

Birmingham City Council

Report to Cabinet

26th April 2022



Subject: Proposed Compulsory Purchase Order – Princip Street Development

Report of: Paul Kitson Strategic - Director Of Place, Prosperity And Sustainability

Relevant Cabinet Member: The Leader of the Council, Cllr Ian Ward

Relevant O &S Chair(s): Councillor Saima Suleman, Economy and Skills

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Newtown		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009552/2022		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 This report seeks approval in principle to the making of a Compulsory Purchase Order in respect of the acquisition of interests to assist in the regeneration of land fronting Princip Street, New Town Row and Price Street as shown on the attached plan at Appendix 1. This will enable the securing of vacant possession of land to facilitate the ongoing regeneration and development of this city centre site in accordance with approved development proposals.

2 Recommendations

- 2.1 Approves in principle the making of a Compulsory Purchase Order ('CPO') under section 226(1)(a) of the Town and Country Planning Act 1990 together with Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 in respect of the acquisition of land and, where necessary, new rights within the area shown edged black on the plan attached as Appendix 1, subject to completion of the indemnity agreement referred to below.
- 2.2 Authorises the City Solicitor to complete an indemnity agreement with the Developer, Taylor Grange Group of Companies (or other related company), with provision for a surety or other appropriate mechanism as is approved by the City Solicitor, to ensure the costs of processing any compulsory purchase costs (including land referencing), land acquisition and compensation costs for the redevelopment are met by the Developer.
- 2.3 Authorises the City Solicitor (or their delegate) to take all steps necessary for the preparation of any compulsory purchase orders which will be needed, including the appointment of referencers to carry out land ownership enquiries, and to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.
- 2.4 Authorises the Assistant Director of Property, in conjunction with the Developer, to negotiate the acquisition of interests in the land outlined on the plan at Appendix 1 (which shows the maximum anticipated extent) in advance of, and alongside, the making of a CPO and where appropriate, to pay statutory compensation payments to all qualifying parties.
- 2.5 Notes that a further Cabinet report will be produced seeking full authority to the making of a CPO once the indemnity agreement is completed and discussions regarding the scheme are finalised with the Developer.

3 Background

- 3.1 Planning consent (2020/00999/PA) was granted to Load Estates Ltd on 19th October 2021 for the redevelopment of the site at 53-68 Princip Street, Gun Quarter, Birmingham, B4 6LN. The Princip Street site covers 0.49 hectares and is located at the junction of Princip Street and New Town Row which provides access to the city centre and connects to Newtown Middleway (A4540). The proposed development would demolish all the existing buildings and other structures to allow for the regeneration of the site to provide a private rental scheme of 337 apartments and associated communal facilities
- 3.2 The successful redevelopment of the site is essential to the future regeneration of the wider Gun Quarter area of the city centre. The site has historically been occupied by industrial uses, however this is becoming increasingly out of context with the surrounding residential developments. Due to its close proximity to two of Birmingham's successful Universities, to Snow Hill and to the City Centre core, the surrounding uses no longer reflect industrial use. Combined with the above, a

growing trend towards city centre living has led the area to become increasingly characterised by residential uses and student accommodation.

- 3.3 The implementation of the planning approval will deliver significant regeneration benefits for the Gun Quarter and the city centre through the proposed provision of new residential properties that will not only bring greater economic use back to the site itself, it will also provide a catalyst for further growth and investment into the wider Gun Quarter. The approved plans would ensure that the Princip Street site becomes a more vibrant and active area that supports the surrounding context and add greater natural surveillance to the area. The scheme would utilise a brownfield site to increase use of the site which currently hosts vacant units. Furthermore, the scheme would significantly contribute to meeting Birmingham's housing need by instigating a net increase in homes despite the loss of Houses in Multiple Occupation (HMOs). The proposed residential units within the development will bring more residents to this part of the city centre which will help to sustain local shopping and community facilities and create an area for sustainable living and working with 24-hour activity.
- 3.4 The Developer has made significant progress acquiring on a voluntary basis the majority of interests in the site required to facilitate the development. However, the developer has been unable to acquire a pair of two-storey residential properties (61 & 62 Princip Street) currently let as HMOs. The rest of the site is ready for development. Compulsory purchase is therefore essential in order to secure all the land needed for the approved development scheme to proceed. Without acquisition of the remaining interests, the development will not occur or not occur in a timely manner, leaving the site and buildings vacant and the area in an increasingly run down condition. Appendix 1 shows the extent of the proposed CPO.
- 3.5 Compulsory acquisition would meet the requirements set out in the Government's Guidance on Compulsory Purchase process and the Crichel Down Rules (updated July 2019). A full note of how the compulsory acquisition would meet the government guidance will be set out in the further Cabinet report that follows seeking full authority.

