterations and amendments will be made to the Development Framework following the consultation exercise. Following this, it is proposed that the Executive Member for Regeneration and Economic Development be given delegated authority to make minor amendments and to sign off the Development Framework.
24. Following a consultation period, the framework would become a material consideration and can form part of the evidence base for the LDF. The revised LDF is scheduled for adoption in Spring 2014 and will reflect the principles of the Middlehaven Development Framework, thus giving the framework greater weight in planning terms and leaving it less vulnerable to challenge.

## **REMAINING LAND ACQUISITION**

### **Steps Taken To Acquire Remaining Properties**

25. The vast majority of land in Middlehaven has been acquired by the public sector partners or is otherwise available for redevelopment. However, the acquisition of a small number of properties is still required to ensure the aforementioned plans can be delivered.
26. In order to assist St. Hilda's residents in their relocation, the Middlesbrough Re-housing Assistance Scheme (MiddRAS) has been in place since 2004. It provided owner-occupiers in St. Hilda's with up to £20,000 of grant assistance towards bridging the gap between the value of residential properties at St. Hilda's and the rest of the borough. The grant is provided on top of the agreed valuation and a home-loss payment of 10% of the valuation.
27. The MiddRAS scheme has been successful in acquiring 276 properties in the St Hilda's area, leaving only six occupied houses and one void property to acquire (please see Appendix 3 and 4). The programme of strategic acquisitions is set to continue and HCA transition funding, matched by the Council, is in place to acquire the remaining residential properties.
28. In order to encourage the remaining owner-occupiers to relocate, the level of assistance provided by the Council has been reviewed, and in 2012 the Executive Member for Regeneration and Economic Development agreed to the provision of equity loans of up to £30,000 for property owners to try and assist them.
29. In the Central Industrial Area, the majority of acquisitions in relation to the commercial properties have entailed purchasing the freehold interest, however the partners have also been obliged to buy out some leasehold interests. All

acquisitions to date have been freely negotiated to reflect market value of either freehold or leasehold interest, with all aspects of compensation, disturbance and business extinguishment payments calculated in accord with the Compulsory Purchase code. GVA Lamb & Edge acted for One North East (ONE), and subsequently the HCA, on all acquisitions. To date partners have been successful in acquiring 45 properties, with only four left to purchase (please see Appendix 3 and 4).

30. Negotiations with Sulzer, Dowding & Mills are on-going and it is hoped that this will be acquired voluntarily. The other properties have all been valued and offered a sum for the freehold interest (and where relevant leasehold interest). In the past, all freehold owners have indicated that they would sell, subject to an offer based on inflated values, however, given that market value plus the relevant compensations is all that can realistically be offered, negotiations have reached an impasse. The remaining commercial properties are all relatively small in scale and with the exception of Sulzer, Dowding & Mills, are in poor condition and have uses that are contrary to the vision for Middlehaven, and are thus having a detrimental impact on the amenity of the area (please refer to Appendix 4 for further information).
31. It is hoped that all remaining properties in both areas will now be voluntarily acquired. If the preferred option of acquisition by agreement is exhausted, however, the Council will have to utilize its powers of Compulsory Purchase Order (CPO). For further information on the process and information gathering, please see Appendix 2. The adoption of the Middlehaven Development Framework is an important requirement in serving a CPO as it demonstrates that the Council and its partners require the land in order to comprehensively redevelop the area.
32. The successful completion of the acquisition programme is critical for the realisation of the regeneration of Middlehaven. It will unlock a series of sites for development and provide assurance to developers that the area will come forward in accordance with the vision.

