Compulsory Purchase Orders
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Major projects rely on CPO
Who, when, why?

Who?
• public bodies, statutory undertakers, executive agencies and health service bodies
• private companies – but only via TWAOs (1992) and DCOs (2008)

When?
• when there is a compelling case that the underlying scheme is in the public interest, likely to bring about social, economic and environmental benefits and is unlikely to be delivered within a reasonable timescale in the absence of CPO

Why?
• to ensure that development which is in the public interest does not get frustrated by private landowners?
• to set a timeframe for obtaining possession and for payment of compensation
Perceptions of Compulsory Purchase Orders
Draconian process that dates back to 1800s?
Start with the end in mind

The ‘Compelling Case in The Public Interest’ Test

• Key Issues for Compulsory Purchase

• What are the public benefits arising from the proposals?

• Essential question – will the public benefits associated with the proposals outweigh the interference with private rights?
Scope of project & team

• Preparation
• Scheme
• Timeframe
• Key landowners
• Project team
• Skills needed
• Importance of communication
Which power?

A range of compulsory purchase powers are available, including:

- Highways Act 1980
- Town & Country Planning Act 1990
- Housing Act 1985
- Planning Act 2008
- Others
Other powers

Provisions also available via:

- Gas Act 1986
- Electricity Act 1989
- Listed Buildings and Conservation Areas Act 1990
- Transport and Works Order Act 1992
- Hybrid Act of Parliament
Planning requirements

**Key Issues for Compulsory Purchase**

- Planning Framework to be as detailed as possible
- Planning permission need not be in place BUT
  - Needs to be a good reason why not
  - Helps with justification for land-take
  - Can it be available pre-inquiry?
- Planning policy backing important:
  - Supports scheme authority are promoting
  - Can be essential to resist non-compliant schemes
  - Important when it comes to compensation
Task 1 – Plotting CPO boundary

- Plan 1 – Council ownership
- Plan 2 – Masterplan
- Plan 3 – OS Base

- Plot the redline CPO boundary on the OS base to reflect the land requirements of the scheme
  (5 mins)

Over to you…
Establishing land take - masterplan
Establishing land take - impact
Establishing land take – what do we own
Establishing land take – considerations

• Importance of planning redline
• Severing land
• Acquisition or rights
• Permanent or temporary
• Minerals
• Accommodation works
• Facilitation of other development
• Appropriation
• Draft book of reference
• Draft Order Map
Approvals

Variety of Executive Board approvals usually required:

• use of CPO powers
• Statement of Reasons/Order Map
• budget
• acquisition of land
• appropriation of land
• proper consideration of human rights
• exempt reports?
Owners and Negotiation

- Early communication
  - provides information to assist with budgeting
  - can potentially assist with negotiations
  - undertake in parallel with CPO
  - saves time and limits objections
  - statutory duty
- Requisition for information
- Special category land?
- Finalise Book of Reference
Compensation - S5 of Land Compensation Act (1961)

- Equivalency and the ‘No-Scheme World’
- Duty to mitigate
- Heads of Compensation
  - Market Value
  - Loss payments
  - Disturbance
  - Injurious affection
  - Severance
  - Betterment
  - Part 1 Claims
Influence of planning on negotiation / value

• Certificate of Appropriate Alternative Development – Section 17 Land Compensation Act 1961
• Appeals via S18
• Localism Act (change)
• Ability to have broad (i.e. use class) or very perspective (i.e. scheme) CAAD
Task 2 – Certificate of Alternative Development

• Certificate of Alternative Development (CAAD)

• Scandinavian Hotel, Liverpool

• Liverpool City Council vs. Frenson Ltd

• Task: establish the scope of CAAD?

(5 mins)
Case Study: Ancoats

Before...
Case Study – Ancoats

The vision...
Case Study: Ancoats – the CPO

**Key Facts**

- Made in 2001
- Confirmed in 2002
- 20 hectares
- 197 plots
- Partly vested in 2002
- Remainder vested in 2005
- 600% land price inflation
- Budgets out of control
- Revised budget set in 2006!
- Initial £10 million budget
- Final spend circa £45 million
Order making

- Draft documents
- Technical checking
- Re-referencing land
- Submission for confirmation
- Publication
- Finalising documentation
Consultation and response

• Objection period
  • 21 days minimum from first publication

• Types of objection

• Negotiating to secure withdrawal

• S16 Acquisition of Land Act 1981 – statutory undertaker objections
Case Study - Aylesbury

The London Borough of Southwark (Aylesbury Estate Site 1B-1C) Compulsory Purchase Order 2014
Inquiry

• Cost and costs awards
• Conjoined inquiry?
Inquiry – giving evidence?

• 5 Top Tips:

1. Work out where you want evidence to lead and work backwards

2. Exhaust the whys, whats, hows – play Devil’s advocate

3. Know your evidence and documents

4. Be patient and give simple answers

5. Listen!
Confirmation & Implementation

Inspector’s report → Confirmation → Publication

Notice to Treat or GVD ← Implementation ← JR period
Reform is ongoing...?
Recent reform

- Compulsory purchase process and the Crichel Down Rules (Oct ‘15)

- Consultation on further reform of the compulsory purchase system (Mar ‘16)

- Housing and Planning Act (2016)

- Cities and Local Government Devolution Act 2016

- ...and more to follow....watch this space...
Thank You

Questions...?