4 Options considered and Recommended Proposal

- 4.1 The only alternative action would be not to support the use of compulsory purchase powers, which would jeopardise land assembly and the implementation of the approved development proposals. It is very unlikely that the approved proposals could be implemented without the use of CPO powers.

5 Consultation

- 5.1 Consultation has taken place with the Ward Member who is supportive of this report proceeding to Cabinet as set out in Appendix 5.

- 5.2 Statutory public consultation took place on the planning applications that underpin the CPO and the planning policies that set out the framework for development and regeneration – including the Birmingham Development Plan (BDP) and Big City Plan (BCP).

6 Risk Management

- 6.1 There are no direct financial risks to the Council, as the Indemnity Agreement will ensure that the Council's costs associated with the CPO will be reimbursed by the Developer. Appendix 4 considers the Risk Assessment.

7 Compliance Issues:

- 7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The proposals are consistent with the Council Plan 2018 – 2022 (2019 Update) which includes the priorities of Birmingham being an entrepreneurial city to learn, work and invest in - with a focus on bringing forward schemes to support employment, skills and training and attracting international investment to the city. The Plan also promotes Birmingham as a great city to live in.

7.1.2 The proposals are in accordance with national and local planning policy specifically the National Planning Policy Framework 2021, the Birmingham Development Plan 2017 (and Unitary Development Plan saved policies 2008) (BDP), and the Big City Plan (2011) which support the expansion of the city core, the development of sustainable urban neighbourhoods and making provision for a significant increase in the city's population. The BDP's implementation section sets out the willingness to use compulsory purchase powers to assemble sites to deliver the plan's policies and proposals. The proposals are in line with the Council's Our Future City Plan - Shaping Our City Together (2021) which is welcoming inward investment and promoting and providing the opportunities for a range of major developments in the city. This is set out in Appendix 6. The proposals also have been granted planning permission by the Council.

7.2 Legal Implications

7.2.1 The relevant legal powers for the CPO are contained in Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) and in respect of new rights – Section 13 of the Local Government (Miscellaneous Provisions) Act 1976. In considering whether to make a CPO, the rights of the property owners under the Human Rights Act 1998 apply. Appendix 2 outlines Human Rights issues.

7.2.2 In making any compulsory purchase the Council takes account of the Government's Guidance on Compulsory purchase process and the Crichton Down Rules (updated July 2019).

7.3 Financial Implications

7.3.1 There are no direct financial risks to the Council, as an indemnity agreement between the Council and the Developer will be prepared to ensure that the costs associated with the CPO - including progressing the order and all the costs of acquisition - will be borne by the Developer. The indemnity agreement will be backed by a surety (or other appropriate mechanism) that is able to meet the costs incurred.

7.4 Procurement Implications (if required)

7.4.1 There are no direct financial risks to the Council There are no procurement implications arising from this decision and in the event that additional professional support is required then existing procurement frameworks will be used and fully reimbursed from the CPO applicant, as the Indemnity Agreement will ensure that the Council's costs associated with the Order will be reimbursed by the Developer. Appendix 4 comprises a Risk Assessment.

7.5 Human Resources Implications (if required)

7.5.1 No implications

7.6 Public Sector Equality Duty

7.6.1 The council is bound when making a CPO to have full regard to its public sector equality duty.

7.6.2 An initial equalities screening has been undertaken at Appendix 3 and it is considered that a full Impact Needs Assessment will not be required to be undertaken as existing Planning Control and CPO processes and procedures are in place that will appropriately manage and minimise any potential equalities impacts.

8 Appendices

8.1 Appendix 1 Proposed CPO site boundary

8.2 Appendix 2 Human Rights issues

8.3 Appendix 3 Equality Assessment

8.4 Appendix 4 Risk Assessment

8.5 Appendix 5 Ward Councillor Consultation

8.6 Appendix 6 Planning and policy context

8.7 Appendix 7 Justification for the CPO

9 Background Documents

1. Our Future City Plan Central Birmingham 2040 – Shaping our City Together (2021)
2. Birmingham Development Plan (2017)
3. Big City Plan (2011)
4. Unitary Development Plan saved policies (2008)
5. National Planning Policy Framework (2021)