


Individual Commissioner Decision Proforma Decision Log No: <u>32</u>	 TOWER HAMLETS
Report of: Aman Dalvi, Corporate Director Development & Renewal	Classification: Unrestricted
Transfer of land interests to be acquired under a pending Compulsory Purchase Order (CPO) on behalf of Poplar HARCA (Bow Bridge Estate Regeneration Scheme).	

Is this a Key Decision?	No
Decision Notice Publication Date:	
General Exception or Urgency Notice published?	Not required
Restrictions:	Unrestricted

EXECUTIVE SUMMARY

The Mayor in Cabinet on 10th April 2013 delegated to the Corporate Director of Development and Renewal, the processes required for the making and, in due course, confirmation of a Compulsory Purchase Order (CPO), to assist one of the Council's regeneration partners, Poplar Housing and Regeneration Community Association (Poplar HARCA) to deliver a scheme at its Bow Bridge Estate. The Council expects to make the CPO within the next 3 months.

The Bow Bridge Estate was transferred from the Council to Poplar HARCA in 2006 and the "Transfer Agreement" provided for the council, if requested by HARCA, "to obtain the formal consent of the council Cabinet for the purposes of making a [CPO] in relation to any third party interests [in the regeneration area]". The regeneration of this area has been a long-standing commitment by the Council and HARCA.

Compulsory Purchase is a stringent process that has to meet statutory tests in terms of public benefits and human rights considerations. The purpose of this CPO is solely to enable the much-needed regeneration of the Bow Bridge Estate, and not to generate a profit for the Council by treating interests acquired under the CPO as if they were council assets. These interests - which HARCA will have paid for - will be held in trust and must be transferred in compliance with the Council's stated reasons for making the CPO.

Included in the authorised delegation is the power to transfer to Poplar HARCA any land interests vested in the council at the conclusion of the CPO. The Council and HARCA entered into an Indemnity Agreement in 2013, under which any interests acquired by the Council in this way - all of which would be funded by HARCA - would be held in trust pending transfer. Such transfer should be at nil value.

The written agreement of the Commissioners is required before entering into any commitment to dispose of, or otherwise transfer to third parties any real property other than existing single dwellings for the purposes of residential occupation. Therefore the Commissioners' consent is required for the proposed disposal of the land interests to Poplar HARCA at nil value.

Additionally Poplar HARCA has sought assurances, prior to the CPO being made, that the council will be in a position to transfer any interests vested in it at nil value. It is therefore appropriate to seek commissioners' written consent now, so that all approvals are in place to bring the CPO to a satisfactory conclusion, before further resources are expended in making the Order.

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Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.

DECISION

The Commissioners are recommended to:

1. Agree that the Council may transfer to Poplar HARCA, at nil consideration, all land interests acquired and vested to the council under a CPO, for the purpose of delivering the Bow Bridge Regeneration Scheme, including but not restricted to those which have been identified through land referencing to date, as follows:
 - Residential Properties:
 - o No.46 Stroudley Walk, E3 3EW.
 - o No.22 Warren Court, Bromley High Street, E3 3HB. No. 22
 - Shops:
 - o Bromley High Street E3 3HB: Nos. 22, 24, 26, 28, 28A
 - o Stroudley Walk, E3 3EW: Nos. 30, 32/38 (1 property), 33, 37, 39.
 - Other Land Interests
 - o Electricity Sub Station adjacent to Warren Court
 - o Rights of way
 - o Way-leaves
 - o Other non residential interests as identified during the land referencing within the red line boundary shown on the plan in Appendix 2 of the 2013 Cabinet report.
2. Note that the interests listed above include one property – 26 Bromley High Street – which has been added to the original schedule of interests within the existing approved “red-line” CPO area, under the authority delegated to the Director of Development and Renewal by the Mayor in Cabinet in his decision of 10th April, 2013, (Item 6.5 “Bow Bridge Estate (Poplar HARCA): updated CPO resolution”, as explained below.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 23/9/15 ^{Shake}

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 23/9/15

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

~~(For Key Decision only – delete as applicable)~~

~~I confirm that this decision:-~~

~~(a) has been published in advance on the Council's Forward Plan OR~~

~~(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.~~


Signed  Date 29/09/15

4. Commissioner

I agree the decision proposed in paragraph above for the reasons set out in paragraph X in the attached report.

Name MAX COLLIER Signed 

Date 20/9/15

Commissioner Decision Report 15 September 2015	 TOWER HAMLETS
Report of: Corporate Director Development & Renewal	Classification: Partially exempt
Transfer of land interests to be acquired under a pending Compulsory Purchase Order (CPO) on behalf of Poplar HARCA (Bow Bridge Estate Regeneration Scheme).	

Originating Officer(s)	Service Head, Strategy, Regeneration & Sustainability
Wards affected	Bromley by Bow
Key Decision?	No
Community Plan Theme	A Great Place to Live

Executive Summary

The Mayor in Cabinet on 10th April 2013 delegated to the Corporate Director of Development and Renewal, the processes required for the making and, in due course, confirmation of a Compulsory Purchase Order (CPO), to assist one of the Council's regeneration partners, Poplar Housing and Regeneration Community Association (Poplar HARCA) to deliver a scheme at its Bow Bridge Estate. The Council expects to make the CPO within the next 3 months.

The Bow Bridge Estate was transferred from the Council to Poplar HARCA in 2006 and the "Transfer Agreement" provided for the council, if requested by HARCA, "to obtain the formal consent of the council Cabinet for the purposes of making a [CPO] in relation to any third party interests [in the regeneration area]". The regeneration of this area has been a long-standing commitment by the Council and HARCA.

Compulsory Purchase is a stringent process that has to meet statutory tests in terms of public benefits and human rights considerations. The purpose of this CPO is solely to enable the much-needed regeneration of the Bow Bridge Estate, and not to generate a profit for the Council by treating interests acquired under the CPO as if they were council assets. These interests - which HARCA will have paid for - will be held in trust and must be transferred in compliance with the Council's stated reasons for making the CPO.

Included in the authorised delegation is the power to transfer to Poplar HARCA any land interests vested in the council at the conclusion of the CPO. The Council and HARCA entered into an Indemnity Agreement in 2013, under which any interests acquired by the Council in this way – all of which would be funded by HARCA – would be held in trust pending transfer. Such transfer should be at nil value.

The written agreement of the Commissioners is required before entering into any commitment to dispose of, or otherwise transfer to third parties any real property other than existing single dwellings for the purposes of residential occupation. Therefore the Commissioners' consent is required for the proposed disposal of the land interests to Poplar HARCA at nil value.

Additionally Poplar HARCA has sought assurances, prior to the CPO being made, that the council will be in a position to transfer any interests vested in it at nil value. It is therefore appropriate to seek commissioners' written consent now, so that all approvals are in place to bring the CPO to a satisfactory conclusion, before further resources are expended in making the Order.

Recommendations:

The Commissioners are recommended to:

1. Agree that the Council may transfer to Poplar HARCA, at nil consideration, all land interests acquired and vested to the council under a CPO, for the purpose of delivering the Bow Bridge Regeneration Scheme, including but not restricted to those which have been identified through land referencing to date, as follows:
 - Residential Properties:
 - o No.46 Stroudley Walk, E3 3EW.
 - o No.22 Warren Court, Bromley High Street, E3 3HB. No. 22
 - Shops:
 - o Bromley High Street E3 3HB: Nos. 22, 24, 26, 28, 28A
 - o Stroudley Walk, E3 3EW: Nos. 30, 32/38 (1 property), 33, 37, 39.
 - Other Land Interests
 - o Electricity Sub Station adjacent to Warren Court
 - o Rights of way
 - o Way-leaves
 - o Other non residential interests as identified during the land referencing within the red line boundary shown on the plan in Appendix 2 of the 2013 Cabinet report.
2. Note that the interests listed above include one property – 26 Bromley High Street – which has been added to the original schedule of interests within the existing approved “red-line” CPO area, under the authority delegated to the Director of Development and Renewal by the Mayor in Cabinet in his decision of 10th April, 2013, (Item 6.5 “Bow Bridge Estate (Poplar HARCA): updated CPO resolution”, as explained below.

1. REASONS FOR THE DECISIONS

- 1.1 The Council has delegated to the Corporate Director of Development and Renewal and the current senior legal adviser the Director of Law, Probity and Governance, or their nominee (formerly Assistant Chief Executive (Legal Services)) (after consultation with the Mayor and the Cabinet member for Strategic Development (formerly Housing) the power to make a CPO on behalf of Poplar HARCA, in support of its regeneration programme at Bow Bridge Estate. It is expected that the CPO will be made in the next 3 months. The need to transfer land interests at nil value will arise if they are vested in the Council on making a General Vesting Declaration (GVD), upon confirmation of the CPO. The transfer of land interests compulsorily acquired in this way, to Poplar HARCA, was authorised by the Mayor in Cabinet on 10th April 2013 (Decision 3.7).
- 1.2 The Council would have no interest in delaying or charging for handover of any interests vested to it, since the area is predominantly owned and managed by Poplar HARCA following the transfer to HARCA of former council housing in 2006. Any delay or additional costs that affect the delivery of HARCA's regeneration project, which has planning approval, would impact negatively on those local residents for whose benefit the CPO is being made. The regeneration work is intended to fulfil commitments made by Poplar HARCA and the Council to the local community, in whose interests the stock transfer was supported.
- 1.3 There is a contractual requirement for the Council to transfer these interests to Poplar HARCA: ie under the terms of an Indemnity Agreement entered into between Poplar HARCA and London Borough of Tower Hamlets, on 11th April 2013, (Appendix 3), acquired interests – which will have been paid for by Poplar HARCA - will be held in trust by the Council pending transfer (paras. 3.3, 3.4 of the Indemnity Agreement). Poplar HARCA has sought assurances that the relevant authority for transfer at nil value will be in place prior to the Council's making of the CPO. Commissioner approval of the recommendation in this report will provide this assurance.

2. ALTERNATIVE OPTIONS

- 2.1 There is no practical alternative option. The pending CPO will be made with the intention of enabling Poplar HARCA's regeneration project at Bow Bridge. The land interests to be acquired under the CPO - which was authorised by the Mayor in Cabinet in 2013 - will only be held in trust by the Council under the provisions of the Indemnity Agreement with Poplar HARCA.
- 2.2 Any acquisitions achieved either by Poplar HARCA, through negotiation with individual land interests, or by vesting in the Council following confirmation of the CPO, will be fully funded by Poplar HARCA. Failure to transfer the interests held in trust at nil value would not fulfil the purpose of the CPO, which is only being made with the aim of supporting HARCA's regeneration scheme, not to generate financial income or profit to the Council.

3. DETAILS OF REPORT

- 3.1 On 10th April 2013 authorisation was delegated by the Mayor in Cabinet to the Corporate Director of Development and Renewal (together with the Assistant Chief Executive), after consultation with the Mayor and Cabinet Member for Housing, to

take all necessary steps including the making of a CPO, General Vesting Declaration or Notice to Treat in respect of land located at the Bow Bridge Estate. Those delegations have since been updated by a Mayor's Individual Decision dated 16th September 2015 to reflect the changes in post holder titles and that decisions attached as Appendix 4 This area is managed by Poplar HARCA, a locally based housing association / developer set up by the Council as a stock transfer landlord to improve the quality of the housing stock.

- 3.2 The land to be subject to CPO was shown edged red on a plan of the Bow Bridge Estate and the known interests, including residential and commercial leaseholders of Poplar HARCA, plus other interests, were set out in Appendices "1" and "2" respectively of the 2013 Cabinet report. The decisions in relation to the CPO on 10 April 2013 are set out in Appendix 1 of this report to the Commissioners. Appendix 2 of this report comprises the 2013 Cabinet report in full.
- 3.3 The delegation of authority to make the CPO includes:
- power to acquire all interests, including those to be identified through a land referencing process, within the CPO boundary;
 - transfer of any land interests compulsorily acquired by the Council to Poplar HARCA, once vacant possession is achieved.
- 3.4 It was noted that all costs incurred by the Council in managing the CPO shall be funded by Poplar HARCA. The Indemnity Agreement has provisions for interests that are vested in the Council to be held solely in trust and then transferred to Poplar HARCA. It was not the purpose of this Agreement to give the Council an opportunity to profit from the CPO through the selling-on of interests.
- 3.5 The Bow Bridge Estate, including housing and a shopping precinct, was transferred by the Council to Poplar HARCA on 27th November 2006, following a ballot of residents and government sign-off. The Council has to date made several similar CPOs on behalf of local stock transfer housing associations to support their regeneration initiatives, where these meet the Council's own strategic objectives. The sole reason for making the CPO at Bow Bridge is to support HARCA's regeneration.
- 3.6 The CPO process is deemed necessary as a last resort, following attempts by Poplar HARCA to negotiate to seek possession of the remaining land interests. Tower Hamlets Council uses the compulsory purchase route and becomes the "Acquiring Authority" in order to support projects that meet stringent criteria for the use of such powers, including public benefits and human rights considerations. It is the usual practice that the Council transfers, at nil value, all interests held in trust following confirmation of a CPO carried out on behalf of a housing association partner.
- 3.7 The Council is required to obtain the prior written agreement of the Commissioners before entering into any commitment to dispose of, or otherwise transfer to third parties any real property other than existing single dwellings for the purposes of residential occupation. Therefore the Commissioners' consent is required for the proposed disposal of the land interests to Poplar HARCA at nil value.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 On 10 April 2013, the Mayor in Cabinet approved a programme to support the Bow Bridge regeneration scheme being undertaken by Poplar HARCA. The proposed scheme required the acquisition of various property interests, and it was agreed that the Council would begin a Compulsory Purchase Order process on behalf of the

Registered Social Housing Provider to acquire these interests in case settlement could not be reached through negotiation.

