



## CABINET

## PUBLIC AGENDA REPORT

**Subject Heading:**

**North West Romford Development Partnership**

**Cabinet Member:**

Cllr Damian White, Leader of the Council.

**SLT Lead:**

Neil Stubbings, Director of Regeneration

**Report Author and contact details:**

Kevin Hazlewood, Assistant Director of Regeneration (acting)

**Policy context:**

**Submitted Havering Local Plan 2018 [or Havering Local plan 2017]**

**Romford Development Framework 2015**

**Local Development Framework 2012**

**Financial summary:**

The North West Romford Development Partnership (NWRDP) may require the need to use the Council's Compulsory Purchase Order powers to acquire land interests. This will involve use of the Council's Medium Term Financial Strategy and in particular the capital programme to fund land acquisitions and CPO costs. There is a potential allocation from the GLA of funding of £13,000,000 to support the proposed scheme.

**Is this a Key Decision?**

**Yes**

**When should this matter be reviewed?**

**Autumn 2020**

**Reviewing OSC:**

**Towns and Communities OSC**

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

## SUMMARY

The purpose of this report is to obtain Cabinet approval to take further actions in relation to the proposed development of North West Romford Development Proposal (NWRDP), in particular the locality associated with the stalled sites in Angel Way. The development area, which is described in this report, has the potential to make a significant contribution to the Council's ambitions for Romford as set out in the Local Plan submitted for examination in 2018. In addition, this proposal will bring forward a significant place making opportunity and complement the long term strategy for a sustainable metropolitan centre.

A national market leading developer has come forward seeking support to advance a scheme within the area shown in the Red Line Plan (see Appendix 1) The strategy proposed by the developer comprises a master planning exercise for the site, recognising the complex and multiple ownerships involved. They are seeking to secure the land through private treaty negotiations but due to the multiple land ownerships, Council intervention may be necessary to enable the acquisition of land, rights and interests which cannot be acquired by private treaty. In order to maintain confidentiality, and therefore not prejudice the interest of the Council and developer whilst developing commercial terms (as described), the identity of the developer is not given in this report.

This report outlines the necessary interventions and other steps that may be required in support of the development. These will be the subject of further reports presented to Cabinet to seek further approvals necessary for the development.

A separate report is being considered by members on the November 2019 agenda requesting approvals in relation to a potential CPO. Decisions made under this report may therefore be picked up and dealt with further under that report so that all cabinet approvals are fully aligned.

## RECOMMENDATIONS

That Cabinet:

1. **Endorse** the vision as set out in section 2 of this report to bring forward the North West Romford Development Proposal (NWRDP) as a residential led comprehensive development.
2. **Approve** the Council entering into consultation with land owners, stakeholders and other third parties to identify the detail of the development area and design principles that will underpin the objectives upon which the scheme will be brought forward.

3. **Approve** the Council entering into direct negotiations with land owners and holders of third party interests located within the area proposed for development, subject to future budget decisions being made by full Council through the Council's Budget and Capital Programme process.
4. **Approve**, subject to agreement of budget provisions via the Budget and Capital Programme process, the Director of Regeneration, after consultation with the Leader of the Council and Deputy Director Legal and Governance, being authorised:
  - a. To enter into and complete private treaty arrangements to enable the acquisition of land, interest and rights within (or directly related to) the Red Line Plan area (as attached to this report at Appendix 1);
  - b. To appoint surveyors, barristers and any other professionals required to promote land acquisition and to facilitate the vacant possession of interests located within the Red Line Plan;
  - c. To settle the final form and content associated documentation required to bring forward the scheme to include indicative;
    - Red Line Plan;
    - Draft Schedule Freehold and Leasehold Interests;
    - Draft Statement of Reasons
    - Draft Equalities Impact Assessment
    - Consultation Report
    - Viability report
  - d. To take such actions so as to facilitate the acquisition of properties and proprietary interests within the Red Line Plan by agreement, such actions to include the relocation of businesses, residents, and statutory undertakers apparatus or of Communication Code Operators, together with any other interests;
  - e. To take all reasonable necessary steps to identify land which cannot be acquired by negotiation and appoint the relevant advisors in order to assess the use of CPO powers; and
  - f. To negotiate and finalise suitable arrangement to finance and deliver the Council's vision for the North West Romford Development Proposal (NWRDP) with the experienced developer who has approached the Council and expressed its intention to bring forward the development (based on the outline terms described in Appendix 2, but as may be further developed or revised, and subject to further necessary approvals prior to signing).
  - g. To review, as proposals develop, other opportunities that may become apparent should adjoining owners identify redevelopment aspirations

and bring further reports back to Cabinet to seek further approvals as required.

