

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>14 MARCH 2013</b>
<b>TITLE OF REPORT:</b>	<b>URBAN VILLAGE / LINK ROAD COMPULSORY PURCHASE ORDER AND ASSOCIATED SIDE ROADS ORDER</b>
<b>REPORT BY:</b>	<b>RICHARD GABB, ASSISTANT DIRECTOR HOMES &amp; COMMUNITY SERVICES RICHARD BALL, ASSISTANT DIRECTOR PLACE BASED COMMISSIONING</b>

## 1. Classification

Open

## 2. Key Decision

This is a Key Decision because it will result in the Council incurring expenditure which is significant having regard to the Council's budget for the service or function to which the decision relates;

### AND

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

Notice has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## 3. Wards Affected

Aylestone Ward  
Central Ward  
Three Elms Ward

## 4. Purpose

In accordance with the agreed masterplan, to agree the development of land within the City Regeneration area for the purposes of the provision of a link road, highway and other associated infrastructure and mixed uses including housing, employment uses, leisure, retail units, tourism, civic and community uses together with associated public access and public realm, car parking, other new highways and other associated infrastructure, drainage, flood alleviation and associated works.

The report seeks to approve the making of the necessary orders but also considers the next steps associated with the development of the Urban Village Phase 1, which forms part of the overall regeneration plans for the City, through the provision of market and affordable housing to meet the high levels of housing need in the County. To support the delivery of Phase 1 of the housing, the report seeks delegated authority for the Chief Officer Finance and Commercial to make arrangements to market Council-owned land at Merton Meadow.

## **5. Recommendation(s)**

**THAT:**

- (a) the Deputy Chief Executive be authorised to arrange for the making of the County of Herefordshire District Council (Edgar Street Grid and Link Road) Compulsory Purchase Order 2013 under s226(1)(a) of the Town and Country Planning Act 1990, the Local Government (Miscellaneous Provision) Act 1976 and the Acquisition of Land Act 1981 for the acquisition of the land/property and the acquisition of the new rights within the areas coloured pink and blue respectively shown on the plan attached at Appendix 1 (subject to any final amendments of the said plan the Director for Places and Communities considers necessary);**
- (b) the Deputy Chief Executive be authorised to arrange for the making of the County of Herefordshire District Council (A465(Link Road) Classified Road) (Side Roads and Other Works) Order 2013 under Sections 14 and 125 of the Highways Act 1980 which provides for the stopping up and improvement of particular side roads which connect with the proposed A465 Link Road in Hereford ("the Link Road Scheme") as shown in the plan attached at Appendix 2 (subject to any final amendments of the said plan the Director for Places and Communities considers necessary);**
- (c) the Deputy Chief Executive be authorised, in consultation with the Director for Places and Communities to implement the Orders, including the acquisition of all necessary land and interests and new rights, and to pay compensation including acquisitions agreed by negotiation and to carry out any other additional steps needed for the implementation of the Orders or scheme for the Link Road;**
- (d) the Director for Places and Communities be authorised to procure and let the construction contract, or contracts, for the Link Road and to take all necessary steps to proceed with the scheme implementation;**
- (e) in order to facilitate the delivery of the Urban Village Phase 1 changes to parking provision are agreed;**
- (f) the Chief Officer Finance and Commercial be authorised to market Council-owned land within the area of Merton Meadow and to dispose of the land required to support the delivery of Phase 1 of the Urban Village, subject to achieving value for money.**

## **6. Key Points Summary**

- The overall master planning for the regeneration of the area identified significant opportunities for the development of new market and affordable housing. Sanctuary Housing were selected as the preferred partner in July 2008. The development of the Link Road is critical to

achieving the delivery of the new housing and the broader regeneration aspirations for the area.