- 4.2 There are no overall financial implications for the Authority because the costs of the purchases and associated compensation packages are being borne by Poplar HARCA, with the cost of all officer time involved in the CPO process also being recharged to the organisation.
- 4.3 On completion of the CPO process however, any properties that were not acquired via negotiation will ultimately be vested in the Council. This report seeks approval to formally transfer the interests of these properties to Poplar HARCA at nil consideration in accordance with the terms of the Indemnity agreement that was entered into on 11 April 2013. Although this situation will only have arisen through the technicalities of the CPO process, in accordance with legislation the Council must receive best consideration on the disposal of assets. Paragraph 5.12 of the Legal comments outlines the appropriate legislation that applies and justifies why the transfer should take place at nil consideration in this case.

5. LEGAL COMMENTS

- 5.1 The legal comments in the report to Cabinet of 10th April 2013 (Appendix 2 of this report to commissioners) explained the provisions under which a CPO may be made.
- 5.2 The Council has the power to make a CPO under Section 17 Housing Act 1985 (as amended) or alternatively under section 226(1) of the Town and Country Planning Act 1990 as amended. Since a CPO deprives people of their property, compulsory acquisition is always the last resort and will be preceded by continued efforts to buy the land by private agreement. Confirmation of a CPO will only be made if there is a compelling case in the public interest.
- 5.3 On 10th April 2013 authorisation was delegated by the Mayor in Cabinet to the Corporate Director of Development and Renewal (together with the Assistant Chief Executive), after consultation with the Mayor and Cabinet Member for Housing, to take all necessary steps including the making of a CPO, General Vesting Declaration or Notice to Treat in respect of land located at the Bow Bridge Estate. Those delegations have since been updated by a Mayor's Individual Decision dated 16th September 2015 to reflect the changes in post holder titles.
- 5.4 The land to be subject to CPO was shown edged red on a plan of the Bow Bridge Estate, and the known interests at that time, including residential and commercial leaseholders of Poplar HARCA, plus other interests, were set out in Appendices "1" and "2" respectively of the 2013 Cabinet report.
- 5.5 For information only, the decisions in relation to the CPO on 10 April 2013 are set out in Appendix 1 of this report to the Commissioners, and Appendix 2 comprises the 2013 Cabinet report in full, including the illustration of the red-line CPO area, which Commissioners are advised is unchanged.
- 5.6 The delegation of authority to make the CPO includes:
- power to acquire all interests, including those to be identified through a land referencing process, within the CPO boundary approved in April 2013, and
 - the transfer of any land interests compulsorily acquired by the Council to Poplar HARCA, once vacant possession is achieved.

- 5.7 Decision 1 of this report seeks Commissioners' agreement that the Council may transfer to Poplar HARCA, at nil consideration, all land interests acquired and vested to the Council under a CPO, for the purpose of delivering the Bow Bridge Regeneration Scheme, including those which will be identified through land referencing.
- 5.8 The Council entered into an Indemnity Agreement (Appendix 3) with Poplar HARCA on 11th April, 2013, under which the Council will hold any acquired interests as a trustee, on behalf of Poplar HARCA. There is a contractual requirement for the Council to transfer such interests – which will have been paid for by Poplar HARCA – under sections 3.3 and 3.4 of the Indemnity Agreement.
- 5.9 The consent of the Commissioners is nevertheless required to the transfer because it is a disposal by the Council of land it owns (albeit as trustee), which falls under the Directions of 17th December 2014.
- 5.10 In respect of Decision 2: Commissioners are asked to note that one property – 26 Bromley High Street – has been added to the original schedule of interests within the existing approved "red-line" CPO area, under the authority delegated to the Director of Development and Renewal by the Mayor in Cabinet in his decision of 10th April, 2013. The delegation to the Director of Development and Renewal provides that land interests identified which were not listed in the schedule in 2013 report can be added to the schedule of interests in the CPO, provided they are within the approved red-line CPO area. The red-line area is unchanged and remains as approved in 2013. No 26 Bromley High Street is within the red-line area and therefore can be added to the schedule of interests for the CPO, under the existing delegation.
- 5.11 The Council has power under section 123 of the Local Government Act 1972 ("the 1972 Act") to dispose of land which it holds. Section 123(2) of the 1972 Act requires a disposal to be for a consideration not less than can reasonably be obtained. Since it is proposed that the Council should transfer to Poplar HARCA properties which it will have acquired with funds provided entirely by Poplar HARCA, it would be acting in breach of the trust on which it holds the properties, if it did not transfer them at nil value. Therefore it must be transferring them for the best consideration which can reasonably be obtained.
- 5.12 The Secretary of State for Communities and Local Government issued Directions dated 17th December 2014 pursuant to the powers under sections 15(5) and 15(6) of the Local Government Act 1999 ("the Directions"). The Directions at paragraph 4(i) provide that the Council must "take the actions set out in Annex A". Paragraph 5 of Annex A requires that the Council until March 31 2017 obtains the prior written agreement of the Commissioners before entering into any commitment to dispose of or otherwise transfer to third parties any real property other than existing single dwellings for the purpose of residential occupation". Accordingly, the proposed transaction requires the prior written agreement of the Commissioners.
- 5.13 The Council is obliged under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvements in the way in which its functions are exercised having regard to a combination of economy efficiency and effectiveness". Since the Council is exercising its powers both to secure regeneration of the estate and on the basis that in so doing it is fully indemnified by Poplar HARCA, it is considered that the Council is complying with this duty.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 In the exercise of its functions the Council has a duty to comply with Section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. In this instance the Council is seeking consent to dispose of land and properties which it will hold on trust for the benefit of Poplar HARCA. The social landlord partners whose regeneration schemes require the supportive Council measures proposed have adopted Equal Opportunities Policies and will implement procedures that reflect the needs and experiences of the communities they serve.
- 6.2 The improvements to the various estates through regeneration activity, which are outlined in this report, will provide a better quality of life for residents. The proposed CPO processes are intended to support and where necessary help enable major regeneration activity in these areas, which will direct resources to secure improved housing conditions. Producing better housing is integral to the core aims of these social landlord partners, along with more say for residents in the management of their homes and measures to promote community development and economic regeneration.
- 6.3 This scheme will contribute to One Tower Hamlets objectives. The three objectives are to reduce inequalities; ensure community cohesion; and, strengthen community leadership.
- 6.4 On **reducing inequalities**, the scheme has led to an increase in affordable housing on the site by providing units at social rent and for shared ownership. There has also been the creation of local jobs in the construction and management processes, and training for employment.
- 6.5 On **ensuring community cohesion**, the Registered Provider has been working with community representatives to facilitate the regeneration project, and minimise disruption. The new scheme has already achieved a transformational change.
- 6.6 On **strengthening community leadership**, the Registered Provider continues to work closely with residents. The successful redevelopment of the Crossways/Bow Cross Estate is predicated on continuing successful engagement with residents and other local stakeholders.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 All expenditure to be incurred in managing and delivering the proposed CPO processes, including costs arising from work by the council's Legal and Housing Regeneration Teams, will be reimbursed by Poplar HARCA.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The housing stock formerly owned by the council has suffered from a backlog of investment due to lack of resources. As a consequence, these properties suffer from poor thermal efficiency and inefficient heating systems resulting in higher than necessary fuel usage and the creation of fuel poverty. As Poplar HARCA have

secured the resources to improve and regenerate these areas, the schemes will improve the living circumstances of residents as well as improving the environmental performance of new and existing property in the area.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The key risks arising from this report are: -

Risk	Mitigating Actions
<ul style="list-style-type: none"> • Failure by RSL to secure vacant possession of the land interests to be identified through land referencing. • Failure by the council to transfer land interests vested in it at nil value. • Lengthy and costly delays to works programmes, which could also jeopardise cross-subsidy to deliver the affordable homes. • Failure to deliver the promises made to residents. 	<ul style="list-style-type: none"> • Delegated authority obtained to make CPO where required, to operate in tandem with negotiated procedures. • Provision of Indemnity Agreement under which acquired interests are held by council in trust only and should be transferred. • Regular liaison with Poplar HARCA to anticipate difficulties within their buy-back programmes and address these through the measures proposed in this report. • Covenants put in place at transfer. <ul style="list-style-type: none"> • Partnership agreement in place. • Monitoring and reporting arrangements put in place. • Council support to RP partner to deliver the scheme, i.e. use of CPO powers.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Bow Bridge Estate has experienced issues of serious anti-social behaviour. The proposed redevelopments are applying the following principles to address the ASB issues:

- The new shared surface street encourages people to use the shops which is in line with the desires of residents.
- Green tree lined route breathes life into the rundown area.
- The new road enables improved surveillance by the police to help discourage anti-social behaviour.
- Stroudley Walk will be designed to create a low speed road environment, which is pedestrian priority, encouraging walking and cycling.
- New Civic Square which creates a retail focus allowing residents to have a central gathering area.

11. SAFEGUARDING IMPLICATIONS

11.1 There are no immediate safeguarding implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- Decision Sheet: Cabinet 10 April 2013
- Report Pack: Cabinet 10 April, 2013, including report appendices showing the approved red-line CPO area

Appendices

- Appendix 1 - Decision Sheet: Cabinet 10 April 2013
- Appendix 2 - Report Pack: Cabinet 10 April, 2013
- Appendix 3 - Indemnity Agreement between LBTH and Poplar HARCA
- Exempt Appendix 4 – Mayoral Decision -Bow Bridge CPO – Amendment to Post Titles in Delegation

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

- Sabaj Uddin Tel: 020 7364 2439

PREVIOUS CABINET DECISION

CABINET, 10/04/2013 SECTION ONE (UNRESTRICTED)

6.5 Bow Bridge Estates (Poplar HARCA): updated CPO Resolution)

DECISION

1. To note that it is necessary to update the previous Cabinet Resolution (7th November 2007) which authorised a series of precautionary CPOs including specific land interests on Poplar HARCA's Bow Bridge Estate, to reflect variations in the land interests to be acquired since the previous approval, as explained in the report.
2. To delegate to the Corporate Director of Development and Renewal, together with the Assistant Chief Executive, after consultation with the Mayor and Cabinet Member for Housing power to take all necessary steps including the making of a Compulsory Purchase Order (CPO), General Vesting Declaration or Notice to Treat in respect of the land shown edged red on the plan at Appendix 2 with regard to those interests set out in Appendix 1 including existing interests and new rights pursuant to Section 13 of the Local Government (Miscellaneous Provisions) Act 1976,
3. To delegate to the Corporate Director of Development and Renewal in consultation with the Assistant Chief Executive (Legal Services) the power to take all necessary procedural steps in making the compulsory purchase order including:-
 - 3.1. Making of the compulsory purchase order as described in Recommendation 2, including the publication and service of notices and thereafter seeking confirmation of it by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act), including the preparation and presentation of the Council's case at any Public Inquiry which may be necessary.
 - 3.2. Acquiring all interests in land and new interests identified through the referencing process within the CPO boundary shown at Appendix 2 either by private agreement or compulsorily.
 - 3.3. Determination as to whether an individual Order shall be made under the provisions of Section 17 Housing Act 1985, or Section 226 Town and Country Planning Act 1990, as detailed in paragraphs 4.24 to 4.27 of the report (CAB 068/078), should the Assistant Chief Executive (Legal Services) consider this Appropriate.