<b>REPORT DETAIL</b>
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## **1.0 Background**

- 1.1 The proposed development area, as shown in the Red Line Plan, is within the Romford Strategic Development Area as set out in the Submitted Local Plan. The existing buildings within the proposed development area provide a mixture of residential and commercial accommodation, with some community use, but are of variable quality with some in a very poor condition. Being in an area of low footfall, the utilisation of commercial properties is low with empty and hard to let properties at ground floor creating a negative impression of the town centre. As well as residential, commercial and community buildings, the development area also comprises a brownfield site, a part-built and stalled construction, a vacant plot and two secondary car parks.
- 1.2 The area is therefore totally inconsistent with the ambition set out in the Submitted Local Plan for Romford to provide high quality, contemporary urban living, integrated with a diverse and vibrant day-time and evening retail, leisure and cultural offer, modern commercial development and new employment opportunities. The Local Plan also commits to achieving a step change in the quality of environment and buildings. To further complement this a master plan for Romford is in development to support and direct on aspirations associated with quality public realm, softening of landscaping with new green space and transport links associated with and around the Ring Road.
- 1.3 The proposed development would bring in the region of 1326 new homes, of which 35% will be affordable homes, thus make a significant contribution to the Local Plan requirement of at least 4,770 new high quality homes in the Romford Strategic Development Area over a ten year period and over 5,300 by 2031. The development would also contain a new commercial and retail offer providing an increase in employment, new community and other facilities, new public realm and access for pedestrians into the town centre, and a restoration of the River Rom which is currently hidden from view in a culvert.
- 1.4 The commercial and legal structure by which the development is to be undertaken and a recommendation made in future reports to Cabinet to authorise going into contract. This will further describe the commercial arrangements to be made with the developer and confirm that these are satisfactory and lawful.

## **2.0 The proposed approach**

- 2.1 The NWRDP provides an opportunity to transform an area within or adjacent to the Romford Strategic Development Area and the GLA Housing Zone. The Romford Strategic Development Area is one of Outer London's major growth and regeneration areas. The Submitted Local Plan sets a vision for Romford, and is further being driven by the emerging Romford Master Plan seeking to deliver a new offer for Romford. In addition, improvements to transport and public realm will help ensure that Romford is a well-connected and attractive place to live, work and visit. Growth and development in Romford should strengthen its role as a metropolitan centre and deliver a step-change in its economic, social, and environmental well-being.
- 2.2 Within the Romford Strategic Development Area there are sites which may be brought forward for development by landowners and developers without the need for direct Council intervention. The NWRDP focuses on addressing the key issue of the stalled development and vacant site which detracts from the overall impression of Romford. However, it is recognised, as proposals develop, other opportunities may become apparent, particularly if adjoining owners have redevelopment aspirations. These will be considered should they complement and enhance the proposals. It is acknowledged that further master planning of a wider area could encapsulate these and review of public assets should be considered in parallel. These will be considered on an individual basis should they arise.
- 2.3 With such a significant level of investment required and the large scale of development proposed, it is apparent the Council alone would not have the resources or capacity to deliver the NWRDP. An experienced national developer has approached the Council and explained its intention to assemble the site and bring forward a development scheme. As a major developer, well placed to undertake the delivery of a scheme of this nature and scale, they have a strong team of in-house professionals dealing with development, finance, site assembly, project management, and construction procurement. As such, they will either themselves or by appointment of consultants and professionals, undertake pre-development work, including in relation to design, planning, community engagement, site assembly, construction and facilities management. It is intended the developer undertakes this work at risk and at its own cost, but subject to the Council's commitment to make land available for development (whether in current ownership or acquired). However, there is a requirement for intervention funding to facilitate the scheme, principally in respect of land assembly costs. Also there are Council land assets involved which will need to be transferred to the developer as part of the various development phases. Detailed financial considerations are outlined in the Exempt Agenda part of this report.
- 2.4 The land requirement for the NWRDP will involve land owned by the Council, as well as land to be acquired by private treaty or potential CPO.

