

**To:** Cabinet  
**Date:** 16 October 2024  
**Report of:** Executive Director (Development)  
**Title of Report:** Blackbird Leys Development Project – Compulsory Purchase Order

| <b>Summary and recommendations</b>                 |   |
|--|---|
| <b>Purpose of report:</b>                          | To seek approval to utilise the Council’s Compulsory Purchase powers to support the acquisition of properties required for Phase 2 of the Blackbird Leys Development Project.   |
| <b>Key decision:</b>                               |   |
| <b>Cabinet Members:</b>                            | Cllr Edward Turner, Deputy Leader and Cabinet Member for Finance and Asset Management<br><br>Cllr Linda Smith, Cabinet Member for Housing and Communities   |
| <b>Corporate Priority:</b>                         | Meeting Housing Need; Strong & Active Communities   |
| <b>Policy Framework:</b>                           | The Oxford Local Plan 2016- 2036, including: <ul style="list-style-type: none"> <li>• A pleasant place to live, delivering housing with a mixed and balanced community (Policy H1 – H16);</li> <li>• Making wise use of our resources and securing a good quality local environment (Policy RE1 – RE9);</li> <li>• Ensuring efficient movement into and around the city (Policy M1 – M5);</li> <li>• Providing communities with facilities and services and ensuring Oxford is a vibrant and enjoyable city to live in and visit (Policy V4 , V6, V7);</li> <li>• Areas of Change and Site Allocations including Policy AOC3, SP4, SP15.</li> </ul> |
| <b>Recommendation(s):That Cabinet resolves to:</b> |   |
| 1.   | Authorise the use by the Council of its Compulsory Purchase Order (CPO) making powers pursuant to Section 226(1) of the Town and Country Planning Act 1990 for the acquisition of the land and [section 13 of the Local   |

|    |   |
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|    | Government (Miscellaneous Provisions) Act 1976 for the acquisition of new rights over land] shown outlined in red on the plan attached as Appendix 1.   |
| 2. | <p>Delegate authority to the Executive Director of Development in consultation with the Cabinet Member for Finance and Asset Management and the Cabinet Member for Homes and Communities:</p> <ol style="list-style-type: none"> <li>a. to take all necessary steps to secure the making, seeking confirmation and implementation of a CPO under section 226(1) of the Town and Country Planning Act 1990 including the publication and service of all notices and presentation of the Council’s case at any public inquiry following the making of the Compulsory Purchase Order for the land shown on the plan attached as Appendix 1. To agree in principle to the use of the Council’s compulsory purchase order powers pursuant to section 226(1) (a) of the Town and Country Planning Act 1990 to acquire third party rights and interests subject to detailed land referencing exercise, in order to facilitate the Blackbird Leys Development Project</li> <li>b. approve and enter agreements with landowners 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 and/or making arrangements for the relocation of occupiers</li> <li>c. to agree the terms and any documentation required to settle any property matters necessary to progress the regeneration scheme</li> </ol> |

| <b>Appendices</b> |  |
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| Appendix 1        | Red-line plan of the Phase 2 land                  |
| Appendix 2        | Risk Register                                      |
| Appendix 3        | Benefits of the Blackbird Leys Regeneration Scheme |

## **PURPOSE OF REPORT**

1. This report seeks approval for the commencement of the compulsory purchase order (CPO) process to facilitate the acquisition of properties required to enable the construction of Phase 2 of the Blackbird Leys Development Project. The CPO powers would only be utilised in the event that the properties required cannot be purchased by agreement between the Council and the existing owners.

## **INTRODUCTION AND BACKGROUND**

2. Blackbird Leys District Centre and Knights Road were identified as a comprehensive regeneration sites in the Oxford City Council Sites and Housing Plan (2013) and reaffirmed in the Oxford Local Plan 2036. The District Centre is located at the centre of the 1960s estate with major employment sites to the North,

an industrial park to the North East, a science park to the South West and the Kassam Stadium to the South.