- 3.4. Monitoring of negotiated agreements by Poplar HARCA with land owners or others as applicable, setting out the terms for withdrawal of objections to the compulsory purchase order, including where appropriate seeking exclusion of land or new rights from the compulsory purchase order.
 - 3.5. Publication and service of notices of confirmation of the CPO and thereafter to execute and serve any general vesting declarations or notices to treat, and notices of entry, and to acquire those interests to secure the development proposals.
 - 3.6. Referral and conduct of disputes relating to compulsory purchase compensation at the Upper Tribunal (Lands Chamber)
 - 3.7. Transfer of any land interests compulsorily acquired by the Council under the terms described in Recommendations 2 and 3 above to Poplar HARCA, once vacant possession is achieved.
4. To determine that the use of CPO powers is exercised where this is recommended in the report after balancing the rights of individual property owners with the requirement to obtain vacant possession of the site.
 5. To determine that the interference with the human rights of the property owners affected by these proposals, and in particular their rights to a home and to the ownership of property, is proportionate, given the adequacy of their rights to object and to compensation, and the benefit to the economic, social and environmental well-being of the areas of Tower Hamlets affected by these proposals.
 6. To note that all costs incurred by the council, to manage and deliver CPO processes will be reimbursed by Poplar HARCA.

Action by:

CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)

(Strategic Housing Manager (J. Coker)

(Housing Regeneration Manager (N. McGowan)

Reasons for the decision

The decision requested is necessary to enable the making of a CPO, to support the delivery of a major regeneration scheme by Poplar HARCA on the Bow Bridge Estate. This estate was transferred under the Stock Transfer Scheme by the Council to Poplar HARCA, for redevelopment. Poplar HARCA has developed plans for its renewal for existing and future residents. Poplar HARCA has confirmed that these plans cannot be implemented without the use of CPO powers.

Negotiations by Poplar HARCA to acquire the affected land interests on a voluntary basis are on-going and many properties have been successfully acquired since the initial CPO Resolution in 2007. Council officers are monitoring HARCA's negotiations, but this approach now needs to be supported by the formal process of Compulsory Purchase. The CPO would run in tandem with HARCA's efforts to secure vacant possession voluntarily, helping to ensure that land interests can ultimately be acquired, thus enabling the proposed redevelopment scheme to progress without indeterminate delays.

Alternative options

The alternative option is to NOT make the recommended Resolution for the proposed CPO. In this instance negotiations by Poplar HARCA with individual land interests would continue, but the absence of a back-up CPO process could potentially have negative impacts, including:

- risks of significant delays in achieving acquisitions if owners refuse to negotiate voluntary settlements, which in turn would delay or jeopardise key redevelopment proposals;
- potentially higher costs for Poplar HARCA, i.e. to complete voluntary acquisitions and/or through resultant contract penalties for delay, either of which could reduce scheme funding or overall financial viability;
- non-delivery on joint commitments by the council and Poplar HARCA to provide comprehensive regeneration, including new affordable homes for local residents;
- risk of investment in public realm and general neighbourhood regeneration being lost;
- risk of cross subsidy funding from the homes for sale to provide the affordable homes being lost

Agenda Item 6.5

Committee/Meeting: Cabinet	Date: 10 th April 2013	Classification: Unrestricted	Report No: CAB 97/123
Report of: Corporate Director of Development and Renewal Originating officer(s) John Coker / Niall McGowan		Title: Bow Bridge Estate (Poplar HARCA): updated CPO Resolution Wards Affected: Bromley By Bow	

Lead Member	Cllr Rabina Khan
Community Plan Theme	A Great Place To Live
Strategic Priority	Providing quality affordable housing A safe and cohesive community - reducing fear of crime

1. SUMMARY

- 1.1 This report seeks approval for delegated authority to make a Resolution for a Compulsory Purchase Order (CPO), which would address specific land interests on Bow Bridge Estate to facilitate the regeneration of the estate. This Resolution will assist the Council's registered provider partner, Poplar HARCA, to fulfill the joint regeneration commitment between the Council and Poplar HARCA on the estate.
- 1.2 Cabinet previously authorised a CPO on 7th November 2007. However due to the length of time that has elapsed and amendments to the regeneration proposals, a new resolution is required to reflect the current land interests to be acquired and to enable the regeneration programme to be delivered effectively.

2. DECISIONS REQUIRED

The Mayor in Cabinet is recommended to:-

- 2.1 Note that it is necessary to update the previous Cabinet Resolution (7th November 2007) which authorised a series of precautionary CPOs including specific land interests on Poplar HARCA's Bow Bridge Estate, to reflect variations in the land interests to be acquired since the previous approval, as explained in the report.
- 2.2 Delegate to the Corporate Director of Development and Renewal, together with the Assistant Chief Executive, after consultation with the Mayor and Cabinet Member for Housing power to take all necessary steps including the making of a Compulsory Purchase Order (CPO), General Vesting Declaration or Notice to Treat in respect of the land shown edged red on the plan at Appendix 2 with regard to those interests set out in Appendix 1 including existing interests and new rights pursuant to Section 13 of the Local Government (Miscellaneous Provisions) Act 1976.

- 2.3 Delegate to the Corporate Director of Development and Renewal in consultation with the Assistant Chief Executive (Legal Services) the power to take all necessary procedural steps in making the compulsory purchase order including:-
- 2.3.1 Making of the compulsory purchase order as described in Recommendation 2.2, including the publication and service of notices and thereafter seeking confirmation of it by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act), including the preparation and presentation of the Council's case at any Public Inquiry which may be necessary.
 - 2.3.2 Acquiring all interests in land and new interests identified through the referencing process within the CPO boundary shown at Appendix 2 either by private agreement or compulsorily
 - 2.3.3 Determination as to whether an individual Order shall be made under the provisions of Section 17 Housing Act 1985, or Section 226 Town and Country Planning Act 1990, as detailed in paragraphs 4.24 to 4.27 of the report (CAB 068/078), should the Assistant Chief Executive (Legal Services) consider this appropriate;
 - 2.3.4 Monitoring of negotiated agreements by Poplar HARCA with land owners or others as applicable, settling out the terms for withdrawal of objections to the compulsory purchase order, including where appropriate seeking exclusion of land or new rights from the compulsory purchase order.
 - 2.3.5 Publication and service of notices of confirmation of the CPO and thereafter to execute and serve any general vesting declarations or notices to treat, and notices of entry, and to acquire those interests to secure the development proposals.
 - 2.3.6 Referral and conduct of disputes relating to compulsory purchase compensation at the Upper Tribunal (Lands Chamber)
 - 2.3.7 Transfer of any land interests compulsorily acquired by the Council under the terms described in Recommendations 2.2 and 2.3 above to Poplar HARCA, once vacant possession is achieved.
- 2.4 Determine that the use of CPO powers is exercised where this is recommended in the report after balancing the rights of individual property owners with the requirement to obtain vacant possession of the site.
- 2.5 Determine that the interference with the human rights of the property owners affected by these proposals, and in particular their rights to a home and to the ownership of property, is proportionate, given the adequacy of their rights to object and to compensation, and the benefit to the economic, social and environmental well-being of the areas of Tower Hamlets affected by these proposals.
- 2.6 Note that all costs incurred by the council, to manage and deliver CPO processes will be reimbursed by Poplar HARCA.
3. **REASONS FOR THE DECISIONS**
- 3.1 The decision requested is necessary to enable the making of a CPO, to support the delivery of a major regeneration scheme by Poplar HARCA on the Bow Bridge Estate.

This estate was transferred under the Stock Transfer Scheme by the Council to Poplar HARCA for redevelopment. Poplar HARCA has developed plans for its renewal for existing and future residents. Poplar HARCA has confirmed that these plans cannot be implemented without the use of CPO powers

- 3.2 Negotiations by Poplar HARCA to acquire the affected land interests on a voluntary basis are on-going and many properties have been successfully acquired since the initial CPO Resolution in 2007. Council officers are monitoring HARCA's negotiations, but this approach now needs to be supported by the formal process of Compulsory Purchase. The CPO would run in tandem with HARCA's efforts to secure vacant possession voluntarily, helping to ensure that land interests can ultimately be acquired, thus enabling the proposed redevelopment scheme to progress without indeterminate delays.

4. ALTERNATIVE OPTIONS

- 4.1 The alternative option is to NOT make the recommended Resolution for the proposed CPO. In this instance negotiations by Poplar HARCA with individual land interests would continue, but the absence of a back-up CPO process could potentially have negative impacts, including:
- risks of significant delays in achieving acquisitions if owners refuse to negotiate voluntary settlements, which in turn would delay or jeopardise key redevelopment proposals;
 - potentially higher costs for Poplar HARCA, i.e. to complete voluntary acquisitions and/or through resultant contract penalties for delay, either of which could reduce scheme funding or overall financial viability;
 - non-delivery on joint commitments by the council and Poplar HARCA to provide comprehensive regeneration, including new affordable homes for local residents;
 - risk of investment in public realm and general neighbourhood regeneration being lost;
 - risk of cross subsidy funding from the homes for sale to provide the affordable homes being lost

5. BACKGROUND

- 5.1 This report updates Members on regeneration work currently underway by Poplar HARCA on Bow Bridge Estate, which was transferred through the housing choice process to deliver major regeneration schemes and Decent Homes. The report seeks approval for measures required to assist Poplar HARCA to carry out its committed redevelopment work and achieve the regeneration aims which were integral to the transfer of the estate.
- 5.2 **Previous Approval for CPO.**
Cabinet (7th November 2007) previously authorised the Corporate Director of Development and Renewal to make a CPO to support Poplar HARCA's Bow Bridge regeneration project. The table in paragraph 6.5 below sets out the land interests included in the initial CPO Resolution and highlights that some of these can now be excluded from the updated CPO Resolution, i.e. where they have been acquired through voluntary negotiation by Poplar HARCA in the intervening period. Conversely a number of non-property land interests – such as electricity sub-stations and rights of way – are now included in the proposed updated CPO Resolution on legal advice, to ensure that any CPO taken forward is comprehensive.

- 5.3 Meeting the Council's requirements for CPO.**
It has been the Council's approach to make CPOs to support its own or RSL partners' major regeneration projects. The need for this provision arises where acquisition of land interests (dwellings, shops, rights of way etc) is necessary to fulfil commitments to deliver new affordable homes, or to generate cross-subsidy from homes for sale to part-fund a wider regeneration programme.
- 5.4 Following the Cabinet Resolution of November 2007 the Bow Bridge CPO was not required immediately, pending further scheme design work by Poplar HARCA to achieve outline planning approval, secure financial arrangements for the project and confirm to the council that voluntary negotiations with all land interests were underway. The Strategic Development Committee of 16th August 2012 granted both outline planning permission for the whole Bow Bridge scheme and detailed planning permission for Phase 1 of the scheme.**
- 5.5 The council also requires, when making a CPO that its RSL partner continues to vigorously seek voluntary negotiated settlements with all the home owners or others whose interests will be acquired, offering the full market value applicable and statutory compensation, plus relocation where this is appropriate. For example, resident (i.e. not absentee) dwelling owners will have access to independent valuation and legal support and will receive reimbursement to market value for their property interest.**
- 5.6 It is emphasized that the CPO is the solution of last resort and council officers will regularly meet Poplar HARCA's representatives to monitor the RSL's progress in securing vacant possession through voluntary negotiation. For the reasons set out in Sections 3 and 4 above it is important to commence the CPO process for the land interests included in the Appendices to this report on Bow Bridge Estate. All land interests are set out in the Appendices to this report.**
- 5.7 Poplar HARCA's approach to voluntary negotiations with land interests is outlined in paras 7.1 – 7.9 below.**

6. BOWBRIDGE ESTATE REGENERATION SCHEME

- 6.1 Bow Bridge Estate is located in Bromley by Bow Ward – see Appendix 3, location map. It was transferred to Poplar HARCA on 27th November 2006 with the specific intention of securing significant improvement to the quality of the homes and environment. At transfer, the estate comprised 297 homes of which 245 were tenanted and 52 were leasehold**
- 6.2 Poplar HARCA is comprehensively regenerating the estate. A scheme has been developed which is a combination of internal Decent Homes and external refurbishment of 169 properties, plus scaled back redevelopment of 130 homes. This involves limited demolition and making better use of existing space to provide the new homes, a renewed retail area and the addressing of anti-social behaviour. Improvements to the environment will enhance safety, security and better access issues, including provision of a Homezone. Overall, the redevelopment will supply in excess of 35% of the homes as affordable housing. The value of the refurbishment work exceeds £7 million; to date some £5.7 million has been expended.**
- 6.3 Changes to the scheme Poplar HARCA envisaged in 2007, when the first CPO Resolution was agreed, reduced the scale of redevelopment, moving more tenanted homes into the Decent Homes programme and reducing the number of residential leasehold properties to be acquired.**