The Council currently owns circa 30% of the land identified (by area) in the red line plan in Appendix 1. These holdings consist of the social housing accommodation, retail units and multi-story car park in Angel Way and the car park at Como Street. The remainder of the red line site is in private ownership with the sites occupied by the stalled Regency Homes development, the former Decathlon site (owned by the same party as Regency Homes) and the building occupied by the British Heart Foundation. The current valuation to acquire these holdings is £27.040 million. The Council has obtained external legal advice concerning the form of agreement to be entered into by the developer and the Council for land assembly and land transfers. This advice is detailed in the Exempt Agenda report.

- 2.5 In pursuance of recommendation 4, further work will be undertaken to establish the necessary land and proprietary interests to be acquired within the area shown on the Red Line Plan, so as to promote and enable comprehensive high quality development. This will include identifying the sites and interests to be acquired and their current planning status.
- 2.6 In addition, a draft Statement of Reasons, intended to demonstrate that there is a compelling case in the public interest to make a CPO is being developed, having regard to CPO guidance and the statutory grounds for justifying use of CPO powers by the Council. Furthermore, the Council has reviewed the land assembly requirement and will be embarking on a strategy to secure key strategic sites.
- 2.7 The additional activity undertaken by the developer will encompass further preliminary appraisal work, based on assumptions including the cost of land assembly, development costs and sales revenues. Work to date, which has been subject to close evaluation, shows that the development of land within the Red Line Plan is capable of achieving a positive return in accordance with the developer's financial strategy. The scheme viability will be reported on as part of any subsequent report recommending use of CPO powers, as well as the necessary consideration of alternative development options. The current forecast is outlined in more detail in the "financial implications and risks" section of this report.

### **3.0 Future reports**

- 3.1 If Cabinet approves the recommendations within this report then further reports will be brought to Cabinet in future as the scheme structure develops. These will detail progress made and, as necessary and appropriate, justify and recommend use of CPO powers, as well as making recommendations in relation to the further arrangements to be made with the developer (relating to furthering any negotiations and/or approval of the relationship, including specific points relating to land assembly and development, and the Council's recovery of CPO costs).

### **4.0 Consultation and relocation**

- 4.1 There was a comprehensive consultation programme during the preparation of the Local Development Framework 2012 and the Local Plan approved by Council in July 2017 and submitted to the inspector in March 2018 (the Submitted Local Plan). Those consultation processes were not targeted at any specific area. Letters were sent to certain leaseholders of the Council owned residential and commercial properties in June 2016 informing them of a report to Cabinet in 2016 which identified Angel Way as a scheme to be supported by GLA Housing Zone funding; in the event that scheme did not proceed. It should be noted that dialogue with a key stakeholder associated with the stalled site and vacant plot in North Street/Angel Way, proposed to form part of the scheme, has taken place. The purpose of this consultation and dialogue being to secure these holdings by private treaty where possible.
- 4.2 In accordance with MHCLG guidance, Council policy and best practice, the Council will address any business and resident relocations arising from the land assembly and the proposed NWRDP. Further reports will detail the steps being taken, and to be taken, in this regard. The recommendations in this report will enable consultation to occur with the wider community as to any redevelopment proposals.

## REASONS AND OPTIONS

### **5.0 Reasons for the decision**

- 5.1 The recommendations in this report enable ongoing work to inform further reports, including the utilisation of the Council's CPO powers, to promote the delivery of the Submitted Local Plan objectives, enabling the assembly of sites to catalyse and commence a comprehensive mixed-use development. In addition, this report enables ongoing discussion with the developer referred to, on a "subject to contract" basis.

#### **Other options considered**

- 5.2 To undertake the scheme without a developer;

Rejected – the financial and human resources required to bring forward the development are significant such that it is highly likely that a scheme would not be brought forward within the timescales necessary to meet Local Plan requirements.