### **Other Options Considered**

33. Over a period of almost nine years, the Council and its partner bodies have sought to acquire all of the land proposed to be included in the CPO, without success. Notwithstanding this, the Council and its partners remain committed to acquisition by agreement wherever possible, and will continue to negotiate with landowners and occupiers throughout the CPO process.
34. Throughout that period, the Council and its partners have remained convinced that the piecemeal redevelopment of the land would lead to a reduced standard of development, and may lead to the complete isolation of those residents still residing in the St Hilda's area. Indeed, there are a number of occupied properties which adjoin long-term vacant properties, leading to deteriorating living conditions.
35. Similarly, the business use of the Central Industrial Area has now dwindled to such an extent that limited trade is now conducted from the area, leading to a lack of investment in the area by the current tradespeople.
36. The Council and its partners have considered the possibility of securing the redevelopment of the area without the land specified in Appendix 3, but it is considered that this is not an optimal solution to the need for the comprehensive redevelopment of the area. If individual plots of land are allowed to remain, it will

significantly undermine the ability of the Council and its partners to deliver such comprehensive redevelopment.

## Risk Assessment and Management

37. The following risks and ameliorating actions have been identified:

The risks associated with the implementation of the decision:							
No.	Risk	Inherent Risk (Before controls)		Risk Control Measures	Current Risk (After controls)		Risk Owner
		Impact	Probability		Impact	Probability	
1	Failure to secure CPO	High	Medium	Ensure case made for CPO is robust and defensible	High	Low	Council
2	CPO Costs	High	Medium	Agree relevant indemnity with partner	High	Low	Council
3	Development does not proceed due to factors outside the Council's control	High	Medium	Land in single ownership makes comprehensive development more likely.	High	Low	Council / Partners

The risks associated with <u>not</u> implementing the decision:							
No.	Risk	Inherent Risk (Before controls)		Risk Control Measures	Current Risk (After controls)		Risk Owner
		Impact	Probability		Impact	Probability	
1	Non-comprehensive development	High	High	Seek to secure development of the separate sites which contribute to a comprehensive solution over time.	High	Medium	Site owners.
2	Reduced likelihood that area-wide development will take place	High	High	The Council and its partners could try to influence development on private land.	High	Medium	Council / Partners
3	Continued isolation of properties	High	High	The Council and its partners could try to develop adjacent to current properties.	High	Medium	Council / Partners

## Indicative Timetable

<b>Stage</b>	<b>Indicative Date</b>
Council to make formal resolution to use CPO powers	April 2013
Undertake formal CPO order	June 2013
Expiry of CPO objection period (21 days)	July 2013
CPO Public Inquiry (if required)	January/February 2014
Secretary of State's decision to confirm CPO	May/June 2014
Notice of Confirmation of CPO and Notice of Intention to make General Vesting Declaration (GVD) published and served	June 2014
CPO 6 week challenge period expires	July/August 2014
GVD executed by the Council	August 2014
Land in GVD vests in Council and title transfers	September/October 2014

## IMPACT ASSESSMENT (IA)

38. The attached IA (Appendix 5) highlighted that the CPO would not have a disproportionately negative impact on groups or individuals in relation to one or more of the equality categories (gender, disability, sexual orientation, age, religious belief and trans gendered and transsexual people). At this stage one person potentially affected by the CPO has been identified as having a protected characteristic, and as such the Council will consider their needs within any compensation assessment (please see Appendix 2).

## OPTION APPRAISAL/RISK ASSESSMENT

39. The emergence of the Development Framework is part of a wider progress of bringing forward the regeneration of Middlehaven. The Development Framework is underpinned by robust commercial assumptions, and provides a flexible approach to delivery in difficult market conditions and into economic recovery.
40. The Development Framework provides a strong vision and direction for Middlehaven, which will be used to provide developers and investors with certainty that Middlehaven is a place to invest.
41. If the document is not consulted upon, it will not have as much credibility, which in turn means that there is a danger future developments will be unplanned and on an ad hoc basis, undermining the aims and objectives of the long-term regeneration of Middlehaven.
42. Option appraisal and risk assessment for the making of a CPO has been considered in the report (please see pages 6 and 7). The advice in ODPM Circular 06/2004 is that Compulsory Purchase powers should be used in parallel with the process of voluntary acquisition to ensure that the assembly of sites for regeneration is expedited.