- 6.4 In the past four years, Poplar HARCA has embarked upon an extensive programme of placemaking called Reshaping Poplar. In addition to providing new homes, this programme seeks to transform the quality of the environment and the quality of life in Poplar, with new and improved health facilities, schools, leisure facilities, retail and commercial workspace, green spaces and physical infrastructure. On BowBridge this will involve improvements to the quality of the environment, new and improved health facilities, an enhanced retail area, improved and more useable public spaces and redevelopment of the physical infrastructure to enhance the quality of life.
- 6.5 However, to deliver these significant improvements to the local area requires the acquisition of all land interests within the CPO area to ensure that the title to the land is clear which enables the scheme to progress without hindrance. Poplar HARCA will continue to seek to acquire all interests through voluntary negotiations, but the CPO process is an important element in ensure that clean title to all of the land can be secured.
- 6.6 **Purpose of the decant and acquisition of land interests on BowBridge.** HARCA's programme entails the demolition and redevelopment of 52 properties at Warren House (Nos 1 – 42) and Stroudley Walk (Nos 40 – 49), to be replaced with a mixture of new homes for rent and shared ownership and for sale.
- 6.6 The following table in paragraph 6.8 outlines Poplar HARCA's redevelopment proposals for Bow Bridge Estate including:
- 6.6.1 Comparison of the redevelopment outputs projected by Poplar HARCA in 2012 with those envisaged in 2007 when the first CPO Resolution was agreed;
- 6.6.2 Variations between the CPO Resolution of 2007 and the CPO Resolution proposed in this report, in terms of the land interests to be included; the number of residential and retail land interests to be acquired has decreased due to voluntarily negotiated settlements in the intervening period. The retail land interests to include in the CPO has decreased due partly to the scaling back of demolitions and also to a number of voluntarily negotiated settlements in the intervening period.
- 6.7 Under the current regeneration proposal Fairlie Court will not now be demolished but will be refurbished. Rainhill Way which was included in the 2007 resolution is no longer included in HARCA's redevelopment proposals.

6.8 BowBridge Regeneration Scheme (Poplar HARCA) and the updated CPO required.

2007	2012
<p><u>Proposed Redevelopment Scheme:</u> demolition of 93 homes and 20 shops. New-build of 438 dwellings.</p> <p><u>Land Interests Included in original CPO Resolution:</u> 25 residential dwellings and 20 shops comprising:</p> <p>Residential: Stroudley Walk, E3 3EW. Nos. 42, 46.</p> <p>Warren Court, Bromley High Street, E3 3HB. Nos. 1, 4, 15, 22, 42.</p> <p>Fairlie Court, E3 3HG. Nos. 2, 4, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 20.</p> <p>Rainhill Way, E3 3JD. Nos. 8, 14, 32, 42</p> <p>Shops: Bromley High Street E3 3HB: Nos. 22, 24, 26, 28, 28A</p> <p>Stroudley Walk, E3 3EW: Nos. 30, 32/38 (1 property), 31, 33, 35, 37, 39</p>	<p><u>Proposed Redevelopment Scheme:</u> demolition of 67 properties (including 15 shop units). New build of 130 new homes (including 38 for social rent a high proportion of which are large homes and intermediate tenures), revitalised retail area and new community space.</p> <p><u>Land Interests to be retained in an updated CPO Resolution: (see Appendix 1):</u> only 2 residential dwellings and 9 retail shops remain to be acquired, as follows:</p> <p>Residential: Stroudley Walk, E3 3EW. No 46 (1 dwelling – non-resident leaseholder).</p> <p>Warren Court, Bromley High Street, E3 3HB. No. 22 (1 dwelling – non-resident leaseholder)</p> <p>Shops Bromley High Street E3 3HB. Nos. 22, 24, 28, 28A</p> <p>Stroudley Walk, E3 3EW. Nos. 30, 32/38 (1 property), 33, 37, 39.</p>
	<p><u>Land Interests to be added to updated CPO Resolution:</u> Electricity Sub Station adjacent to Warren Court Rights of Way Wayleaves</p>

6.69 Planning approval was granted by the Strategic Development Committee on 16th August 2013 for redevelopment including: demolition of existing housing blocks and shop units in Warren House, Bromley High Street and Stroudley Walk and the new-build of 130 residential units, 380 sq m of retail space (flexible between use classes A1, A2 and A3) and up to 154 sq m community space.

- 6.10 Public paths and Right to Buy leaseholder entitlement to access to communal greens will not be restored as the new scheme will be built over these areas. However, public access will be available for relevant pathways in the new scheme.
- 6.11 The redevelopment will now be carried out in two phases, combining phases 1 and 2 from the original proposed three phase scheme. This provides 24 new homes for social rent, 10 new homes at affordable rent, 3 intermediate tenure and 93 homes for private sale. The latter element provides essential cross subsidy to fund the development of the affordable homes. The scheme is also in receipt of grant funding from the Homes and Communities Agency.
- 6.12 Outline and phase 1 detailed planning approval was granted on the 16th August 2012.
- A detailed planning application for a revised Phases 1 and 2 of the scheme will be submitted by Poplar HARCA later in 2013. First demolitions and start on site are due autumn 2013. The scheme will benefit from HCA funding for the affordable rented homes to be built on the site. Phase 1 has received an allocation of grant funding in the recent bid round. Completion of this phase is required before March 2015, to take up the allocated grant funding. This is to ensure that sufficient sales can be generated to cover the cost of development and to ensure a funding stream for Phase 2.
- 6.13 As shown in the Table in 6.8 above the overall scheme housing outputs are similar to those envisaged in 2007, and these are already partially delivered, including a number of acquisitions and the delivery of refurbishment works to the estate. To complete the redevelopment element of the regeneration Poplar HARCA states it will deliver a further 37 homes for rent and shared ownership and 93 homes for private sale. The final figures are subject to the detailed planning application.
- 6.14 Property owners have been consulted by Poplar HARCA about the regeneration scheme. The support of the council in progressing a precautionary CPO on Bow Bridge Estate will help deliver a successful conclusion to the decant and leasehold acquisitions programme. The Bow Bridge CPO would run in tandem with Poplar HARCA's ongoing negotiations with the remaining 2 dwelling owners (both non-resident) and 9 retail leaseholders, to seek voluntary settlements if possible. Other land interests to be acquired / extinguished, which were not included in the 2007 CPO Resolution, are an Electricity Sub Station, Rights of Way and Way leaves. To date some 5 residential properties and 1 commercial property have been successfully purchased through negotiation, with a number of settlements currently being negotiated.

7. NEGOTIATING SETTLEMENTS

- 7.1 The proposal for a CPO, to include property interests at the addresses listed in Appendix 1, is a precautionary measure to help ensure overall delivery of the scheme. Poplar HARCA will be required to continue negotiations with the remaining non-resident dwelling owners and with shop leaseholders to seek to achieve a complete decant without recourse to the full execution of the proposed CPO. Updating the CPO Resolution will not result in any reduction in efforts to continue negotiations to achieve vacant possession by voluntary sale. The CPO is however an important step to confirm the council's support for these schemes which the council jointly committed with Poplar HARCA to deliver through the housing choice/ stock transfer route.
- 7.2 There have been robust attempts to acquire all premises through negotiation. 5 residential property interests and 3 commercial premises have been acquired or vacated through negotiation. Only 2 residential properties (both non-resident) and 8 Commercial premises plus the GP surgery remain to be acquired/relocated.

- 7.3 Poplar HARCA is continuing to liaise closely and negotiate with all the remaining owners and occupiers. The Housing Regeneration Team monitors the financial and relocation offers made by HARCA to ensure compliance with the council's requirements as set out in paras. 5.3 - 5.6, to support the CPO route and with the stock transfer Housing Offer Document.
- 7.4 **Residential acquisitions**
Poplar HARCA has so far been successful in acquiring the majority of residential properties via negotiated settlements. It has adopted the good practice approach used by the council and some of its other RSL partners where land interests have been acquired to facilitate regeneration.
- 7.5 When a property is to be purchased the owner is encouraged to seek Independent valuation advice to assist in negotiations with Poplar HARCA's Valuer, and reasonable costs for this are reimbursed. Owners are offered the full current market value of their property. Owners who occupy their properties as their 'principal' home receive an additional 10% of the final market value as a statutory Home Loss payment. Property Owners who do not occupy their homes may be eligible for an additional 7.5% of the acquisition price as a Basic Loss payment if the property has been well maintained.
- 7.6 To help displaced property owners move to their new homes, their reasonable moving costs are paid, including legal and valuation professional fees, the hire of removal companies, disconnection and reconnection of cookers, washing machines and all associated domestic costs of moving from one property to another, including an allowance for carpets and curtains etc. Where a property owner makes their own arrangements to acquire alternative premises, the Registered Provider meets the reasonable cost of stamp duty.
- 7.7 In addition to the standard options set out above, which reflect the Council's approach to resident property owner buybacks, Poplar HARCA is offering further options such as lease swaps, conversion to shared equity and reversions back to tenancies where there is insufficient capital in the existing property to enable the displaced leaseholder to purchase a new replacement home at current market values.
- 7.8 **Commercial leases (BowBridge Estate)**
- Commercial premises remaining to be acquired are as follows:
- 7.8.1 4 retail units at the base of Warren House (Bromley High Street), part of the Phase 2 redevelopment;
- 7.8.2 5 retail/commercial premises in Stroudley Walk, one of which is occupied as a health centre. These units fall within Phase 3 of the development, which allows time for further negotiations to be undertaken.
- 7.9 Poplar HARCA confirms negotiations have been taking place with leaseholders of retail premises to establish their aspirations for maintaining their business, relocation and the

potential to return to the new retail units to be developed within the new scheme. These negotiations will be taken further in order to secure formal agreements following planning approval.

7.10 Poplar HARCA's approach to acquiring commercial premises

Poplar HARCA advises it has recently introduced a draft policy that covers issues relating to the acquisition of commercial premises. The guiding principles of this draft policy are:

- Occupiers of Poplar HARCA commercial premises will be valued and treated with respect.
- Poplar HARCA services are available and accessible to all who are eligible to receive them.
- Poplar HARCA policies and procedures are applied consistently, impartially and equitably.
- Negotiations with occupiers of commercial properties will be fair and reasonable and based on prevailing market conditions and current legislation and associated guidance.

7.11 Poplar HARCA states it has no desire to force businesses to close and that it will enter into negotiation with all leaseholders and businesses to establish their requirements and to seek to negotiate a voluntary agreement on the acquisition of the lease and any business relocation that may result from this.

7.12 Leases for the occupation of retail premises on the Bow Bridge Estate fall into a number of categories. In all instances, Poplar HARCA aims to negotiate a voluntary agreement to secure vacant possession, but the approach to this will vary according to the category that each of the occupant's falls into.

7.13 HARCA's default offer to owners / occupiers of business premises is based on statutory provisions. Should it be required to rely on the council's CPO, business occupiers (with a compensatable interest) will be entitled to full compensation under the Compensation Code including:

- full market value (FMV) – based on agreement or determination by a third party in the absence of agreement;
- their reasonable relocation costs in moving to new premises;
- a basic loss payment equivalent to 7.5% of the FMV capped at £75,000, and an Occupiers Loss payment equivalent to 2.5% of the FMV or £2.50 sqm GIA, whichever is the highest, subject to a cap of £25,000;
- reimbursement for reasonable professional fees

7.13 Other Land Interests

On Bow Bridge Estate there is an electricity substation where land has been leased to the provider. Whilst it is likely that agreement will be made with the suppliers for the relocation and/or enhancement of this service, a CPO resolution will support the necessity to reach such an agreement.

7.14 There are likely to be other minor land interests and rights which will need to be extinguished by CPO. These will include such matters as:

- Way leaves
- Rights of Way
- Third Party rights
- Rights to Light
- Oversailing rights

All land interests will be established via a referencing process and where appropriate, negotiated settlements will be reached to allow the redevelopment to proceed unhindered.

8. COMPULSORY PURCHASE

8.1 Section 17 Housing Act 1985 (the 1985 Act) provides a power for a local housing authority to acquire land for housing purposes. The types of situations envisaged by the legislation when such powers can be exercised include:

- acquisition of land for the erection of houses
- acquisition of houses or buildings which may be made suitable as houses, together with any land occupied
- acquisition of land to provide facilities in connection with housing accommodation, and
- acquisition of land to carry out works in connection with providing housing

8.2 Land can be acquired under section 17 of the 1985 Act either by agreement or compulsorily. In summary the provisions of the legislation governing compulsory purchase contained in the Acquisition of Land Act 1981, the Compulsory Purchase Act 1965 and the Land Compensation Act 1961 apply in such cases.