- It is estimated that in the region of 800 new housing units could be accommodated within the overall Urban Village elements of the regeneration area as well as provision of new public services, hotel accommodation and other commercial and leisure development and significant improvements in the quality of the public realm and overall appearance and character of the area. The area of the proposed Urban Village Phase 1 includes the council owned land occupied by Merton Meadow Car Park and adjoining privately owned or rented properties bordered by Edgar Street to the west and Widemarsh Street to the east. Realisation of the Urban Village will make a significant contribution towards the delivery of key strategic housing objectives for the county and comprise a significant element of the overall regeneration plans for the city.
- One or more planning applications for the first phases of redevelopment are expected spring 2013 relating to the provision of Phase 1 housing to be accessed from the proposed new link road. There is a requirement to provide additional road capacity to improve movements around the city and to provide access to development plots within the regeneration area.
- Proposals are also emerging for the redevelopment of the West Mercia Police Authority land to the east of Widemarsh Street, which will front and be served by the new Link Road.
- Planning permission for the Link Road was granted in March 2010. There is a requirement for a compulsory purchase order (CPO) and a side roads order (SRO) to enable the scheme and the regeneration of the adjacent sites for the redevelopment to be secured.
- The Link Road is designed to take significant volumes of traffic from the heavily trafficked inner ring road – and so enable Newmarket and Blueschool Streets to be upgraded for easier pedestrian access, reinforcing a whole city shopping experience and achieving reduction in through traffic that would be transferred to the Link Road.
- Negotiations with landowners and businesses have been ongoing for a number of years to acquire the necessary land, property, and access rights to deliver the Link Road; however a Compulsory Purchase Order is now required to provide certainty of delivery.
- 12 businesses will either be substantially affected by the impact of this CPO to the point that the business will need to relocate or close; support is being offered to assist those businesses affected.

## **7. Alternative Options**

### **Land negotiations continue without proceeding with a CPO process**

- 7.1 Under this alternative, acquisition of the necessary land and interests and new rights are concluded by a negotiated agreement and a CPO process is not initiated.
- 7.2 Negotiations are currently ongoing between Herefordshire Council and the various landowners and businesses with interests in and associations with the land and new rights needed for the Link Road and first phase of urban village redevelopment. It is considered feasible that at some future point a negotiated agreement could be reached in respect of some of the land, interests and new rights required, although there may be adverse implications from a cost and timescale perspective and it may be that not all the required land can be secured this way. Such delays would have a significant, adverse impact upon the Council's ability to attract investment into the regeneration area, undermine confidence and the momentum established

in the area.

- 7.3 The alternative option is therefore to continue to pursue negotiated agreement rather than promote a Compulsory Purchase Order (CPO) and bear the risks of delays in implementation and additional costs
- 7.4 A Side Roads Order (SRO) would still be required for the construction of new highways, improvement of highways, stopping up of highways, stopping up of private means of access and creation of new means of access to premises.

#### **Advantages of negotiated agreement**

- 7.5 A negotiated agreement would negate the need to make a CPO and the possibility of holding a CPO Public Inquiry.

#### **Disadvantages of negotiated agreement**

- 7.6 Disadvantages include:
- There would be no certainty over timescales for conclusion of an agreement.
  - There would be no certainty of reaching an agreement and being able to acquire the required land, property and access rights.
  - There would be an associated risk of cost increases to facilitate a negotiated conclusion.
  - It would also be difficult to deliver a comprehensive redevelopment of the area due to the uncertainty over the timescale and cost of assembling land to deliver plots appropriate to enable delivery of the Council's policy of the area.
- 7.7 Such uncertainties would make it difficult to engage successfully with private developers, who have the potential to bring significant resources to bear in support of achieving the regeneration of the adjoining land.
- 7.8 This alternative option is not recommended for the reasons listed above at paragraph 7.6 although, in line with the guidance set out in ODPM Circular 06/2004, the council will continue to try and negotiate the acquisition of the necessary land and rights by agreement if the Order is made.

#### **Merton Meadow**

- 7.9 The council could determine not to dispose of the land at Merton Meadow in support of delivering Phase 1 of the Urban Village at this time. However, this approach would significantly delay the development of a significant proportion of market and affordable homes planned for the Urban Village and would result in Sanctuary Housing Group, as development partner for the affordable housing, being unable to draw down approximately £1.2m of affordable housing grant awarded by the Homes and Communities Agency in support of the Urban Village Phase 1 development. Not proceeding with the Urban Village development could have the effect of jeopardising the securing of CPO powers for the link road.

## **8. Reasons for Recommendations**

- 8.1 The delivery of the Urban Village development is a strategic priority for the Council in responding to the current and future housing needs of Herefordshire and is highlighted within

the Housing Strategy 2012-15 and the Herefordshire Local Investment Plan 2011 – 2026 agreed with the Homes and Communities Agency. It is estimated that up to 800 new housing units could be accommodated within the overall Urban Village, and that 35% will be classified for affordable use.

