

## MAYORAL RECOMMENDATION



ANFIELD & EVERTON WARDS  
PUBLIC

H/5

<p><b>Cabinet Member:</b> Councillor Ann O’Byrne Cabinet Member – Housing</p> <p>Councillor Malcolm Kennedy Cabinet Member – Regeneration</p>	<p><b>Director:</b> Nick Kavanagh Director – Regeneration &amp; Employment Services</p>
<p><b>Date of submission:</b> 25 October 2013</p>	<p><b>Subject:</b> “In Principle” Approval of Compulsory Purchase Powers for the Anfield Project</p>
<p><b>Report No./Background papers:</b> EDR/99/13</p>	<p><b>Contact Officer:</b> Mark Kitts Assistant Director</p>
<p><b>Executive Summary:</b></p> <p>This report seeks “in principle” approval for the Council to use its compulsory purchase powers (in particular powers under Section 226(1) (a) of the Town and Country Planning Act 1990 if required) to facilitate the Anfield Project (“the Project”).</p> <p>This approval is required to demonstrate support for land assembly in the Rockfield and Anfield Village neighbourhoods, parts of Walton Breck Road and the High Street corridor regeneration and the remaining property ownerships within the boundary of the Parks development area which, in turn, will enable Liverpool City Council (LCC), Your Housing Group (YHG) and Liverpool Football Club (LFC) to deliver the Project.</p> <p>LCC, LFC and YHG are working collaboratively to bring about comprehensive regeneration and considerable long-term benefits to residents and businesses based in the Anfield area of Liverpool and to improve the visitor experience. The Anfield Project includes the following key component projects;</p> <ul style="list-style-type: none"><li>• Anfield Village and Rockfield housing refurbishment projects;</li><li>• New build housing (being delivered by Keepmoat Plc);</li><li>• Walton Breck Road and the High Street corridor regeneration;</li><li>• A proposed Training Hotel;</li><li>• A proposed Business Hub;</li></ul>	

- New public space, 96 Avenue and Village Square;
- The completion of Stanley Park and a proposed Food Hub; and
- LFC's stadium expansion.

Compulsory Purchase Powers may be required where acquisition by negotiation proves to be unsuccessful or land is in unknown ownership, and to provide a "clean title" by acquiring rent charges and other minor interests. The Council has already made significant progress in acquiring properties across the Anfield Project area and acquisition of the remaining interests will enable the regeneration plans to move forward positively.

## **Background**

Critically, the Anfield Project proposals present an opportunity for the Council's strategic regeneration goals to be realised in what is acknowledged and recognised as one of the City's most challenging areas. A framework for the delivery of proposed regeneration initiatives and obligations is in preparation following the launch of the Anfield Project on 24<sup>th</sup> June 2013.

An intense period of engagement on the vision for the Project was undertaken between 24<sup>th</sup> June 2013 and 2<sup>nd</sup> August 2013. In total, 8000 newsletters were distributed to businesses and households together with full spread articles in the Liverpool Echo, the Anfield Star and other locally circulated publications. Door to door consultation was undertaken with circa. 2000 households including those households within the boundary of the proposed CPO areas and letters were sent to residing and absent property owners. There were 22 'road-show' style drop-in sessions and information points were set up to gauge the opinion of passers by, residents and visitors to the area. In addition a website has been created; [www.anfieldproject.co.uk](http://www.anfieldproject.co.uk) and a dedicated email address has been set up for people to follow the project and ask questions on an ongoing basis.

During the community engagement programme in which residents, visitors and businesses were asked what they thought of the plans, the vast majority of people – more than 80% – backed the ideas. Some 97% agreed it was important to improve the street scene and environment and 85% supported the plans for a revitalised Walton Breck Road/High Street. A further 83% backed the plans for Stanley Park and 78% supported the proposals for improved match day experiences. Around 79% of those questioned backed plans for improved housing and neighbourhood and more than 90% of people supported the call for Walton Breck Road to become a more vibrant community centre both on and off match days.

The Anfield Project 'Vision' document is at Appendix 1. It is intended that the conclusions to the consultation process will assist the transformation of the Vision document into a formal Spatial Regeneration Framework, with Supplementary Planning Document status, which will clearly reflect what is in the Unitary Development Plan and emerging Local Plan for Liverpool.