8.3 Using compulsory purchase powers will facilitate the delivery of this regeneration project. The interests in the land currently are as listed in the body of the report.

8.4 Circular 06/2004 Paragraph 1 (Compulsory Purchase and the Criche Down Rules) ("the Circular") sets out guidance to acquiring authorities in England making compulsory purchase orders.

8.5 The Circular states that "Ministers believe that compulsory purchase powers are an important tool for local authorities and other public bodies to use as a means of assembling the land needed to help deliver social and economic change. Used properly, they can contribute toward effective and efficient urban and rural regeneration, the revitalisation of communities, and the promotion of business – leading to improvements in quality of life. Bodies possessing compulsory purchase powers – whether at local, regional or national level – are therefore encouraged to consider using them pro-actively wherever appropriate to ensure real gains are brought to residents and the business community without delay."

The Circular, para 24 sets out that "acquiring authorities should seek to acquire land by negotiation wherever practicable. The compulsory purchase of land is intended as a last resort in the event that attempts to acquire by agreement fail."

The Circular also sets out (para 24) that acquiring authorities "should plan a compulsory purchase timetable at the same time as conducting negotiations." This is to reflect the amount of time which needs to be allowed to complete the compulsory purchase process. The guidance goes on to state "it may often be sensible for the acquiring authority to initiate the formal procedures in parallel with such negotiations. This will help to make the seriousness of the authority's intentions clear from the outset, which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations."

- 8.6 Paragraph 17 of The Circular refers to the balance that has to be struck between ensuring a compelling case in the public interest and that the regeneration project sufficiently justifies interfering with the human rights of those with an interest in the land affected. It reads as follows:

"A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected."

- 8.7 Paragraph 19 of the Circular goes on to state:

"If an acquiring authority does not have a clear idea of how it intends to use the land which it is proposing to acquire, and cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable time-scale it will be difficult to show conclusively that the compulsory acquisition of the land included in the order is justified in the public interest... Parliament has always taken the view that land should only be taken compulsorily where there is clear evidence that the public benefit will outweigh the private loss."

- 6.8 Appendix E of the Circular provides guidance to local authorities considering using compulsory purchase powers under the Housing Acts. Paragraph 2 of Appendix E states that orders should not be made unless there is a compelling case in the public interest for making them.

- 8.9 Consideration is given to the human rights implications of the decision to make a compulsory purchase order in section 14 below.

9. WHEN COMPULSORY PURCHASE IS TO BE USED

- 9.1 An example of the circumstances in which CPO may be used by relevant authorities is summarised as follows:

- To unlock situations where a scheme is being blocked by an owner (or owners) unwilling to dispose of property either at all or only at a price considerably in excess of market value a ransom situation.
- To ensure effective negotiations for land assembly where there is a multiplicity of ownerships and absent landlords
- Where there are unknown owners

9.2 The use of CPO in the case of the Bow Bridge Estate accords with the first two of these circumstances.

10. ESSENTIAL REQUIREMENTS FOR USE OF COMPULSORY PURCHASE

10.1 The essential requirement for use of compulsory purchase powers under section 17 of the 1985 Act may be summarised as follows:

•That the Council is satisfied that acquisition will achieve a quantitative or qualitative housing gain.

10.2 Officers consider that this requirement is met in the case of Bow Bridge Estate. Poplar HARCA will be required to indemnify the Council in respect of all costs associated with the use of compulsory purchase powers, including compulsory purchase compensation and the costs of all specialist advice and officer time.

11. COMMENTS OF THE CHIEF FINANCIAL OFFICER

11.1 This report updates Members on Poplar HARCA's progress on the acquisition of land and properties on the Bow Bridge Estate following Cabinet approval to initiate a Compulsory Purchase Order process in November 2007. Approval is sought to reaffirm the mechanism for CPO proceedings to be implemented should the residential leasehold interest buyback programme not succeed in acquiring all of the appropriate property interests, and also requests the inclusion of an electricity substation within the process. Arranging for these back-up procedures to be put in place now will reduce any subsequent delays in the regeneration programme that will arise if agreements cannot be reached with individual owners.

11.2 There are no direct financial implications for the Authority of this process. The costs of the purchases and associated compensation packages are borne by Poplar HARCA. In addition, the cost of all officer time involved in the CPO process will also be recharged to Poplar HARCA.

12. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

12.1 The Council has the power to make a Compulsory Purchase Order (CPO) under Section 17 Housing Act 1985 (as amended). This may be used to assemble land for housing and ancillary development, including the provision of access roads; to bring empty properties into housing use; and to improve sub-standard or defective properties or to facilitate the carrying out of development, redevelopment or improvement on or in relation to the land involved. Section 8 of the report sets out the background requirements of the Circular 06/04.

12.2 A CPO can be used to acquire housing land where the housing is to be provided by others and the procurement process has been completed to select a developer to regenerate the land. Since this deprives people of their property, compulsory acquisition is always the last resort and will be preceded by continued efforts to buy the land by

private agreement. Confirmation of a CPO will only be made if there is a compelling case in the public interest.

- 12.3 Paragraph 22 of the memorandum to Circular 06/04 states that there must be a reasonable prospect of the scheme going ahead. Section 6 of the report sets out progress that Poplar HARCA has made in delivering refurbishment works on the estate and delivering Phase 1 of the redevelopment proposals.
- 12.4 In this case the formal making of the Order is proposed to be delegated to the Corporate Director of Development and Renewal in consultation with the Assistant Chief Executive (Legal Services). The properties and other interests to be acquired will include those set out in Appendix 1.
- 12.5 Whenever a Compulsory Purchase Order is made it is necessary to carry out a "balancing exercise" to judge whether it is in the public interest to make a CPO in view of the harm done to the property interests of the individual. Against this should be placed the benefit of improved housing and amenities for all occupants on the estate and the benefit to the well-being of the community gained by the scheme. The impact of this harm is lessened by the existence of rights of objection and a statutory compensation regime, which makes provision for loss payments to reflect the compulsory nature of the acquisition.
- 12.6 The acquisition of land for housing development is an acceptable use of compulsory purchase powers, including where it will make land available for private development or development by a Housing Association. Section 17(4) of the 1985 Act provides that the Secretary of State may not confirm a CPO unless he is satisfied that the land is likely to be required within 10 years. Once confirmed, compulsory purchase powers have a 3 year life. Given the proposed development timetable that Poplar HARCA are working to, the Council can be confident that the acquisition of all interests will be within the life of the CPO and will be reasonable in the context of the scheme.
- 12.7 When applying for confirmation of a compulsory purchase order made under these provisions the authority will include in its statement of reasons for making the order information regarding needs for the provision of further housing accommodation in its area. This information should normally include total number of dwellings in the district, unfit dwellings, other dwellings in need of renovation and vacant dwellings; total number of households and the number for which, in the authority's view, provision needs to be made. Details of the authority's housing stock, by type may also be helpful.
- 12.8 As Poplar HARCA has largely been successful in acquiring properties and decanting its own tenants, there is not a need for a site specific rehousing strategy. Poplar HARCA will rehouse the remaining tenants via the Comprehensive Housing Register and will continue to endeavor to secure voluntary agreement to acquire the remaining two privately owned properties.
- 12.9 An alternative power the Council could use is Section 226(1) of the Town and Country Planning Act 1990 (as amended) (the 1990 Act (as amended)) was amended by the Planning and Compulsory Purchase Act 2004 (the 2004 Act) to provide wider powers for local planning authorities to acquire land by compulsory purchase when the authority thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land.

- 12.10 Section 226(1A) of the 1990 Act (as amended) provides that an authority must not exercise the power under section 226(1) (a) "unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well being of their area" and be in the public interest. Land may also be acquired by agreement for the same purposes.
- 12.11 The essential requirement for use of compulsory purchase powers under section 226 of the 1990 Act (as amended) may be summarised as follows: That the Council is satisfied that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well being of their area
- 12.12 In summary, the making of the CPO satisfies the tests to which it will be subject on confirmation:
- Making the CPO for the scheme is within the Council's powers;
 - The Council assesses the scheme as viable;
 - The Council's Housing Association partner (Poplar HARCA) has clear proposals for the use of the acquired land;
 - There is no impediment to the grant of planning permission;
 - The promotion of the CPO is reasonable (i.e. not premature) in the context of the programme for the scheme both in terms of the exercise of compulsory powers and the completion of the scheme itself;
 - Finally, there is a compelling case in the public interests for compulsory purchase powers and the human rights of those affected have been carefully considered and any interference is deemed to be justified (see section 13 below).

13. HUMAN RIGHTS IMPLICATIONS

- 13.1. Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way that is incompatible with the European Convention on Human Rights. Various convention rights are likely to be relevant to the Order, including:
- Entitlement to a fair and public hearing in the determination of a person's civil and political rights (Convention Article 6). This includes property rights and can include opportunities to be heard in the consultation process.
 - Peaceful enjoyment of possessions (First Protocol Article 1). This right includes the right to peaceful enjoyment of property and is subject to the State's right to enforce such laws as it deems necessary to control the use of property in accordance with the general interest.
 - Right to life, in respect of which the likely health impacts of the proposals will need to be taken into account in evaluating the scheme (Convention Article 2).

13.2 The European Court has recognised that "regard must be had to the fair balance that has to be struck between the competing interests of the individual and of the community as a whole". Both public and private interests are to be taken into account in the exercise of the Council's powers and duties as a local planning authority. Any interference with a Convention right must be necessary and proportionate.

13.3 The Council is therefore required to consider whether its actions would infringe the human rights of anyone affected by the making of the CPO. The Council must carefully consider the balance to be struck between individual rights and the wider public interest. It is considered that any interference with the Convention rights caused by the CPO will be justified in order to secure the social, physical and environmental regeneration that the project will bring. Appropriate compensation will be available to those entitled to claim it under the relevant provisions of the national Compensation Code.

14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

14.1 The housing stock formerly owned by the council has suffered from a backlog of investment due to lack of resources. As a consequence, these properties suffer from poor thermal efficiency and inefficient heating systems resulting in higher than necessary fuel usage and the creation of fuel poverty. As Poplar HARCA have secured the resources to improve and regenerate these areas, the schemes will improve the living circumstances of residents as well as improving the environmental performance of new and existing property in the area.

15. RISK MANAGEMENT IMPLICATIONS

15.1 The key risks arising from this report are: -

Risk	Mitigating Actions
<ul style="list-style-type: none"> • Failure by RSL to secure vacant possession of the leasehold interests listed in Appendix 1 • Lengthy and costly delays to works programmes, which could also jeopardise the cross-subsidy to deliver the affordable homes. • Failure to deliver the promises made to residents. 	<ul style="list-style-type: none"> • Delegated authority sought to make CPO where required, to operate in tandem with negotiated procedures. • Regular liaison with Poplar HARCA to anticipate difficulties within their buy-back programmes and address these through the measures proposed in this report. • Covenants put in place at transfer. <ul style="list-style-type: none"> • Partnership agreement in place. • Monitoring and reporting arrangements put in place. • Council support to RPpartner to deliver the scheme, i.e. use of CPO powers.

16. CRIME AND DISORDER REDUCTION IMPLICATIONS

16.1 Bow Bridge Estate has experienced issues of serious anti-social behaviour. The proposed redevelopments are applying the following principles to address the ASB issues:

16.1.1 The new shared surface street encourages people to use the shops which is in line with the desires of residents

16.1.2 Green tree lined route breathes life into the rundown area

- 16.1.3 The new road enables improved surveillance by the police to help discourage anti social behaviour
- 16.1.4 Stroudley Walk will be designed to create a low speed road environment, which is pedestrian priority, encouraging walking and cycling
- 16.1.5 New Civic Square which creates a retail focus allowing residents to have a central gathering area

17. EFFICIENCY STATEMENT

- 17.1 All expenditure to be incurred in managing and delivering the proposed CPO processes, including costs arising from work by the council's Legal and Housing Regeneration Teams, will be reimbursed by Poplar HARCA.

18. APPENDICES

- 18.1 The report has the following appendices.

- Appendix 1: Schedule of leasehold interests to be purchased
- Appendix 2: BowBridgeEstate – map of land area proposed for a CPO
- Appendix 3: Bow Bridge Estate – Location Plan

Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

None

Name and telephone number of holder and address where open to inspection.

Abad Uddin
Housing Regeneration Team
Directorate of Development & Renewal
Mulberry Place (AH)
5 Clove Crescent
London
E14 1BY
0207 364 7799

Appendix 1

Land Interests to be purchased: listed for inclusion in the proposed Compulsory Purchase Order

Leopold Estate: Poplar HARCA

Residential Properties

Stroudley Walk, E3 3EW. No 46

Warren Court, Bromley High Street, E3 3HB. No. 22

Shops

Bromley High Street E3 3HB. Nos. 22, 24, 28, 28A

Stroudley Walk, E3 3EW. Nos. 30, 32/38 (1 property), 33, 37, 39.