## FINANCIAL, LEGAL AND WARD IMPLICATIONS

43. **Financial** – The framework is a strategic document prepared to facilitate the regeneration of Middlehaven. It promotes physical intervention, which would have cost implications. However, at this moment in time, consulting on the framework does not have a cost attached, and the financial implications will be addressed

within specific reports on the respective projects.

44. Although the Council is the accountable body for financial purposes, the Homes and Communities Agency (HCA) will meet the costs of acquiring properties in the Central Industrial Area and they have a budget allocated for this purpose. For St. Hilda's, Transition Funding is in place to acquire the properties. This is made up of £509,613 from the HCA, 50% match funded by Middlesbrough Council. The funding for this is allocated within a Middlesbrough Council budget. An indemnity agreement will be reached to cover the costs of the CPO process, and this will be split 50/50 between Middlesbrough Council and the HCA. In addition, a Search of the Index Map (SIM) will be required for both areas to highlight any unregistered land and covenants, it is anticipated that this will cost less than £100 and will be covered by existing Council and HCA budgets.
45. **Ward Implications** – The Middlehaven Development Framework will directly affect the Middlehaven ward, but it is relevant to all of Middlesbrough's residents. The CPO Order will affect the Middlehaven ward. The Executive Member for Regeneration and Economic Development, Councillor Charles Rooney, has been briefed about the contents of this report.
46. **Legal Implications** – The Council will be required to use its legal powers to support Compulsory Purchase action. Under the provision of the Section 226 of the Town and Country Planning Act, 1990 (as amended by the Planning and Compulsory Purchase Act 2004) the Council can justify a CPO as a means of contributing towards the improvement of the social, economic and environmental well-being of Middlehaven. The Legal Department has been consulted on the potential CPO Order and has advised on the content of the report and process.

## **SCRUTINY CONSULTATION**

47. Not applicable.

## **RECOMMENDATIONS**

48. It is recommended that Executive:
  - d) approves the principles in the Middlehaven Development Framework;
  - e) agrees to a four week public consultation on the Development Framework; and,
  - f) agrees that the Executive Director of Neighbourhood and Communities be authorised to take all necessary steps to secure the making, confirmation and implementation of the CPO and any associated Notice to Treat or General Vesting Declaration, and to acquire the order land including any steps necessary to agree and pay compensation including negotiating and entering into agreements or undertakings with landowners setting out the terms for the withdrawal of objections to the order, including where appropriate, seeking exclusion of land from the order.

## **REASONS**

49. The above recommendations are supported by the following:
  - a) due to changing economic circumstances and emerging development opportunities over recent years a refreshed Development Framework was

- required to reflect current market conditions and accommodate new and potential development opportunities;
- b) the suite of documents making up the Middlehaven Development Framework (the framework and Design Code) will guide emerging development activity once it has been out to public consultation;
  - c) the Middlehaven Development Framework will form part of the evidence base for the LDF review, thus giving it more weight in planning terms; and,
  - d) whilst negotiations will continue to acquire the remaining properties and land, it is necessary to begin making a CPO should the negotiations with the owners of the remaining properties and land be exhausted.

## **BACKGROUND PAPERS**

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

Middlehaven Development Framework and Design Code.