- 8.2 To deliver the redevelopment of the regeneration area, infrastructure enabling works are required including the construction of the Link Road. Large parts of the area are currently inaccessible by car or even on foot, with many dead ends, few landmarks and major physical barriers. The Link Road will provide access to land for mixed uses including housing, employment uses, leisure, retail units, tourism, civic and community uses together with associated public access and public realm, car parking, other new highways and other associated infrastructure, drainage, flood alleviation and associated works which will improve the city's vitality and promote economic growth, as well as delivering a range of other benefits for pedestrians, cyclists and public transport links.
- 8.3 The Link Road will create a new east / west highways connection through the city and is designed to take significant volumes of traffic from the heavily trafficked inner ring road – and so enable Newmarket and Blueschool Streets to be upgraded for easier pedestrian access within an improved realm and reduction in through traffic that would be transferred to the Link Road. The Link Road and associated new development plots will also enable residual flood risk within the area to be mitigated. The planned improvements to Newmarket and Blueschool Streets enabled by the Link Road will significantly improve the prospects for further investment in the areas flanked by these streets, contributing to the regeneration of the city.
- 8.4 On 14 June 2012 Cabinet authorised the Chief Officer Finance and Commercial, in consultation with the Director for Places and Communities, to proceed with acquisitions through negotiations with the possible affected landowners as regards the acquisition of all necessary land interests. The council is currently negotiating the acquisition of land, easements, rights over land, and rights of access by agreement to enable the Link Road works to progress and agreement with some landowners has already been reached. However the negotiations have been inconclusive to date in acquiring all the required interests and it is necessary for the council to use its powers of Compulsory Purchase to enable the council to acquire the land and interests needed to deliver the Link Road needed for the scheme and to enable the redevelopment of plots to come forward to meet with the aspirations of partners and landowners.
- 8.5 To enable the construction of the Link Road 12 businesses will be required to relocate from within the area, and a number of others will need to change the way they operate from their premises in order to continue trading. In addition other businesses will be required to relocate in order to deliver the comprehensive redevelopment of this area as set out in the Councils planning policy. In the first phase of redevelopment it is anticipated that 3 businesses will need to relocate. Further relocations will be required which may give rise to further CPOs in the future although approval is not being sought at this stage. A Business relocation strategy has been developed to support all affected businesses.
- 8.6 The Side Roads Order (SRO), which will be made under Sections 14 and 125 of the Highways Act 1980, provides for the stopping up and improvement of particular side roads which connect with the proposed A465 Link Road in Hereford and for the construction of new highways and for the stopping up of private means of access to premises and the provision of new means of access to them.
- 8.7 Negotiated disposal of council-owned land at Merton Meadow should enable, subject to planning consent, the delivery of Phase 1 of the Urban Village, including up to 60 affordable homes.

- 8.8 Disposal of Merton Meadow for housing development would lead to the displacement of commuter and short stay parking currently available. It is therefore appropriate that Cabinet gives consideration to possible approaches to mitigating the impacts of any reduction.