Other Land Interests

Electricity Sub Station adjacent to Warren Court

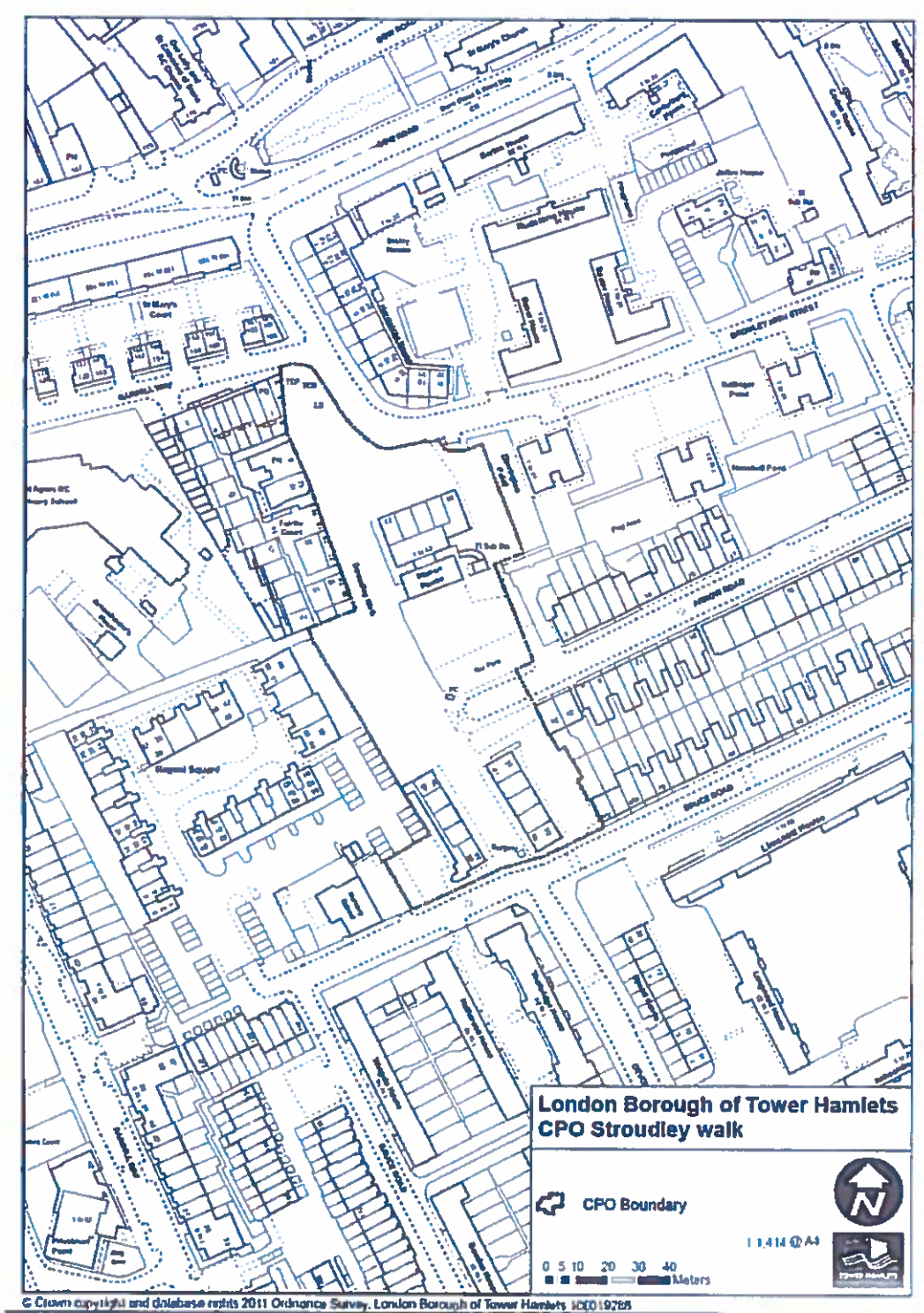
Rights of way

Way-leaves

Other non residential Interests as Identified during the land referencing within the red line boundary shown on the plan in Appendix 2

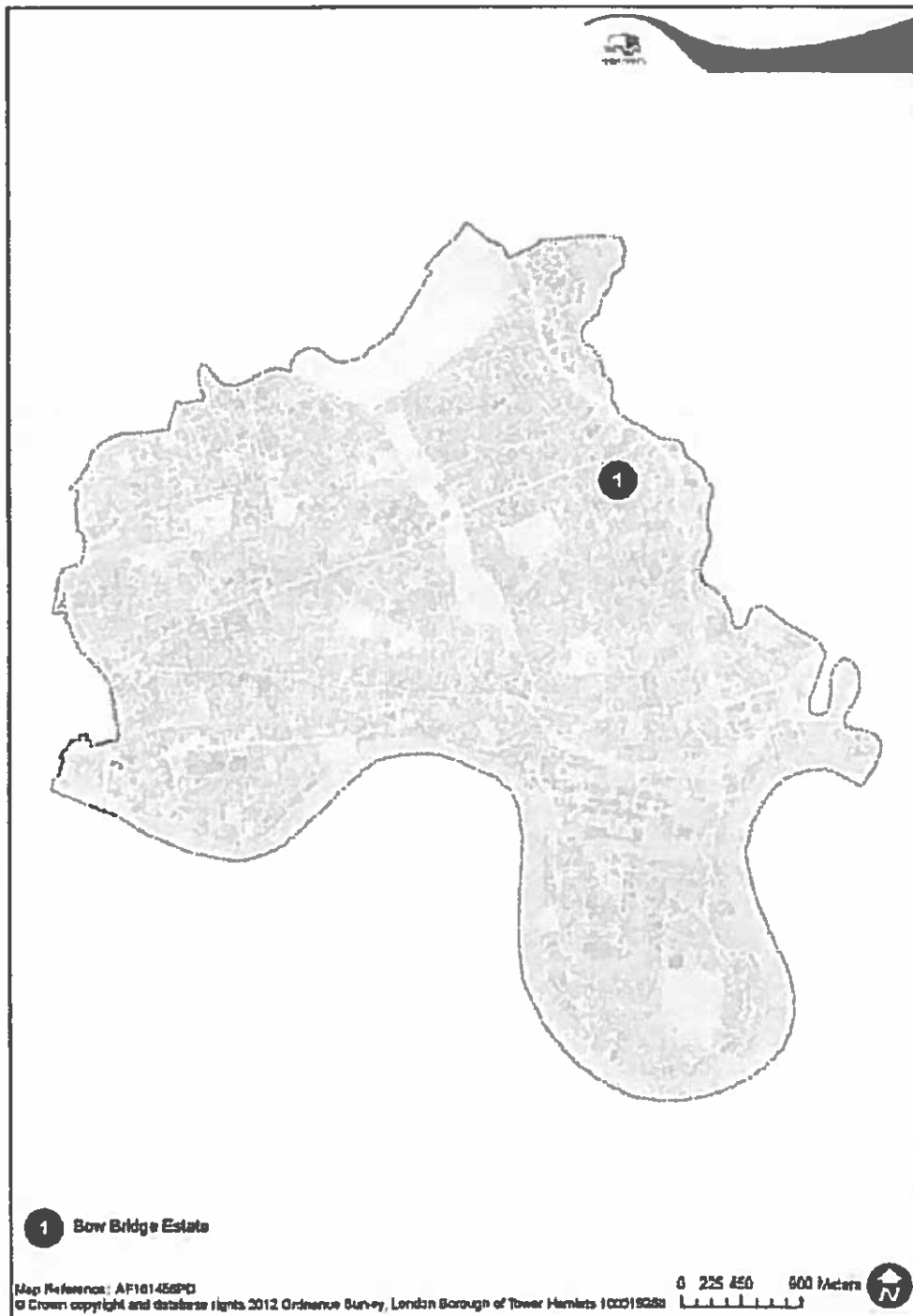
Appendix 2

Bow Bridge Estate – map of land area proposed for a CPO



Appendix 3

Bow Bridge Estate - Location map



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(1) THE LONDON BOROUGH OF TOWER HAMLETS

**(2) POPLAR HOUSING AND REGENERATION COMMUNITY
ASSOCIATION LIMITED**

INDEMNITY AGREEMENT

BOW BRIDGE ESTATE COMPULSORY PURCHASE ORDER

THIS DEED is made the 11 day of April 2013

PARTIES:

- (1) THE LONDON BOROUGH OF TOWER HAMLETS of Town Hall Mulberry Place, 5 Clove Crescent London E14 2BG ("the Council")
- (2) Poplar Housing and Regeneration Community Association Limited whose registered office is situate at 167A East India Dock Road London E14 0EA ("the Association")

RECITALS:

- (1) The Association have agreed proposals to carry out the Development.
- (2) In order for the Development to be carried out it is necessary for the Land or rights over it to be acquired by the Council and in that respect the Council will consider the use of powers pursuant to Section 17 of the Housing Act 1985 or such other powers it considers appropriate to acquire the Land by compulsory purchase and will make and promote the CPO which the Association supports.
- (3) In connection with the CPO the Association wishes to negotiate to acquire (so far as practicable) the Land by private treaty and has commenced such negotiations and (if appropriate) make such acquisitions.
- (4) As part of the financial arrangement between the Council and the Association the Council has requested the Association to bear the compensation and acquisition costs and associated expenses of the acquisition of the Land and the costs and expenses associated with the CPO on the terms of this Deed.

OPERATIVE PROVISIONS

1. DEFINITIONS

- 1.1 In this Deed unless the context otherwise requires the words and expressions listed below shall have the following meanings:-

- "Advance Payment"** means a payment which the Council is lawfully required to make in respect of the Land under the provisions of sections 52 and 52A of the Land Compensation Act 1973
- "Agent"** means such firm of surveyors as may be appointed by the Council to carry out the functions of the Agent;
- "Base Rate"** means interest at the base rate of the Co-operative Bank for the time being and from time to time or such other equivalent commercial rate as the Council may reasonably designate if the base rate ceases to be published, compounded with quarterly rates on 31st March, 30th June, 30th September and 31st December in each year;
- "Blight Notice"** means any valid blight notice served on the Council under the provisions of Section 149 of the Town and Country Planning Act 1990 or any statutory amendment or modification in respect of any interest in the Land;
- "Counsel"** means such suitably experienced counsel as the Council shall nominate and the Association shall approve such approval not to be unreasonably withheld or delayed;
- "CPO"** means the proposed Compulsory Purchase Order to be made pursuant to Section 17 of the Housing Act 1985 or such other Act as the Council thinks appropriate in respect of the Land to be comprised in the Development as contemplated at the date of this Deed or as may be varied by agreement between the parties;
- "CPO Costs"** means the reasonable costs and expenses incurred by the Council in promoting the CPO as specified in Schedule 1;
- "Development"** means the development described in Schedule 2;

- "GVD"** means a General Vesting Declaration pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981;
- "Land"** means the whole or any part of the land defined in Schedule 3
- "Notice to Treat"** means a notice served pursuant to a confirmed CPO under the provisions of section 5 of the Compulsory Purchase Act 1965;
- "Open Market Value"** means the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration on the date of the valuation assuming:
- (a) a willing seller;
 - (b) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest for the agreement of price and terms and for the completion of the sale;
 - (c) that the state of the market level of values and other circumstances were on any earlier assumed date of exchange of contract the same as on the date of valuation;
 - (d) that no account is taken of any additional bid by a purchaser with a special interest;
 - (e) that both parties to the transaction acted knowledgeably, prudently and without compulsion;
- or such other definition as may from time to time be adopted by the Royal Institution of Chartered Surveyors;
- "Parties"** means the parties to this Deed being the Council and the Association;
- "Plan"** means the annexed Plan;

- "Public Inquiry"** means a public local inquiry held by the Secretary of State into the CPO;
- "Secretary of State"** means the Secretary of State for Communities and Local Government or such other Secretary of State to which functions relating to local government may be transferred;
- "Surveyor"** means an independent chartered surveyor who is suitably experienced and at least ten years qualified appointed by the Association and the Council or (if they cannot agree upon his appointment) appointed by the President for the time being of the Royal Institution of Chartered Surveyors upon the application of either party;
- "Third Party Interests"** means the leasehold or other interest of third parties on over or under the Land;
- "Third Party Rights"** means any other rights over the Land or on land adjoining the Land which is required for the Development including the rights of statutory undertakers;
- "Working Days"** means days on which clearing banks in the City of London are (or would be but for a strike lock out or other stoppage affecting particular banks or banks generally) open during banking hours excluding for the avoidance of doubt Saturdays and Sundays and bank or other public holidays.