**AUTHOR: Charlotte Considine**

**TEL NO: 01642 729636**

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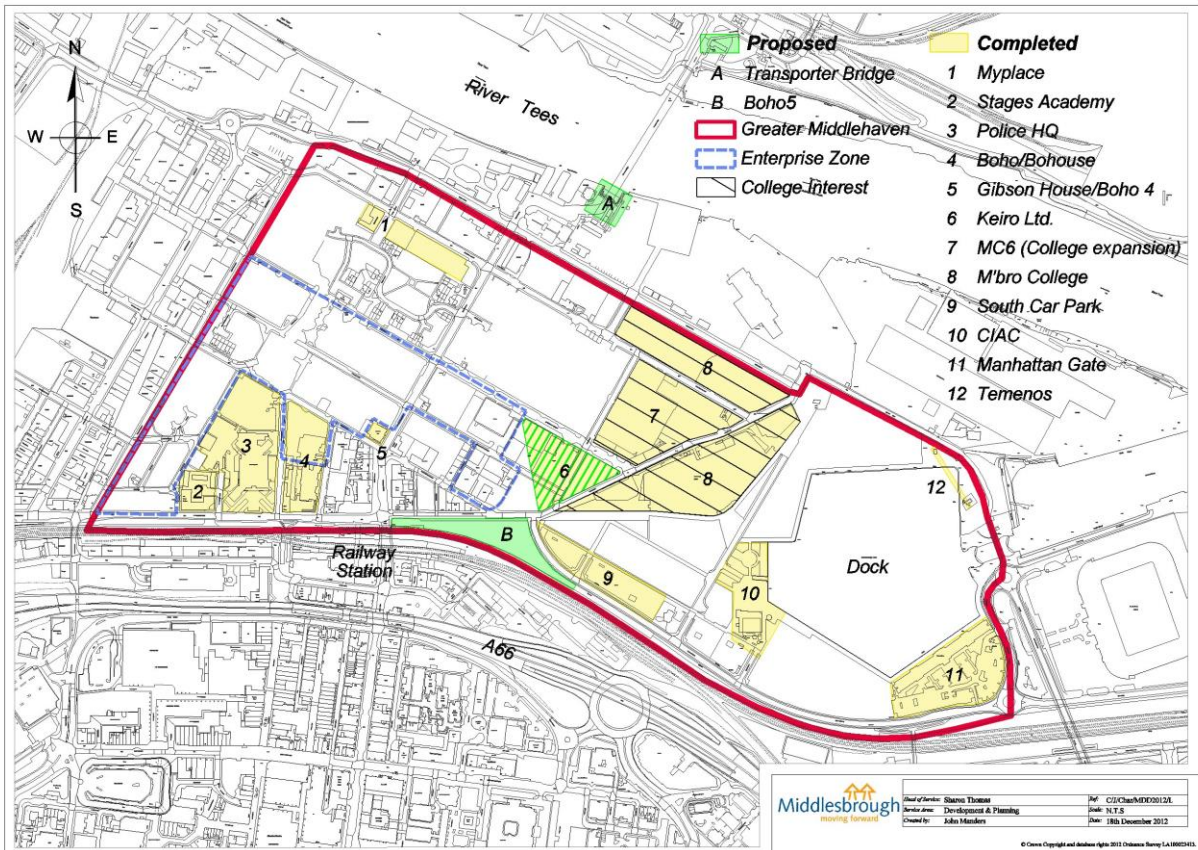
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*Website:* <http://www.middlesbrough.gov.uk>