## **9. Introduction and Background**

- 9.1 The Urban Village is a major component of the overall regeneration project with the new retail quarter under development and potential identified for complementary development across the overall masterplan area. The redevelopment of the area will open up land for residential development and it is estimated that up to 800 housing units could be brought forward as a result. It is expected that Policy H9 of the UDP – Affordable Housing will apply to the residential developments and consequently 35% of units will be classified for affordable use. Consequently it is estimated that up to 280 units will be of an affordable nature with the overall Urban Village development making a significant contribution towards meeting Herefordshire's overall housing needs and in addressing the strategic housing priorities for the council.
- 9.2 Cabinet agreed to the appointment of Sanctuary Housing Group as the preferred development partner on 10 July 2008 and authorised detailed negotiations to commence prior to consideration of a formal development agreement. The severe economic downturn and the associated impact on the housing market has contributed towards disappointingly slow progress in reaching a position whereby a viable planning application, in outline, could be approved for submission and an associated Development Agreement entered into. However, Sanctuary Housing Group is currently in the process of finalising plans to submit a planning application for Phase 1 of housing development within the Urban Village. The proposals are to locate Phase 1 development within the area currently comprising Merton Meadow Car Park along with adjoining land fronting Edgar Street and Widemarsh Street
- 9.3 The implementation of the regeneration scheme, incorporating any Phase 1 development, will require substantial preliminary infrastructure, including the Link Road, needed to open up land for development and to take traffic from an upgraded inner ring road. The Link Road will provide access to land for mixed uses including housing, employment uses, leisure, retail units, tourism, civic and community uses together with associated public access and public realm, car parking, other new highways and other associated infrastructure, drainage, flood alleviation and associated works.
- 9.4 Herefordshire Council, in consultation with the Highways Agency and transportation planners have fully appraised the preferred route of the Link Road. The Link Road is an 850m long, single carriageway route. As its name suggests, it serves to make new links within Hereford's road network. The Link Road will offer new or improved connections with Widemarsh Street, Blackfriars Street, Station Approach and Canal Road. A map of the Link Road line can be seen at Appendix 3.
- 9.5 The southern part of the regeneration area is separated from the city centre by the busy dual carriageway inner ring road (Newmarket and Blueschool Streets). The Link Road is designed to take significant volumes of traffic from the heavily trafficked inner ring road – and so enable Newmarket and Blueschool Streets to be upgraded for easier pedestrian between the new and improved areas of public realm and reduction in through traffic that would be transferred to the Link Road. By removing existing barriers and improving access, the expansion of the city centre northwards, into the regeneration area, will be enabled. The link road will also facilitate the redevelopment of key sites along the link road corridor, included in the CPO, for the Urban Village and other redevelopment proposals.
- 9.6 The completion of the Yazor Brook Flood Alleviation scheme has reduced the flood risk of the regeneration area. The construction of the Link Road and associated land areas will create

opportunities to achieve further flood mitigation measures across the regeneration area.

- 9.7 The council is negotiating with the appropriate landowners and businesses for the necessary land, property and rights needed for the Link Road. However in order to guarantee the acquisition of the land, and rights and to secure timescales it is necessary to seek authorisation to make a Compulsory Purchase Order (CPO), to be made in tandem with the present negotiations so that the CPO powers can be exercised if there is any failure to reach agreement on the acquisition of any of the required land, and rights. A map showing the extent of the CPO boundary can be seen at Appendix 1.
- 9.8 The Side Roads Order (SRO), which will be made under Sections 14 and 125 of the Highways Act 1980, provides for the stopping up and improvement of particular side roads which connect with the proposed A465 Link Road in Hereford and for the construction of new highways and for the stopping up of private means of access to premises and the provision of new means of access to them. The SRO, if confirmed by the Secretary of State for Transport, would enable the construction of the Link Road Scheme and other necessary and associated works generally between the Edgar Street to the west and Commercial Road to the east. The Side Roads Order map can be seen at Appendix 2.

## **10. Key Considerations**

- 10.1. Together with other on-site measures, the construction of the Link Road will facilitate the redevelopment of land within the regeneration area and take traffic away from a redesigned inner ring road.
- 10.2 The southern part of the regeneration area is separated from the city centre by the busy dual carriageway inner ring road (Newmarket and Blueschool Streets). The Link Road is designed to take significant volumes of traffic from the heavily trafficked inner ring road – and so enable Newmarket and Blueschool Streets to be upgraded for easier pedestrian movement and reduction in through traffic that would be transferred to the Link Road. The Link Road will facilitate the redevelopment of certain key sites included in the CPO along the link road corridor.
- 10.3 Planning consent for the Link Road was gained in March 2010; this approved the entire line of the Link Road from Edgar Street to Commercial Road in addition to all necessary junction works and side roads.
- 10.4 In March 2012 Council approved the Capital Programme which included the funding required for the implementation of the Link Road project.
- 10.5 In June 2012 the council reconfirmed its approval in principle to the making of a CPO and authorised the officers to conclude where possible the acquisition of land interests by negotiation. Since this time one of the principal plots previously occupied by Rockfield DIY required to enable construction of the Link Road has been acquired.
- 10.6 The council has been in negotiation with the owners of the land and businesses affected by the line of the Link Road for the acquisition of land, rights and easements needed for the construction of the Link Road. However the negotiations with some of the landowners have been inconclusive and there is the possibility of them becoming protracted. Any delay over the acquisition of the necessary land and rights will subsequently delay the construction of the Link Road, and the wider redevelopment within the regeneration area.
- 10.7 If the council agrees the use of its powers of compulsory acquisition, this will not preclude the council from continuing to try to acquire the necessary rights by agreement. This report therefore asks for approval to make a CPO for the Edgar Street Link Road whilst continuing

with efforts to acquire by agreement the land, business interests and rights needed to carry out the Link Road works.