2. GENERAL INTERPRETATION

- 2.2 Unless there is something in the subject or context which is inconsistent:
- 2.2.1 words importing the neuter gender only shall include the masculine and feminine gender (as the case may be) and words importing the masculine gender only shall include the feminine gender and vice versa;
- 2.2.2 words importing the singular number only shall include the plural number and vice versa;
- 2.2.3 words importing persons shall include firms companies and corporations and vice versa;
- 2.2.4 any reference to statute (whether or not specifically named in this Deed) shall include any amendment or re-enactment of it for the time being in force and shall

include all instruments orders plans regulations bye-laws permissions and directions for the time being made issued or given under it or deriving validity from it;

2.2.5 any reference to days shall be to Working Days;

2.2.6 references to a clause or paragraph or schedule is (unless the context otherwise requires) to a clause or paragraph or schedule in this Deed and the index the clause and paragraph and schedule titles or headings appearing in this Deed are for reference only and shall not affect the construction of this Deed;

2.2.7 words denoting an obligation on a party to do an act matter or thing include an obligation to procure that it be done;

2.2.8 any consent or approval of the Council required under this Deed save in circumstances in which it is unreasonable withheld in breach of this Deed shall be required to be obtained before the actual event to which it applies is carried out or done and shall be effective only when the consent or approval is given in writing or is deemed to have been given.

3. BLIGHT NOTICES

3.1 If following publication of the CPO and submission to the Secretary of State and before the making by the Council of any GVD or service by the Council of any notice to treat following confirmation of the CPO a Blight Notice in respect of any part of the Land shall be served upon the Council then:-

3.1.1 the Council shall forthwith deliver a copy of the Blight Notice to the Association together with copies of the supporting documentation;

3.1.2 the Council shall consult the Association concerning the Blight Notice and its implications;

3.1.3 within ten Working Days after receipt by the Council of a Blight Notice the Council shall instruct the Agent to investigate the grounds for service of such notice, the value of the interest the subject of the notice, the validity of the notice, value of the interest and the other compensation which may be payable to the owner of the interest concerned; and

3.1.4 within two months after receipt by the Council of a Blight Notice the Council shall fully consult the Association and decide

whether a counter notice is to be served in response to the Blight Notice.

- 3.2 In the case of a Blight Notice which the Council and the Association jointly accept and in respect of which it does not serve a counter notice or which is determined by the Upper Tribunal (Lands Chamber) to be valid the parties hereto will appoint the Agent to negotiate on its behalf the compensation payable PROVIDED THAT any payment of compensation shall require the Association's consent such consent not to be unreasonably withheld or delayed.
- 3.3 The Council will subject to it obtaining the relevant authority and consents as required under its constitution at the request of the Association procure that all or any part of parts of the Land which are acquired pursuant to any Blight Notice or the CPO shall be conveyed or transferred to the Association subject to the provisions of this Deed.
- 3.4 All Third Party Interests for which the Association has paid and which are acquired by the Council under the CPO shall be held in trust by the Council for the Association until transferred to the Association in accordance with clause 3.3.

4. THE CPO

- 4.1 Subject to clause 4.2 the Council agrees with the Association as follows:
- 4.1.1 The Council shall with the assistance of the Association (insofar as it has not already done so and without prejudice to its discretion as to whether or not to make the CPO) carry out or procure the carrying out of the referencing of interests in the Land to be compulsorily acquired by drafting and serving requisitions for information on any affected parties pursuant to inter alia s.16 of the Local Government (Miscellaneous Provisions) Act 1976 s.330 of the Town and Country Planning Act 1990 or s.5A of the Acquisition of Land Act 1981 and also prepare the statement of reasons and other related procedures in order to make the CPO
- 4.1.2 The Council shall in consultation with the Association after the Association has to the Council's reasonable satisfaction demonstrated that it can deliver the Development and subject to the Council obtaining the requisite authority and internal consents as required by it's constitution proceed diligently and expeditiously to make the CPO and submit it to the Secretary of State for confirmation and to take all appropriate steps to secure as soon as practicable the confirmation of the CPO and in consultation with the Association to carry out the implementation of the CPO in respect of the Land.

- 4.1.3 The Council shall consult with the Association as to the conduct and progress of the CPO and any evidence to be adduced for any Public Inquiry and related procedures;
 - 4.1.4 The Council shall consult with the Association prior to the making of any GVD or serving any notice to treat pursuant to the CPO;
 - 4.1.5 The Council shall not negotiate for or contract to purchase or acquire or become liable to acquire any interest in the Land without the prior consent of the Association except:-
 - (a) where a GVD has been made or a notice to treat has been served by the Council; or
 - (b) as a result of the service of a Blight Notice in which case the Council will keep the Association advised of negotiations and not agree to more than statutory compensation in respect of such Blight Notice;
 - 4.1.6 The Council shall not withdraw the CPO or otherwise exclude from the CPO any interest in Land PROVIDED THAT the Council shall be entitled to request from the Secretary of State such amendments or variations to the CPO as it shall reasonably determine to be necessary or desirable to assist in procuring the confirmation of the CPO save that no such amendment or variation shall be made without the consent of the Association.
- 4.2 The Association will not object to the CPO and will at its own expense use all reasonable endeavours to support the Council in seeking the confirmation of the CPO including the giving of evidence as to matters within the competence or proper expertise of the Association the provision or expert witnesses and attending or giving assistance at any Public inquiry.

5. LEGAL PROCEEDINGS

- 5.1 In the event that:
 - 5.1.1 The Secretary of State declines to confirm the CPO whether as to the whole or some part thereof (other than the exclusion from the CPO of some interest or right which does not materially adversely affect the carrying out of the Development); or
 - 5.1.2 A third party applies to the Court to challenge the decision of the Secretary of State;
- the Council shall (in either event) consult with (but not be bound by) the Association as to the appropriate reasonable manner in which to respond to such decision or challenge in order to facilitate the

implementation of the Development but the Council's decision on this issue shall be final

- 5.2 If the Council decides to investigate the merits of:
- (a) challenging the Secretary of State's decision; or
 - (b) (as the case may be) resisting such third party challenge

the Council shall as soon as reasonably practicable instruct Counsel for an opinion:

5.2.1 on the merits of such action; and

5.2.2 as to the manner in which such action should be mounted

- 5.3 Unless Counsel advises that there is less than a 50% prospect of success by way of:

- (a) an appeal to the High Court against non-confirmation or partial confirmation or an application for judicial review or other judicial remedy (whichever Counsel shall advise as being more appropriate in the circumstances); or
- (b) (as the case may be) such action as Counsel shall advise as being appropriate in the circumstances to resist such third party challenge

the Council shall:

- 5.3.1 lodge such appeal or application for judicial review or (as the case may be) take such other action as Counsel shall advise in order to resist such third party challenge; and
- 5.3.2 supply copies of all relevant correspondence papers and other documents to the Association; and
- 5.3.3 liaise with and have due regard to (but without being bound by) the views of the Association as to the manner of prosecution of the relevant appeal/application/action; and
- 5.3.4 keep the Association advised of the progress and result of the same.

6. INDEMNITY

- 6.1 The Association will subject to the provisions of this clause 6 within 15 Working Days of receipt of any written request from the Council pay to and indemnify the Council from and against all or any of the CPO Costs incurred or to be incurred (including for the avoidance of doubt any properly incurred abortive costs) and for the purposes of clause 12 the payment shall become due 15 days after such written request.
- 6.2 The Association shall only be obliged to make a payment in respect of the Council's legal and surveyors costs in connection with the CPO

upon production of copies of those accounts or in the case of costs incurred by in-house (i.e. directly employed by the Council) legal officers or surveyors the production of an invoice showing the amount of costs incurred.

- 6.3 The Association shall be obliged to make payment to the Council or any third party in respect of compensation payable following service of a Blight Notice notwithstanding that the interest in the part of the Land has not been conveyed assigned or transferred to the Association in accordance with clause 3.3.
- 6.4 The Association shall have no obligation to make any payment of compensation under Section 52 of the Land Compensation Act 1973 in respect of any interest included within the CPO unless the Council have served a copy of the particulars of the claimant's interest on the Association.
- 6.5 Prior to making any appointment of a Solicitor, Counsel, Surveyor, Agent or other professional adviser whose costs would be payable by the Association under the terms of this Agreement the Council shall notify the Association of the name of the proposed appointee, the scope of the retainer and the proposed charges or charging rates and obtain the Association's agreement to this.

7. AGENT

The Agent shall undertake the following functions:-

- 7.1 Any private treaty negotiations for the Land where the parties so jointly agree;
- 7.2 Any investigations and negotiations in respect of Blight Notices pursuant to clause 3; and
- 7.3 Any negotiations in respect of claims for Advance Payments.

8. NON-MERGER

The provisions of this Deed shall remain in full force and effect insofar as they remain to be observed and performed notwithstanding completion by the Council of the acquisition of whole or any part of the Land.

9. NOTICES

- 9.1 All notices requests demands approval consents and other communications given under this Deed shall be in writing and shall be duly and validly given if delivered personally or sent by prepaid registered or recorded delivery mail in the case of the Association:
to: 167A East India Dock Road London E14 0EA

or at such other address as the Association may specify from time to time by written notice to the Council and in the case of the Council to:-
The Assistant Chief Executive (Legal Services) Mulberry Place, 5 Clove Crescent, London E14 2BG or such other person of at such other address as the Council may specify from time to time by written notice to the Association and shall be deemed to have been received if by mail on the second Working Day after the day of posting unless it is proved to have been received later in which case it shall be treated as given on receipt.

- 9.2 Any notices to be given by the Council under this Deed shall be valid and effectual if signed by or 'on' behalf of the Assistant Chief Executive (Legal Services) or other officer or agent duly authorised by the Council or having ostensible authority.

10. COUNCIL'S POWERS AND DUTIES

Nothing contained or implied in this Deed shall prejudice or affect the rights powers duties and obligations of the Council in the exercise of its functions as a local planning highway or buildings regulation authority or as a local authority under any statutory provision.

11. ASSIGNMENT

The Association and the Council shall not assign or part with or deal with in any other way whatsoever their respective interests under this Deed or any part or parts otherwise than as authorised by this Deed.

12. INTEREST

Unless otherwise specified in this Deed if any monies due under this Deed remain unpaid seven Working Days after they have become due then interest at 4% above Base Rate shall be payable on such monies as from the date they became due until they are paid.

13. THIRD PARTIES

- 13.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Right of Third Parties) Act 1999
- 13.2 The parties may rescind or vary this Deed without the consent of a third party to whom an express right to enforce any of its terms has been provided.

14. GOOD FAITH

The Council and the Association agree to act in good faith in the performance of their obligations under this Deed.

15. DECLARATION OF TRUST

15.1 When the Council has become entitled to any interest in Land for which the Association has paid the CPO Costs:

15.1.1 The Council will hold that interest in the Land for the Association absolutely; and

15.1.2 When the Council has vacant possession of land that is subject to any interest in the Land for which the Association has paid the CPO Costs the Association will be entitled to use and possession of that land.

15.2 Until any interest in the Land for which the Association has paid the CPO Costs is transferred to either the Association or to a person nominated by the Association the Council may

15.2.1 carry out any work on land that is the subject of any interest in the Land:

- (a) With the prior written consent of the Association, or
- (b) That is reasonably appropriate in any emergency; and

15.2.2 maintain (but not improve) that land.

15.3 The Association will indemnify the Council against all loss suffered by the Council because of any use by the Association of any land that is the subject of any interest in the Land for which the Association has paid the CPO Costs.

16. EXPERT DETERMINATION

16.1 Any dispute or difference arising between the Parties as to their respective rights duties and obligations in this Indemnity shall (subject to the jurisdiction of the Upper Tribunal (Lands Chamber) where appropriate) be determined by an independent person ("the Expert") if so required by any of the Parties by notice to the other Parties.

16.2 The Expert shall have been professionally qualified for not less than ten years and shall have substantial recent experience in respect of the

subject matter of the dispute or difference and shall be a specialist in relation to such subject matter.

16.3 The Expert shall be appointed by agreement between the Parties or, failing such agreement within 10 Working Days of the notice referred to in Clause 16.1 shall be appointed on the application of either of the Parties by such one of the following persons as the Parties shall agree to be appropriate having regard to the nature of the dispute or difference in question:

16.3.1 the Chairman for the time being of the Bar Council;

16.3.2 the President for the time being of the Royal Institution of Chartered Surveyors;

16.3.3 the President for the time being of the Institute of Chartered Accountants in England and Wales; and

16.4 If within 15 Working Days after service of the notice referred to in Clause 16.1 the Parties have been unable to agree which of the persons referred to in Clause 16.3 is appropriate to appoint the Expert, the Expert will be appointed, on the application of either of the Parties by the President for the time being of the Law Society or his duly appointed deputy or any other person authorised by him to make appointments on his behalf.