# APPENDICIES

## Appendix 1

### Middlehaven Site



## **Appendix 2**

### **Compulsory Purchase Order Information Gathering**

1. The redevelopment of St. Hilda's and the Central Industrial Area, as part of the wider redevelopment of the Middlehaven area of Middlesbrough, is one of the most pressing regeneration needs for the Council and its partners.
2. Over a period of some sixty years, the Council has made a number of attempts to improve and revitalise the St. Hilda's area, which forms the core of the old centre of Middlesbrough and which dates from the 1850s. Unfortunately, notwithstanding the expenditure of substantial sums over the years, by both the Council and private developers, the current condition of the area is lamentably decayed.
3. The original redevelopment scheme for the area was proposed in the 1940s. The majority of the homes that existed at that time were declared unfit for human habitation and it was therefore decided to replace the existing housing with 511 dwellings.
4. Between 1955 and 1967 a total of 447 dwellings were constructed, but the flats and maisonettes proved unpopular with the residents of the area, and vandalism became widespread.
5. In an attempt to recover from this decline, in the late-1970s the Council proposed further regeneration, and in the early 1980s the St. Hilda's Masterplan was partially implemented, resulting in the construction of 137 dwellings.
6. Despite substantial investment, marketing initiatives, and intensive management, all housing providers experienced a lack of demand for their properties, resulting in high void levels. The two main Registered Social Landlords previously with stock in the area, Anchor Trust and Bradford & Northern, withdrew completely from the housing market in St. Hilda's and demolished the overwhelming majority of their combined stock holding of 87 dwellings.
7. Ultimately, these 1980s regeneration efforts also proved unsuccessful. Housing market failure led to the Council starting to acquire the owner occupied properties in 2004 as the area was, once again, in dire need of assistance to ensure its long-term viability and survival. It is the Council's view that the piecemeal regeneration practised in the past will no longer suffice, and that the regeneration of the area should be undertaken simultaneously with the wider regeneration of Middlehaven and in accordance with the new Middlehaven Development Framework.
8. Similarly, Middlehaven Partners started to acquire Central Industrial Area properties in 2002. Acquisition of properties in this area is an important part of the overall site-assembly programme to ultimately facilitate large-scale regeneration.

### **Public Sector Equality Duties**

9. Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

10. Each decision-maker must, therefore, have due regard to the need to:

- i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010;
- ii) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to:
  - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people this includes, in particular, steps to take account of disabled persons' disabilities); and
  - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low;
- iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.

11. In this case, it is currently understood that one of the owner-occupiers of a residential property could be considered to have a protected characteristic. As such, the Council must be mindful that it may be responsible for making reasonable adjustments to the individual's next property, as and when they are relocated.

### **Impact on the Human Rights of Landowners**

12. The decision to make a CPO will engage the provisions of the Human Rights Act 1998. This act incorporated into UK domestic law the European Convention on Human Rights ("ECHR"). The aim of the ECHR is to protect the rights of the individual.

13. In relation to CPOs, the guidance contained in Circular 06/2004, "Compulsory Purchase and the Crichel Down Rules" (as amended by Circular 04/2010) advises that before a CPO can be made there must be "a compelling case in the public interest". The Council is required to act in accordance with the ECHR in deciding whether or not to make a CPO. Article 1 of the First Protocol of the ECHR provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions.

14. Compulsory acquisition of property involves an interference with a person's rights under this Article. These rights are enjoyed by corporate bodies as well as individuals and if their property rights will be affected by the compulsory acquisition then the rights under the convention are engaged.

15. The right to peaceful enjoyment of possessions pursuant to Article 1 is a qualified, rather than an absolute, right, as the wording of the Article permits the deprivation of an individual's possession where it is in the public interest and subject to the conditions provided for by law. The Council will need to balance the public interest and the individuals' rights whereby any interference with the individuals' rights must be necessary and proportionate.

16. Proportionate in this context means that any interference with the property rights must be no more than is necessary to achieve the identified legitimate aim. A fair balance must be struck between the rights of the individuals and the rights of the public.