- 10.8 Failure to agree the recommendations of this report is likely to have implications for the implementation of the wider redevelopment proposals and the Urban Village development in particular. As noted above, without a CPO, there exists no certainty regarding the timescales for negotiating the acquisition of the land, business interests, and rights necessary to progress the scheme. Also without the SRO the council would not be able to make the changes to side roads and private means of access to be authorised by it.
- 10.9 If Cabinet agrees to the making of the SRO, this will facilitate the link road also by authorising the associated changes required to side roads including the construction of new highways, improvement of existing highways, and for the stopping up of private means of access to premises and the provision of new means of access to them.
- 10.10 The latest proposals for Phase 1 of Urban Village locates housing development on land to the north of the Retail Quarter and extending from Edgar Street in the west to Widemarsh Street in the east. Longer term aspirations for the Urban Village also include the development of other individual sites located throughout the Edgar Street Grid regeneration area. Officers are actively discussing a number of those individual plots/sites for development in tandem with the initial phase of the larger site.
- 10.11 Sanctuary Housing Group submitted a bid to the Homes and Communities Agency for funding for affordable housing development in Herefordshire for the 2011 – 2015 bidding round and was awarded grant funding which included potential to support initial phases of development within Edgar Street Grid based upon provisional estimates of 50 affordable units. This funding has been awarded with grant conditions requiring that grant-funded dwellings have to be completed by 31 March 2015, therefore it is essential that associated planning and related permissions are secured to enable a start on site in winter 2013 at the latest.
- 10.12 It is important to note, however, that due to the nature of the 2011 – 2015 HCA bidding round, the level of grant funding to be applied specifically to the Hereford Urban Village is not specified within the HCA bidding announcement and will be subject to negotiations between Sanctuary and the HCA having regard to their regional development programme. However, as a benchmark, grant levels are likely to be in the region of only £15k to £23k per unit with Sanctuary's preliminary indications suggesting an allocation in the region of £1.2m towards the Urban Village Phase 1.
- 10.13 Pre-application discussions have commenced between Sanctuary and the local authority on the basis of the draft scheme proposals which would result in the majority of the Merton Meadow Car Park being developed for housing in conjunction with several adjoining commercial properties occupying parcels of land bordering Merton Meadow. It is hoped to acquire these properties through negotiation, however, if this is not possible they will be included in the Link Road CPO, to ensure phase 1 of the Urban Village delivers a comprehensive development.
- 10.14 Development of Phase 1 of the Urban Village could potentially start as early as autumn 2013 if all the land is assembled by negotiation or in early 2014 if CPO powers are required.
- 10.15 Current discussions centre on a scheme comprising between 100 and 150 units (subject to site constraints) of which 35% would be affordable.
- 10.16 Consideration is also being given to the potential for the development of Extra Care provision within the site, although due to the usual model for Extra Care developments comprising predominantly flats it is possible the impact would be to slightly increase the number of



dwellings developed in Phase 1 and agreement would need to be reached on the affordable composition of the scheme. Overall numbers inclusive of Extra Care could increase to between 150-180 units of which 35% would be affordable.

- 10.17 It is also worth noting that land to the southernmost point of the site, which comprises the Red Cross Building and the Furniture Importers fronting Blackfriars Street, is currently being marketed privately. Subject to any potential purchase and subsequent development proposals emerging it will be important to ensure that appropriate regard is given to ensuring the design and other factors are in harmony with the spatial plans for the area. However, as with Merton Meadow, depending on when development comes forward, build-out of this site will result in the loss of a public car park (in this case, privately owned and operated), giving greater weight to the need for alternative provision to be provided to support the vitality and viability of the city centre.
- 10.18 The principles for delivery are that prior to construction commencing, Merton Meadow will be sold by the council, to one or more house builders who will enter into negotiations to deliver the housing in partnership with Sanctuary.
- 10.19 The value achieved for the land will be dependent on a number of factors. The more that the proposed development can be de-risked, the higher the resultant land value. Therefore, it would be recommended that marketing of the site takes place once the planning application has been made by Sanctuary, as this will give potential bidders the highest confidence in terms of the viability of the scheme. However, due to the economic downturn and variation of dependencies associated with the delivery and viability of any Phase 1 options it will only be through marketing the site that the value of Merton Meadow site will be reliably understood.
- 10.20 An important consideration for the council in moving forwards with development of the Urban Village is the phased loss of Merton Meadow Car Park, potentially starting in autumn 2013 with the associated loss of parking provision and revenue risk, further analysed below.