16.5 Whenever the Expert is to be appointed under this clause he shall act as an expert and not as an arbitrator and the following provisions shall have effect:

16.5.1 the Expert's decision shall be final and binding upon the Parties;

16.5.2 the Expert shall consider, Inter alia, but shall not be bound by, any written representations on behalf of the Parties made within such time limits as he shall specify, which time limits shall be as short as he shall consider practicable in the circumstances;

16.5.3 the Expert shall make available to each Party copies of the other Party's representations and allow the other Party to make further written representations thereon to which Clause 16.5.2 shall apply;

16.5.4 upon receipt of any such representations the Expert shall forthwith inspect the relevant part of the Site if necessary and give notice of his instructions, if any, to the Parties and, if he shall so require, invite them or their advisers to attend his inspection and to make oral representations thereat;

- 16.5.5 the Expert shall as quickly as possible thereafter notify the Parties in writing of his determination of the dispute or difference referred to him;
- 16.5.6 the Parties shall use all reasonable endeavours to procure that the Expert shall give his decision with reasons as speedily as possible; and
- 16.5.7 the costs of appointing the Expert and his costs and disbursements in connection with duties under this Indemnity shall be shared between the Parties in such proportions as the Expert shall determine or in the absence of such determination equally between them.
- 16.6 If the Expert shall die or be or become unwilling or incapable of acting or in the reasonable opinion of either Party shall delay his determination avoidable or if for any reason he shall not deliver his decision, either party shall be entitled to apply to the President for the time being of the relevant professional institution to discharge the expert and appoint another in his place.

SCHEDULE 1

THE CPO COSTS

The CPO costs shall, subject to the terms of this Deed, mean:-

- 1 All reasonable and proper costs fees and expenses relating to any Public Inquiry in respect of the CPO including but not limited to Counsel's fees the Council's professional fees the Council's administrative costs, the Council's solicitor's fees and disbursements and the fees and expenses of all expert witnesses.
- 2 The Council's reasonable and proper legal and valuation cost fees and expenses and disbursements in connection with the preparation and procedural requirements of the CPO.
- 3 Any reasonable costs fees or expenses which the Council is obliged to pay to any party in the course of or as a result of any proceedings relating to the CPO and its implementation (including any reasonable costs fees or expenses awarded by the High Court in any action for judicial review).
- 4 Compensation for the acquisition of any part of the Land Third Party Interests or Third Party Rights including the value of the land or rights, severance, injurious affection, disturbance and other matters not directly based on the value of land.

- 5 Compensation for the acquisition of any other land which is acquired by the Council following the service of a notice served pursuant to Section 8 of the Compulsory Purchase Act 1965 including the value of the land or rights, severance, injurious affection, disturbance and other matters not directly based on the value of land including the costs of any re-housing of residential occupiers pursuant to section 39 Land Compensation Act 1973.
- 6 Any Advance Payments made or to be made by the Council in respect of any interests referred to in paragraphs 4 and 5 of this Schedule.
- 7 All Basic or Home Loss Payments whether or not payable to the vendor of land or rights.
- 8 Disturbance payments made pursuant to Section 37 of the Land Compensation Act 1973.
- 9 Compensation pursuant to Section 20 of the Compulsory Purchase Act 1965.
- 10 Stamp duty and land registry fees arising out of the acquisition of any interest referred to in paragraphs 4 and 5 of this Schedule and the vesting of such interests in the Council or the Association and stamp duty on this Deed (if any).
- 11 Any reasonable costs incurred by the Council (including the payment of costs of any other party) as a result of taking or defending any action in any court arising out of the CPO or the proceedings relating to it.
- 12 Any reasonable costs incurred by the Council (including the payment of costs of any other party as mentioned in paragraph 3 of this Schedule) as a result of taking or defending any action before the Lands Tribunal arising out of the CPO including any costs awarded to any other party by the Lands Tribunal.
- 13 Any legal valuation and other expenses which the Council reasonably incurs or is required to pay any party in connection with the acquisition of the Land or with any claim referred to in paragraphs 4 to 8 above including the negotiation of compensation, transfer or conveyance of title, or in connection with the settling of objections raised against the CPO.
- 14 All reasonable costs incurred by the Council (including the payment of costs of any other party) as a result of taking or defending any action in any court arising out of a claim that the Council acted unlawfully in a manner in which is incompatible with a Convention right (as defined by section 6(1)) of the Human Rights Act 1988) in respect of any proceedings relating to the CPO and its implementation (including any costs fees or expenses awarded by any court) PROVIDED THAT such

amount shall not be payable by the Association if such action was taken on either of the following grounds:

- (a) That the legislative scheme in respect of compulsory purchase is incompatible with a Convention right; or
 - (b) The Council In making a CPO acted in a manner incompatible with a Convention right.
- 15 Any compensation payable pursuant to section 8 of the Human Rights Act 1998 as a result of a claim falling within paragraph 14 above.
- 16 Any other form of statutory compensation.
- 17 Any irrecoverable Value Added Tax or other tax or duty which the Council shall be required to pay in connection with any of the above sums.
- 18 Any statutory interest payable in connection with any sums in this Schedule.
- 19 The reasonable fees of the Agent.
- 20 The Council's legal and surveyors costs reasonably incurred with the negotiation for (whether or not completion occurs) and the acquisition of any interest in the Land.
- 21 Any other reasonable costs in relation to the CPO, negotiation and acquisition of the Land or the Council's performance of its obligations under this Deed.

Any costs falling within 3, 11 and 12 above shall be excluded from the definition of CPO Costs to the extent that the applicable court or tribunal awards such costs against the Council in consequence of a judicial finding of unreasonable behaviour by the Council in the conduct of the proceedings before such court or tribunal.

SCHEDULE 2

THE DEVELOPMENT

The regeneration of Bow Bridge Estate London E3 in accordance with a planning permission granted pursuant to planning application reference number PA/10/00373

SCHEDULE 3

THE LAND

The leasehold properties known as:-

(Bow Bridge Estate) 22 Warren House, Bow E3 3HB

(Bow Bridge Estate) 46 Stroudley Walk, Bow E3 3EW

Retail/commercial units

22 Bromley High Street – Dry Cleaner- 125 year lease from 24/6/1993

24 Bromley High Street – Hairdresser - 125 year lease from 24/6/1993

26 Bromley High Street – Beauty salon - 125 year lease from 24/6/1993

28 Bromley High Street – Grocer - 125 year lease from 24/6/1993

28A Bromley High Street – Superstore - 125 year lease from 24/6/1993

30 Stroudley Walk – Tandoori restaurant - 10 year lease from 08/01/2001

32 – 38 Stroudley Walk – GP Surgery - 10 year lease from 01/04/2002

33 Stroudley Walk – Perfect Fried Chicken - 20 year lease from 29/09/1998

37 Stroudley Walk – Accessories - 10 year lease from 25/09/2003

39 Stroudley Walk – Cash & Carry - 20 year lease from 25/10/1995

Other land interests to be resolved

Electricity Sub Station adjacent to Warren Court - 60 year lease effective from 29/9/1961 and

Oversailing rights

Poplar HARCA advise that they are of the view that construction of the proposed new development will not require oversailing rights of any existing homes. However, until planning approval has been secured and a contractor appointed, this cannot be confirmed. If there is a need to oversail the public highway, this will be subject to securing appropriate licenses from the local authority.

In WITNESS whereof the parties hereto have executed or caused their common seals to be affixed to this Deed but not delivered until the day and year first before written

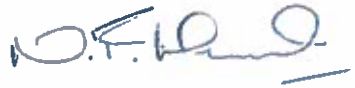
The COMMON SEAL of the)
LONDON BOROUGH OF)
TOWER HAMLETS was)
hereto affixed)
in the presence of:-)


Authorised Signatory
Head of Legal Services
(Environment).

Jmcl3/109.

EXECUTED as a Deed)
by Poplar Housing and)
Regeneration Community)
Association Limited)
acting by its:

Director/two Directors

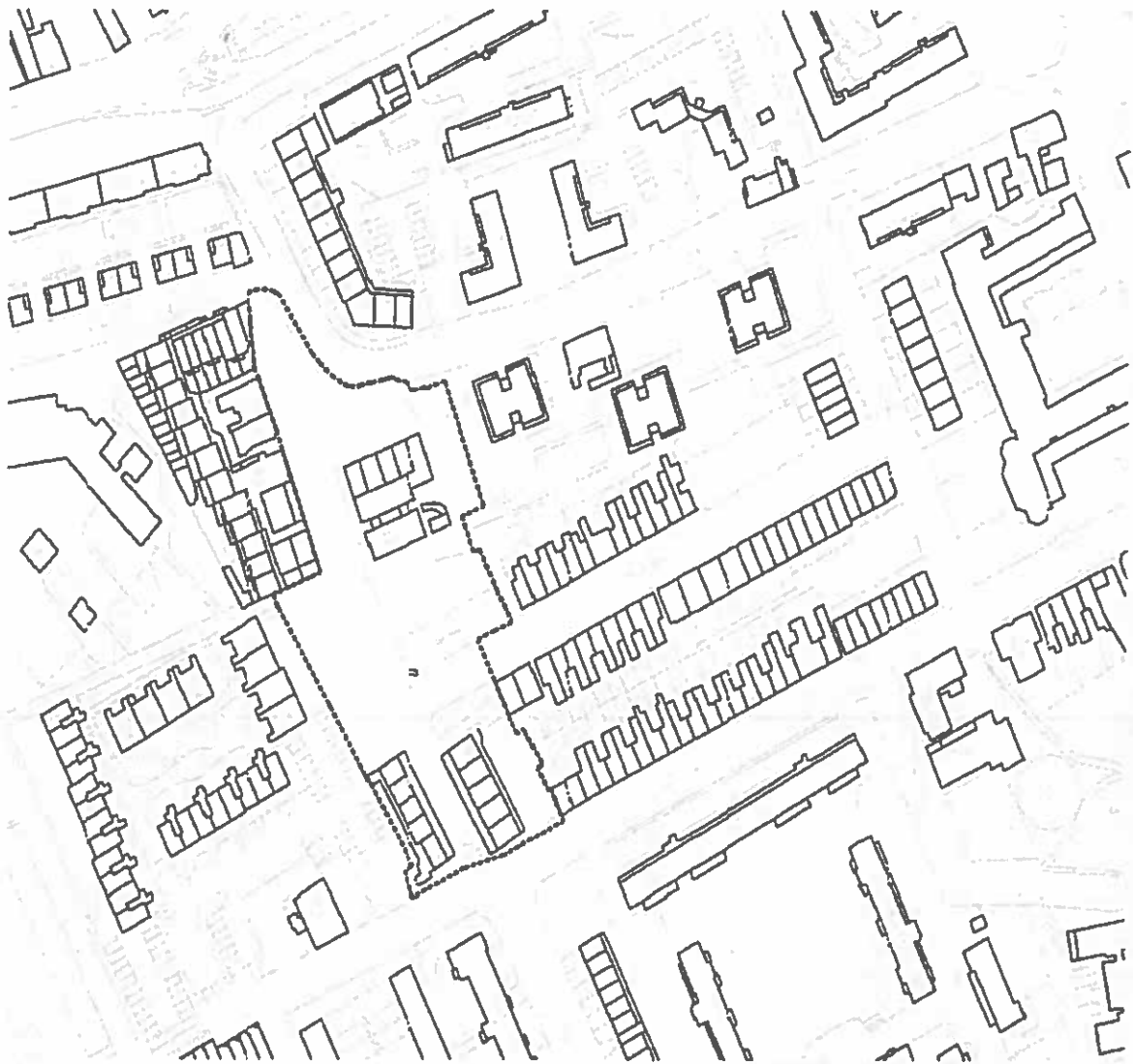


Director/Secretary





Map showing area of Bow Bridge Estate for which CPO is requested



**Stroudley Walk
Planning**

01 01.01 1 Area to be covered
02 01.01 2 Area to be planned

Date: 25.09.20
Client: Poplar HVCA
Scale: 1:1250@A3
Drawing: Site Location Plan
Drawn: J.M.C. 2025_001
Check: J.M.C. 2025_001
Date: 25.09.20
Project: Poplar HVCA
Levit Bernstein

J.M.C.
sub J.M.C.

DAILY AUTHORISED SIGNATORY