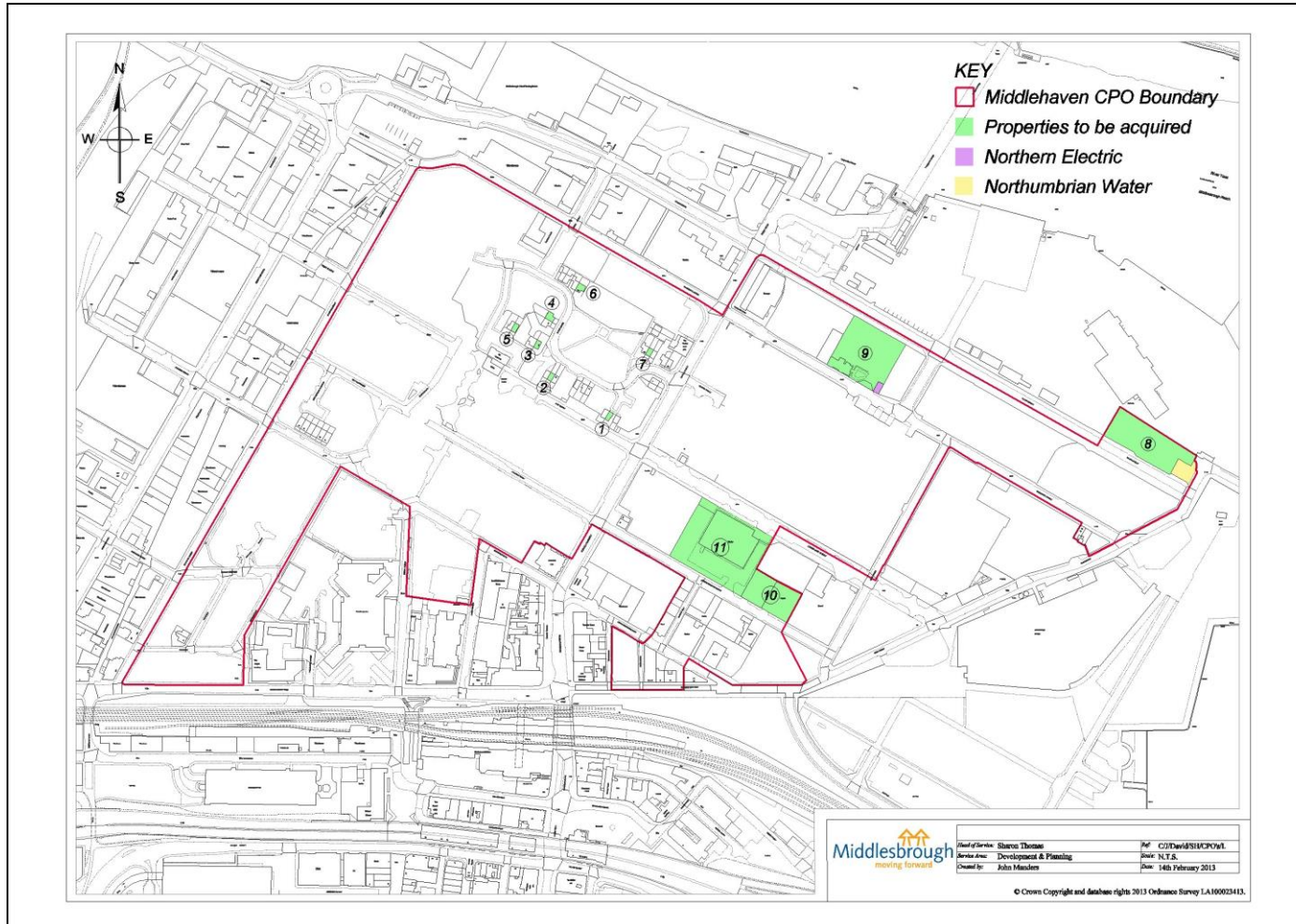
17. In the present case, it is considered that the exercise of CPO powers would be a proportionate response to the situation, given that there have been a number of attempts over recent years to seek to acquire the land by agreement from the landowners, but with no success. As a result, the Council and its partners have been unable to secure the comprehensive redevelopment of the wider site, which is not only desirable, but also a legitimate aim for the Council.
18. In the circumstances of this case, the compulsory acquisition of the land specified in Appendix 2 to the report amounts to a proportionate interference and is required to ensure that the comprehensive regeneration of the wider site can be achieved.