The Spatial Regeneration Framework will be presented to Cabinet following a further period of consultation later in 2013/14 which in turn will underpin the various Planning Applications in respect of the key component projects detailed above.

The areas for which an "in principle" approval for the Council to use its Compulsory Purchase Powers is required (hatched in red on the Plan at Appendix 3) are as follows;

- a) Land and property within the boundary of Phase 4 of the 'Parks' new housing development and the commercial frontages to Walton Breck Road and Oakfield Road where property owners have been either un-contactable or where purchase has not been completed by negotiation and private treaty to date. Note this area has previously been declared a 'Clearance' area for the purposes of regeneration ("the Phase 4 Scheme");
- b) Land and property within the boundary of the Phase 5 of the 'Parks' new housing development and the commercial frontages to Walton Breck Road where property owners have been either un-contactable or where purchase has not been completed by negotiation and private treaty to date. Note this area has previously been declared a 'Clearance' area for the purposes of regeneration. It is intended to deliver new and or significantly improved Commercial Frontages and Walton Breck Road is the preferred location for the Training Hotel proposal. ("the Phase 5 Scheme");
- c) Land and property within the boundary of the Anfield Village area where property owners have been un-contactable or where purchase has not been completed by negotiation and private treaty to date. Note parts of this area remain as 'Clearance' area for the purposes of regeneration following the launch of the Anfield Village Plan in 2012. It is intended that areas declared for clearance in Anfield Village are the preferred locations for some commercial developments including the Business Hub and the creation of open space in the retained housing area ("the Anfield Village Scheme"); and
- d) Land and property in the Rockfield area where property owners have been un-contactable or where purchase has not been completed by negotiation and private treaty to date. It is intended that the area declared for Clearance in Rockfield will, amongst other developments, provide the land required to deliver 96 Avenue and facilitate the expansion of Liverpool FC's existing stadium ("the Rockfield Scheme").

It is intended that a separate CPO will be promoted for each part of the Project although, depending upon time constraints and other factors it may be necessary to promote one or more of the proposed CPO's at the same time. However, the proposals in respect of each area of the Project can take place independently of the other and are not mutually dependant. One, some or all of the phases can come forward as independent parts of the Project and will

be justified with their own detailed report to Cabinet, should it prove necessary to proceed with a CPO for that part of the Project.

Cabinet is asked to support the recommendations of this report and recognise the importance of delivering the Anfield Project which aims to deliver a regeneration plan with significant social, environmental and economic benefits to Anfield. This will not only bring much needed regeneration to this part of the City but will also promote the regeneration of North Liverpool and in turn, will lead to a net socio-economic and environmental benefit to Liverpool as a whole.

**Mayoral Recommendations:**

That -

- (i) “in principle” agreement be given for the City Council to use its compulsory purchase powers and “in principle” to acquire or appropriate the site/s shown edged red on the plan at Appendix 3 to the report submitted, for planning purposes, pursuant to Sections 226 and 227 of the Town and Country Planning Act 1990 (as amended) and Section 122 of the Local Government Act 1972, to enable Liverpool City Council, Your Housing Group and Liverpool Football Club to deliver the Anfield Project along with associated development supporting regeneration;
- (ii) authority be granted to the City Solicitor and the Divisional Manager – Development to issue requisitions for information pursuant to Section 16 of the Local Government Act (Miscellaneous Provisions) Act 1976 to all potential owners of legal interests affected by the Anfield Project.
- (iii) delegated authority be granted to the City Solicitor, Assistant Director - Planning & Development and Divisional Manager – Development to complete and settle the land referencing exercise to identify all owners, tenants, occupiers and others with a legal interest affected by the Anfield Project, which may be included in any future Compulsory Purchase Order or become eligible for compensation under Section 237 of the Town and Country Planning Act 1990.
- (iv) the Assistant Director – Planning & Development be appointed as the authorised officer pursuant to s15 of the Local Government (Miscellaneous Provisions) Act 1976 (power of local authorities to survey land which they propose to acquire compulsorily).
- (v) if the Council cannot assemble the development sites by the dates indicated below by agreement/private treaty, further reports will be presented to Cabinet seeking authority to make a CPO(s) for the site/s and to acquire or appropriate the site/s for planning purposes. The dates for these further reports will be as follows;
  - (a). For land and property within Phase 4 of ‘the Parks’, as defined

at Appendix 3, no later than the end of November 2013;