### **Merton Meadow Car Park**

- 10.21 Merton Meadow car park is the largest car park in the county. Whilst it is not marked out, the capacity for survey purposes is assumed to be 763 spaces. It serves as the main commuter car park for Hereford. On an average weekday there are in the region of 600 cars parked in the car park. Surveys indicate that around 450 of these are commuters.
- 10.22 The car park is adjacent to Hereford United Football Club and serves as the car park of choice for supporters attending home football matches.
- 10.23 Additionally, on occasions, up to 15 lorries park up overnight on this car park. There are no other council owned car parks in the city centre suitable for overnight lorry parking, however there is no requirement to provide for such parking. Tourist coaches occasionally use the parking facilities during the day, but the number is low. The preferred coach parking location is St Martins where four designated bays are provided. There is no indication that this number is inadequate.
- 10.24 Within this context, whilst the development of Merton Meadow presents opportunities to better influence parking behaviour and reduce congestion, there are associated risks, specifically ensuring sufficient supply for the current demand of around 450 long stay users.
- 10.25 Replacement car parking will be achieved by utilising existing capacity in council owned and privately owned public car parks, but will also require the development of new, potentially temporary, parking areas during this time period.

- 10.26 The development of the car parking strategy has identified that there is sufficient existing spare capacity in other city car parks to absorb the displacement of short stay parkers from Merton Meadow. It is assumed that anticipated growth in demand for short stay parking when the Retail Quarter opens in Spring 2014 will be 'future-proofed' by the additional parking being provided as a part of that development.
- 10.27 There is limited availability of suitably located land upon which to deliver replacement commuter car parking. As with short stay parking, spare capacity in existing council owned and private public car parks contribute to meeting a proportion of the displaced commuter parking demand off Merton Meadow car park. However, surplus demand and anticipated growth in demand mean that it is desirable to also provide some additional parking.
- 10.28 On this assumption the impact of early and full development of Phase 1 of the Urban Village on Merton Meadow, i.e. prior to April 2014, and associated mitigation, is shown in Appendix 4.
- 10.29 The likely phasing of development associated with Merton Meadow suggests a high likelihood of being able to retain some parking through to the opening of the Retail Quarter. Assuming 240 parking spaces are retained until this point, the impact and associated mitigation is shown in Appendix 4.
- 10.30 With reference to Appendix 4 the figures in the final 'Surplus or Deficit' column allow for a greater than predicted growth in demand over the medium term, build in a 10% 'cushion' to minimise search times, and take account of the greater uncertainty over the availability of private car parking spaces. Excluding these considerations indicate an adequate parking supply in both development scenarios.
- 10.31 Based upon the above considerations the modelling in Appendix 4 offers acceptable parking supply should the development proceed.

## **11. Community Impact**

- 11.1 The regeneration scheme and associated Link Road are in line with the priorities set out within the Councils corporate plan and will ensure the vision set out can be achieved. The scheme supports economic growth and connectivity. It will provide good quality housing and will lead to an improvement in quality of the built environment.
- 11.2 The southern part of the regeneration area is separated from the city centre by the busy dual carriageway inner ring road (Newmarket and Blueschool Streets). The Link Road is designed to take significant volumes of traffic from the heavily trafficked inner ring road – and so enable Newmarket and Blueschool Streets to be upgraded for easier pedestrian movement and reduction in through traffic that would be transferred to the Link Road. By removing existing barriers and improving access, the expansion of the city centre northwards, into the regeneration area, will be enabled.
- 11.3 The redevelopment of the area will open up land for residential redevelopment, it is estimated that in the region of 800 new housing units could be accommodated within this allocation. It is expected that Policy H9 of the UDP – Affordable Housing will apply to the residential developments and consequently 35% of units will be classified for affordable use. Consequently it is estimated that between 280 and 350 units will be of an affordable nature and will contribute to tackling the distinct shortage of affordable housing which is impacting upon Herefordshire's communities.
- 11.4 The construction of the Link Road will require 12 businesses to relocate from within the area, a further 4 businesses are directly affected by the construction but will not be required to relocate. Each of these businesses are being encouraged to enter into negotiations with

Herefordshire Council prior to acquisition and/or CPO.