### **CPO Process**

19. The CPO will be made under the provisions of the Section 226 of the Town and Country Planning Act, 1990 (as amended by the Planning and Compulsory Purchase Act 2004). This power can only be used where the local authority can justify the order as a means to contribute towards the improvement of the social, economic or environmental well-being of the area in question. In this case it is evident that St. Hilda's suffered from housing market failure and the land would be better redeveloped in line with the wider aspirations for Middlehaven, set out in the Development Framework. Similarly, the Council and its partners believe that the Central Industrial Area has, over a number of years, declined to a point where its comprehensive redevelopment would contribute to the social, economic and environmental well-being of Middlesbrough.
20. For all the properties, either already acquired, or left to acquire in St. Hilda's, the Council will endeavour to acquire the freehold (where it has not done so already) and all other rights. The Council will also acquire all of the rights within the Central Industrial Area, with the exception of the HCA's freehold ownership. This will ensure that the titles in both areas are cleared of covenants. A Search of the Index Map (SIM) will be conducted to highlight any unregistered land, rights etc. for both areas.
21. The CPO process is highly technical, and as such preparatory work and information gathering is underway. The land to be acquired is shown in Appendix 2 to this report. In the event that approval is given for the Council to make a CPO, since information-gathering is underway (including ascertaining who has a legal interest in, or right to occupy, the land we propose to acquire) the Council will make the CPO shortly. It is proposed that delegated authority be given to the Executive Director of Neighbourhood and Communities to see the CPO process through to completion on the properties where voluntary acquisition is not an option.
22. The Council will continue to negotiate with the owners of the remaining properties whilst the CPO is prepared and progressed. Any properties acquired voluntarily will be removed from the schedule of properties for CPO.

# Appendix 3

## Land and Properties to be Acquired



## Appendix 4

### Redevelopment of Middlehaven

#### Schedule 1

Properties to be included in the Compulsory Purchase Order

#### A Privately owned houses within the St. Hilda's redevelopment area

<b>Number on Map</b>	<b>Address</b>	<b>Status</b>
1	9 Tower Green	Owner Occupied
2	20 Tower Green	Void
3	23 Tower Green	Owner Occupied
4	25 Tower Green	Owner Occupied
5	36 Tower Green	Owner Occupied
6	102 Tower Green	Owner Occupied
7	118 Tower Green	Owner Occupied

#### B Commercial properties within the Central Industrial Area (CIA) redevelopment area

<b>Number on Map</b>	<b>Address</b>	<b>Status</b>	<b>Condition/Use</b>
8	Wharfedale Finance, Vulcan Street	Owner Occupied	Former waste transfer facility, current use unknown
9	Jap City Auto, 6 Lower Commercial Street	Leased	Car salvage yard and associated office
10	48 – 52 Lower Feversham Street	Unknown	Former workshop/office building, with associated yard. Building quite derelict.
11	Sulzer Dowding & Mills, Lower East Street	Owner Occupied	Engineering

## Appendix 5

### Equality Impact Assessment

<b>Subject of assessment:</b>	Compulsory Purchase Order in Middlehaven			
<b>Coverage:</b>	Middlehaven Ward			
<b>This is a decision relating to:</b>	<input type="checkbox"/> <b>Strategy</b>	<input type="checkbox"/> <b>Policy</b>	<input type="checkbox"/> <b>Service</b>	<input type="checkbox"/> <b>Function</b>
	<input checked="" type="checkbox"/> <b>Process/procedure</b>	<input type="checkbox"/> <b>Programme</b>	<input type="checkbox"/> <b>Project</b>	<input type="checkbox"/> <b>Review</b>
	<input type="checkbox"/> <b>Organisational change</b>	<input type="checkbox"/> <b>Other (please state)</b>		
<b>It is a:</b>	<b>New approach:</b>	<input checked="" type="checkbox"/>	<b>Revision of an existing approach:</b>	<input type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input type="checkbox"/>	<b>Local or corporate requirements:</b>	<input checked="" type="checkbox"/>
<b>Description:</b>	<p><b>Key aims, objectives and activities</b></p> <p>Whilst negotiations will continue to acquire the remaining properties and land voluntarily, it is necessary to begin making a Compulsory Purchase Order (CPO) should the option of voluntary acquisition be exhausted. This will ensure assembly of the site for the large-scale regeneration of the area, and allow the ambitions highlighted in the new Development Framework to be realised.</p> <p><b>Statutory drivers</b></p> <p>It is considered that the exercise of CPO powers would be a proportionate response to the situation, given that there have been a number of attempts over recent years to seek to acquire the remaining land by agreement from the landowners, with no success. The land is required to ensure the large-scale regeneration of Middlehaven; piecemeal redevelopment will lead to a reduced standard of development.</p> <p><b>Differences from any previous approach</b></p> <p>The Council and its partners have been actively seeking to acquire the properties and land voluntarily, however, under the provision of the Section 226 of the Town and Country Planning Act, the Council can justify a CPO as a means of contributing towards the improvement of the social, economic and environmental well-being of Middlehaven.</p> <p><b>Key stakeholders and intended beneficiaries (internal and external as appropriate)</b></p> <p>The key stakeholders are the owners of properties and land which will fall within the CPO boundary (appendix 3 of the report).</p> <p><b>Intended outcomes</b></p> <p>To bring forward the regeneration of Middlehaven in accordance with the new Development Framework. The advice in ODPM Circular 06/2004 is that Compulsory Purchase powers should be used in parallel with the process of voluntary acquisition to ensure that the assembly of sites for regeneration is expedited.</p>			
<b>Live date:</b>	If Executive approve the CPO, it is anticipated the order will be made in June 2013			