3. The Leys has some of the most deprived areas in the country, with the 2019 Indices of Deprivation (IMD2019), demonstrating that 3 out of the 4 LSOAs within Blackbird Leys rank amongst the 20% most deprived within England, and amongst the 10% most deprived in terms of Education, Skills, and Training. Furthermore, according to End Child Poverty estimates for 2017/18, Blackbird Leys ranks as the Oxford city ward with the highest incidence of children living in poverty (after housing costs).
4. OCC and its development partner, Peabody, worked together to develop the Blackbird Leys masterplan, focusing on layout, housing mix (including tenure and type), phasing and viability. Planning consent for the development was granted on 25 October 2023.
5. The proposals for the District Centre and Knights Road sites are considered as a masterplan, looking to promote a holistic approach to place-making across Blackbird Leys. The proposals seek to integrate a new high-density residential-led mixed use development into a changing context, within an established and engaged local community. The scheme will be delivered in phases, with Phase 1 including the Knights Road site and most of the District Centre. Phase 2 is the redevelopment of an existing block of retail units and flats above.
6. The Blackbird Leys mixed use development will provide a total of 294 residential units as a mixture of 1, 2 and 3 bedroom apartments and 2 and 3 bedroom houses spread across both sites. This represents a density of circa 95 dwellings per hectare at the District Centre and 38 dwellings per hectare at the Knights Road site. 100% of the homes are affordable, provided as a mixture of 174 (59%) for Social Rented and 120 (41%) for Shared Ownership. As well as housing, the scheme will provide improved public realm focusing on well-being and sustainability with the inclusion of sustainable drainage systems (SuDS), biodiversity-led landscaping and play space, as well as retail space, that allows for the relocation of existing retail units located within the scheme's boundary, and a new community centre.
7. Oxford City Council (OCC) owns land in the Blackbird Leys District Centre and Knights Road and proposes to redevelop the site as part of the Blackbird Leys Regeneration Masterplan. The residential-led, mixed-use development will provide housing, retail, and community accommodation across two sites.
8. The Knights Road site has been allocated as a development site in OCC's 2016-2036 Local Plan, which was adopted in 2020.
9. According to the 2036 Local plan:

'The site comprises some poor quality open space. It is adjacent to Spindleberry Nature Park and the Kassam Stadium. The site was also allocated for development in the Sites and Housing Plan 2011-2026.'

'The site is suitable for residential use. Development should enhance the quality and safety of the area. The relationship between new development and remaining green areas, particularly Spindleberry Park should be carefully considered. More vulnerable development will be expected to be directed away from Flood Zone 3b.'

The site does not have any biodiversity protections, but the ecological value of the site must be assessed as part of a planning application and any harm avoided, mitigated or compensated for.'

10. In October 2017, OCC undertook an OJEU compliant 'Competitive Dialogue' process, which ultimately led to the appointment of Catalyst Housing Limited (CHL) as the development partner for the Blackbird Leys Estate Regeneration project.
11. Given the relative low land and property values in the area the project has always had significant viability issues. Initial proposals from all bidders were based upon an indicative masterplan produced for the Council by Levitt Bernstein and which the Council's consultants CBRE had assessed as having a deficit or negative land value. Tenders were scored on a 60% Qualitative and 40% Quantitative (financial) basis. The selection of CHL, as the preferred development partner, was recommended after evaluation by Council advisers CBRE and a team of Council Officers.
12. It was agreed to proceed with CHL on the understanding that the Development Agreement would allow for a stage where proposals would be developed to close the viability gap before moving forward to detailed design and planning.
13. On 18 September 2018, the then City Executive Board (CEB) delegated authority to the Regeneration and Economy Programme Director and the Head of Law and Governance, to finalise and enter into a Development Agreement with the CHL. It also delegated authority to the Regeneration and Economy Programme Director and the Head of Law and Governance, to agree external grant funding arrangements to support this project. The Development Agreement was agreed in May 2018.
14. The Development Agreement sets out how the project is to be bought forward through a series of Gateways, where at key stages the schemes' viability is tested and agreed by both parties. In 2022, Peabody Housing Association (PHA) merged with CHL and became Peabody in April 2023, who are continuing the development partnership on the Blackbird Leys regeneration project.
15. Since signing the Development Agreement in 2018, OCC officers have been working with development partners to achieve scheme efficiencies to close the viability gap, through Stages 1 and 2. The scheme continues to have considerable viability issues, and as such, Stage 2 viability work is ongoing.
16. Planning consent for the development was granted on 25 October 2023.
17. A Deed of Variation to the Development Agreement and other property agreements between OCC and PHA were completed in December 2023.
18. Work was commenced by contractors for PHA on all three of the Phase 1 sites in January 2024.

## **RATIONALE FOR USING COMPULSORY PURCHASE POWERS**

19. The delivery of Phase 2 will deliver more homes and provide wider environmental improvements to the District Centre. In order to progress Phase 2 of the Blackbird

Leys Development Project, OCC considers that obtaining vacant possession of the land that is required for Phase 2 may need to be supported with a Compulsory Purchase Order. The CPO would only be used as a backstop in the event that OCC failed to purchase the land required by negotiation at market prices with the permitted additional payments permitted when purchasing under CPO conditions.