- 11.5 Statutory compensation is being offered to those businesses affected. Details of suitable alternative business units and sites are being sent to all businesses, and a series of meetings between individual businesses and council officers is in the process of being planned. A Business relocation strategy has been developed to support affected businesses. There are no residential properties which are being wholly acquired.
- 11.6 As a part of the statutory planning process, and as part of the wider community engagement process, there has been considerable community consultation over the Link Road and its route. Sanctuary Housing Group will also be engaging in comprehensive community engagement in taking forward the planning application and any subsequent development.

## **12. Equality and Human Rights**

- 12.1 This report and recommendations do pay due regard to the Council's public sector equality duty:

Under Section 149, the "General Duty" on public authorities is set out thus:

"A public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

The Equalities and Diversity team have been consulted on this report; it is considered that there is no negative impact on the Protected Characteristics identified in the Equalities Act 2010.

- 12.2 The council is of the view that in pursuing these Orders, it has carefully considered the balance to be struck between individual rights and the wider public interest. Any interference with Convention rights, if there is any, is considered to be justified in order to secure the economic, social, physical and environmental regeneration that the scheme will bring. Appropriate compensation will be available to those entitled to claim it under the relevant provisions of the relevant statutory provisions. For those parties who are prepared to negotiate settlements in advance of a CPO then the terms of that agreement will be under as per the relevant statutory powers so as such parties should not be financially penalised in reaching agreement by negotiation.
- 12.3 The council considers that there is a compelling case in the public interest for confirmation of the Orders and that the Orders, if confirmed, would strike an appropriate balance between public and private interests. The rights of owners of interests in the Order lands under the Human Rights Act 1998, in particular the rights contained in Article 8 and Article 1 of the First Protocol, have been taken into account by the council when considering whether to make the Orders and when considering the extent of the interests to be comprised in the Orders. In addition, having regard to the provisions of the 1990 Act and the guidance set out in Circular 06/2004, the council considers that the Order Land is both suitable for and will facilitate the carrying out of development, redevelopment and improvement and will make a positive contribution in the promotion or achievement of the economic, social and environmental wellbeing of its area for the reasons explained in this report.

- 12.4 The creation of affordable housing should assist in meeting identified housing need thereby reducing the inequalities implied in our area where housing need outweighs available supply.

### **13. Financial Implications**

- 13.1 In March 2012 Council approved the Capital Programme which included a budget for the funding of the Link Road project. The council has set a budget of £27m for underwriting the delivery of the scheme. This is to be funded through a combination of capital receipts from the sale of council owned land which will come forward for redevelopment as a result of the Link Road and borrowing as part of the Council's agreed Capital Programme repaid over a 25 year period.
- 13.2 Third party contributions will be sought wherever considered feasible and / or financially viable; in particular consideration will be given to securing Government and European grant funding. At this stage it is impossible to determine whether the council would be successful in either identifying or bidding for appropriate grant funding, or what amount any grant intervention may contribute. However the Council has recently submitted a comprehensive application to the Department for Transport for funding for the scheme from its Local Authority Pinch Point fund.
- 13.3 Cabinet should be aware that from the point of the council's resolution to invoke the CPO Order the council is at risk of eligible property owners / owners submitting Blight Notices. An assessment of the potential risk of Blight Notices has been undertaken and the conclusion is that while there are a number of owners/occupiers that may serve a Notice the chances of them doing so is low and even if a Notice was served and upheld the cost is included for within the project budget with the exception of three Urban Village Phase 1 plots. It is proposed that these plots should be included within the Phase 1 site to be offered to the market with developers being invited to bid for the Council's land along with the obligation that the developer is responsible for funding the acquisition of these plots. This approach is commonly utilised in the delivery of regeneration proposals such as these as inclusion of the plots is highly desirable to ensure the comprehensive development of Phase 1 of the Village.
- 13.4 It is proposed that the marketing of land at Merton Meadow, in ownership of the council, is commenced following the submission of the planning application in respect of Phase 1 housing development proposals. Subject to the receipt of any conditional offers the report seeks delegated authority for the Chief Officer Finance and Commercial to negotiate any disposal of Merton Meadow in support of the delivery of Phase 1 of the Urban Village.
- 13.5 It is difficult to accurately predict the impact the development of Merton Meadow will have on overall council car park revenue as parking behaviours post the development are unknown. The re-supply of some parking at Station Approach and at Bath Street, use of capacity in existing car parks, and an increased parking charge for commuter parking will mitigate against this, but inevitably a proportion of those currently using Merton Meadow car park will park in private car parks, some in free 'park and share/cycle' sites, and some on street. There may be a resultant pressure on the budget which will have to be monitored and considered within the context of car parking provision and charging strategies. Estimated capital costs for each replacement parking option are highlighted in Appendix 4 and should be considered in the context of enabling significant housing delivery to help meet the housing needs evident in the county. These broader community benefits will need to be value for money considerations at the point of assessing any bids received for the land at Merton Meadow.