<b>Lifespan:</b>	It is expected that the CPO process would take until the end of 2014 to be completed			
Screening questions	Response			Evidence
	No	Yes	Uncertain	
<b>Human Rights</b> Could the decision impact negatively on individual Human Rights as enshrined in UK legislation? *	☒	☐	☐	The decision to make a CPO will engage the provisions of the Human Rights Act 1998. In relation to CPOs, the guidance contained in Circular 06/2004, "Compulsory Purchase and the Crichele Down Rules" advises that before a CPO can be made there must be "a compelling case in the public interest". Therefore the Council will need to balance the public interest and the individuals' rights whereby any interference with the individuals' rights must be necessary and proportionate. Proportionate in this context means that any interference with the property rights must be no more than is necessary to achieve the identified legitimate aim. In this case, it is considered that the exercise of CPO powers would be a proportionate response to the situation, given that there have been a number of attempts over recent years to seek to acquire the remaining land by agreement, with no success. As a result, the Council and its partners have been unable to secure the comprehensive redevelopment of the wider site, which is not only desirable, but also a legitimate aim for the Council.
<b>Equality</b> Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups? *	☒	☐	☐	Mix of private houses and businesses in the area.  The report considers public sector equality duties and this has shaped the Council's approach. At this stage one person potentially affected by the CPO has been identified as having the disability protected characteristic, and as such the Council will consider their needs within any compensation assessment, particularly where the disability may mean that additional steps are required to ensure equal outcomes. This approach will be applied to anyone subject to the CPO.  As a result there are no concerns that application of a CPO order could have a disproportionate adverse impact on people within the CPO zone because they hold a protected characteristic.
<b>Community cohesion</b> Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town? *	☒	☐	☐	The CPO would not negatively impact on community cohesion – in St. Hilda's there are a number of isolated occupied properties which adjoin long-term vacant properties, leading to deteriorating living conditions. The Council can justify a CPO as a means of contributing towards the improvement of the social, economic and environmental well-being of Middlehaven.
<b>Middlesbrough 2020 – Our Vision</b> Could the decision impact negatively on the achievement of the vision for Middlesbrough? *	☒	☐	☐	The CPO would help achieve the vision for Middlehaven, and help regenerate a key site, thus positively contribute towards the Middlesbrough 2020 vision.

\* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

<b>Organisational management / transformation</b> Could the decision impact negatively on organisational management or the transformation of the Council's services as set out in its transformation programme? *	☒	☐	☐	The CPO would not have any implications on the Council's transformation programme.
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**Next steps:**

- ➡ If the answer to all of the above screening questions is No then the process is completed.
- ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.

<b>Assessment completed by:</b>	Charlotte Considine	<b>Head of Service:</b>	Sharon Thomas
<b>Date:</b>	05/03/2013	<b>Date:</b>	