- 5.3 To do nothing;

Rejected – the 'do-nothing' option has been rejected as the Council has made a commitment to maximising the affordable housing delivered in the



Borough. The additional units will provide long-term affordable housing solutions for Havering residents and allow the Council to create better places for communities to thrive.

5.4 Seek a developer by way of competitive process

Rejected – a competitive process would more than likely entail an 18 month delay plus higher transactional costs. The developer who has approached the Council is a credible and recognised party and a competitive process would be unlikely to result in a materially better outcome.

**IMPLICATIONS AND RISKS**

6.0 The key risks are referred to in subsequent sections of this report. However it should be noted that:

6.1 This report anticipates further reports being brought forward to recommend use of CPO powers addressing the associated implications and risks. It will detail the need to appoint experienced professional advisors (and Counsel), to deal with valuations and the setting of appropriate budgets.

6.2 Further reports will describe arrangements to be made for recovery of CPO costs by way of a CPO Indemnity Agreement; and

6.3 In relation to the appointment of the developer to undertake the North Street Development Proposal, the Exempt Agenda part of this report at Appendix 2, details the intended contractual arrangements and how these are to be compliant with statutory and other legal requirements, including procurement law where relevant. Legal risks are identified, together with the means by which those risks are to be mitigated.

**Financial implications and risks:**

6.4 These are contained within the Exempt Agenda part of this report.

**Legal implications and risks:**

6.1 The Council has statutory powers to bring forward developments by reliance on its powers under the general power of competence provided for in Section 1 of the Localism Act 2011, as well as its powers to dispose of land under Section 123 of the Local Government Act 1972 and Section 233 of the Town and Country Planning Act 1990. The Council also has associated powers and duties to provide housing (as a housing authority), and which the scheme will support. These powers support the recommendation (4 (f)) to negotiate and finalise suitable arrangement to finance and deliver the

Council's vision for the North West Romford Development Proposal (NWRDP) with the experienced developer.

- 6.2 Any further steps taken in anticipation of any authorised CPO would need to meet the requirements of the "Guidance on the Compulsory Purchase Process and the Critchel Down Rules" ("Guidance"). That Guidance represents the principle matters, which the Council, should it seek to acquire the site by use of CPO powers, will need to be in a position to demonstrate in evidence both when making and when seeking confirmation of a compulsory purchase order. A report will need to come back to Cabinet for consideration and legal advice obtained. That report will address the risks in seeking to make a CPO, including the risk of objection and legal challenge, such risks being mitigated by ensuring that further professional advice is obtained on all aspects of CPO (including observance of the required statutory processes involved).
- 6.3 There are additional legal implications and risks that are commercially sensitive and are therefore contained within the Exempt Agenda part of this report.

## **7.0 Human Resources implications and risks**

- 7.1 The development project will require continued involvement of officers from the Regeneration team and other Council services. The resourcing of this work will be addressed in the subsequent report to Cabinet and in the Regeneration Director's restructure proposals when these are developed.

## **8.0 Equalities Implications**

- 8.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
- i. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - ii. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
  - iii. foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

- 8.2 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.
- 8.3 In respect of the North West Romford Development, a full Equalities Impact Assessment will be prepared as part of the requirements set out in recommendation 4 c) of this report. That will include an action plan to mitigate any negative equalities impact for businesses and residents who might be affected by the proposals.
- 8.4 In deciding under any subsequent report whether to make CPO(s), the Council should be satisfied that there is sufficient justification for interfering with human rights of those with an interest in the land affected, including in light of the Human Rights Act 1998.
- 8.5 **Public Health Implications**  
Developments associated with the NWRDP will be subject to the Local Plan (once fully adopted) policy of conducting a Health Impact Assessment for all major development applications. This will highlight the positive health and wellbeing impacts that are likely to be gained from the development and make clear what mitigation will be put in place for any identified short term negative impacts, particularly during construction phase. The overall improvements likely to be generated in terms of homes, public realm and commercial development and employment opportunities will all contribute towards the determinants of positive health and wellbeing.

**BACKGROUND PAPERS**

None