### **14. Legal Implications**

- 14.1 If a CPO is made and confirmed, compensation is payable to affected landowners and business owners in accordance with the relevant statutory provisions. Compensation is also

payable arising from the stopping up of a private means of access under the Side Roads Order if any party with any interest in the premises suffers loss in consequence of the depreciation in value or by being disturbed in his enjoyment of his premises.

- 14.2 Specialist CPO and SRO legal advice is being provided by Pinsent Masons LLP in addition to the internal Herefordshire Council Legal Team. Pinsents have provided detailed legal advice on a number of aspects of the overall scheme and are fully conversant with the projects aims and aspirations.
- 14.3 Once the CPO has been confirmed this will be registered as a Local Land Charge and will appear on landowners' property titles.
- 14.4 The delivery of the Urban Village Phase 1 and any subsequent phases would be subject to a Development Agreement between the council and any development partner/s.

## **15. Risk Management**

- 15.1 If the recommendation of this report is agreed the main risk to the council is that the CPO and Side Roads Order are not confirmed by the Secretary of State. The implications of this are that there would be no certainty that the Link Road scheme could be implemented, potentially having an adverse effect on the timings and implementation of the wider regeneration proposals, as they currently stand. The above risk will be mitigated by continuing negotiations with landowners and other parties affected by the orders and continuing with suitable professional guidance and advice, including appropriate legal representation at any Inquiry.
- 15.2 Should the recommendation of this report be declined, the risk to the council is that the land and rights needed for the scheme will not be securable by negotiation within a suitable time frame and/or cost, leading to a potential adverse effect on the timings and implementation of the wider regeneration proposals, as they currently stand. The above risk could be mitigated if the Council were prepared, and able, to extend the timescales for the implementation of the current proposals, and / or were able to meet any increase in costs incurred as a result of a wholly negotiated process.
- 15.3 The conditions imposed by the Homes and Communities Agency on affordable housing grants awarded under the 2011 – 2015 bidding round mean that Sanctuary Housing group must complete the affordable housing element of Phase 1 by 31<sup>st</sup> March 2015. This means that development will need to commence no later than winter 2013 if there is to be any realistic expectation of Sanctuary Housing Group being able to draw down HCA grant in support of the scheme. It is therefore important that the Council makes a prompt decision surrounding the disposal of Merton Meadow in order to support the delivery of Phase 1 of the Urban Village.
- 15.4 With regard to the replacement parking proposals Appendix 4 only indicates a deficit of spaces when a 10% cushion is applied to predictions and it is assumed that all of Merton Meadow is developed at the same time.
- 15.5 In respect of the replacement parking at Station Approach, the traffic assessment in respect of this location indicates that whilst it is not anticipated that the provision of additional car parking will impact upon highway safety, the additional traffic entering and leaving the area at peak times will result in queuing at the various junctions. The greater the number of spaces created the greater the queuing implications. This may affect any planning application and further work to understand the implications of the Traffic Assessment is being carried out. The works at the junction associated with the Link Road are likely to improve this situation.

## **16. Consultees**

16.1 Hereford Futures

## **17. Appendices**

Appendix 1 - Draft CPO Plan showing land and rights to be acquired

Appendix 2 - Draft SRO Plan

Appendix 3 - Link Road Layout Plan

Appendix 4 - Timeline – Incremental Development

## **18. Background Papers**

None identified.