20. The intent is to start the process to prepare a CPO for the compulsory acquisition of the properties required to obtain vacant possession of the Phase 2 land. If following completion of the preparatory work for the CPO it is considered a CPO will be required Cabinet will be requested to consider a further report authorising the making of the CPO.
21. The Council considers it necessary commence the process to prepare for a CPO to ensure that OCC is in the best position to ensure they can obtain vacant possession of the land required for the completion of Phase 2 of the Blackbird Leys Regeneration Project. Appendix 3 outlines some of the main benefits of the scheme.

## **LEGAL IMPLICATIONS**

22. Compulsory purchase orders should only be made where there is a compelling case in the public interest.
23. Under section 226(1)(a) of the Town and Country Planning Act 1990 a local authority may be authorised to compulsorily acquire any land in its area if the authority thinks that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This power must only be exercised by a local authority if the authority thinks that such development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objectives:
  24. the promotion or improvement of the economic well-being of their area;
  25. the promotion or improvement of the social well-being of their area;
  26. the promotion or improvement of the environmental well-being of their area.
27. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 enables a local authority to be authorised to create new rights over land. To the extent that it is practicable and appropriate in any individual case, the acquisition of new rights is to avoid or limit the extent of permanent land acquisition.
28. Under section 149 of Equality Act 2010 a local authority when exercising public functions must have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct is prohibited by or under the Act, (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
29. The purpose of this report is to authorise the taking of the preparation work required for the making of the CPO.

### **30. IMPACT ASSESSMENT**

31. The impact of the proposed decision to commence the process to utilise the Council's CPO powers is minimal. A separate decision on the substantive question as to whether to make the CPO will be covered in another Cabinet report. Another Cabinet report will be brought forward if it is considered that it is necessary to utilise the Council's CPO powers in order to obtain vacant possession of the land that is required to enable Phase 2 of the Blackbird Leys Regeneration Project.

#### **RISKS**

32. The main risk and the reason for the CPO possibly being required is that if vacant possession of the land required for Phase 2 is not obtained Phase 2 cannot be build out. This would result in new homes not being provided.

Refer to Appendix 2 for the risk register.

### **CONSULTATION AND STAKEHOLDER ENGAGEMENT**

33. Prior to making any decision to utilise the Council's CPO powers will attempt to purchase all of the required properties by negotiation at market prices with the addition of the permitted additional payments allowed when purchasing properties under CPO conditions.

34. An update on progress with the acquisition of properties required for Phase 2 will be included within any report that is needed in order to obtain authorisation for the making of the CPO.

#### **ALTERNATIVE OPTIONS**

35. Do nothing. This would result in no uplift in the number of homes being provided beyond those being provided in Phase 1.

### **FINANCIAL IMPLICATIONS**

36. The approved project budget includes a total amount of £2,922,780 for the payment of purchase costs, compensation, home loss, and disturbance.

37. The following activities will require internal resources:

38. Officer involvement to prepare the necessary reports including a Statement of Reason to support the CPO

39. Compilation of an Equalities Impact Assessment

40. Internal legal advice

41. There are also external costs which will be funded from the budget for this project:

42. Purchase costs

43. Compensation

44. Home Loss & Disturbance Payments

45. External legal advice to review the to review the draft Statement of Reasons and other required documentation for the CPO.

46. The allocated project budget is based on current cost estimates. If additional costs are incurred due to a legal challenge resulting in a public inquiry, or acquisition costs increase significantly, this budget will need to be reviewed and a formal request for any additional budget required will be submitted via the appropriate channels.

#### 47. NEXT STEPS

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| Cabinet Approval for to commence the CPO process                    | 14 October 2024             |
| Drafting of documentation required for the CPO                      | November 2024 to April 2025 |
| Report writing for cabinet approval                                 |                             |
| Cabinet Approval for Making the CPO (if it is considered necessary) | 30/06/2025                  |
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| <b>Report author</b>       | Bruce McRobie – Commercial Programme Surveyor                      |
| Service area or department | Corporate Property   |
| Telephone                  | 07485 396143   |
| e-mail                     | <a href="mailto:bmcrobie@oxford.gov.uk">bmcrobie@oxford.gov.uk</a> |

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| <b>Background Papers:</b> |
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