- (b). For land and property within Phase 5 of 'the Parks' as defined at Appendix 3, no later than the end of March 2014;
  - (c). For land and property within the Anfield Village area, as defined at Appendix 3, no later than the end of January 2014; and
  - (d). For land and property within the Rockfield area, as defined at Appendix 3, no later than early 2014;
- (vi) in relation to (v) (d) above and when the following pre-conditions have been met by Liverpool Football Club (LFC), Cabinet will consider a request to authorise the making of a CPO or use its powers to appropriate land for planning purposes under the relevant provisions of the Town and Country Planning Act 1990 and the Local Government Act 1972, in respect of the parts of the site required for stadium expansion (the Rockfield Scheme):
- (a). LFC maintain their preference to stay at Anfield for purposes of delivering an expanded stadium, and provide appropriate assurances that it is not pursuing any interest in moving to a stadium or site elsewhere;
  - (b). the Council is satisfied Heads of Terms have been signed by LCC, LFC (and YHG - see equivalent provision, at 7(ii) below) which confirms LFC's commitment to the expansion of LFC's existing stadium and associated public realm and LFC's support for the comprehensive redevelopment and regeneration of the Anfield Project area (provided that this shall not prevent the Council from proceeding at any time, where necessary, with a CPO for other parts of the Project);
  - (c). The Council is satisfied that LFC has a viable business plan and funding strategy for the proposed Rockfield Scheme, together with sufficient provision by way of CPO Indemnity Agreement with the Council to meet the costs of making and confirming any such CPO or acquisition or appropriation of land, property and interests together with any associated costs including compensation or other payments; and
  - (d). The Council is satisfied that it is not providing an unlawful indirect subsidy or State Aid.
- (vii) In relation to (v) (b) above and in respect of any proposed CPO including the Training Hotel as part of the Phase 5 Scheme, Cabinet will consider a request to authorise the making of a CPO or use its powers to appropriate land for planning purposes under the relevant provisions of the Town and Country Planning Act 1990 and the Local Government Act 1972, provided that the following pre-conditions have

been met by YHG:

- (a). the City Council is satisfied Heads of Terms have been signed by LCC, YHG (and LFC – see equivalent provision at 6 (ii) above) which confirms YHG's commitment and support for the comprehensive redevelopment and regeneration of the Anfield Project area (provided that this shall not prevent the Council from proceeding at any time, where necessary, with a CPO for other parts of the Project);
- (b). the City Council is satisfied that YHG has a viable business plan and funding for the delivery and operation of the Training Hotel together with sufficient provision by way of agreement with the Council to meet the costs of making and confirming any such CPO (or relevant part thereof) or the acquisition of appropriation of land to accommodate the proposed Training Hotel and ancillary works together with any associated costs including compensation and other payments; and
- (c). the City Council is satisfied that it is not providing an unlawful indirect subsidy or State Aid.

### **Mayor's Priorities**

The Anfield Project sits within the North Liverpool Mayoral Development Zone, and will contribute significantly to the aim of creating 20,000 jobs in the city. It is anticipated that development of the Anfield Project itself could lead to the creation of an estimated 770 jobs. This development will also assist in transforming Liverpool into one of the most business and enterprise friendly cities in the UK and will help transform this area where currently unemployment is high and the neighbourhood environment is poor.

The proposals are based upon the destination aspect of Liverpool FC, their preference to stay in Anfield and expand the stadium capacity together with a commitment from the City Council and Your Housing Group to work in partnership to deliver a comprehensive regeneration scheme which will include the delivery of over 400 new homes, 300 refurbished houses and the creation of new commercial properties on the Walton Breck Road/Oakfield Road corridor.

### **Corporate Aim(s):**

The proposal is supportive of the following Corporate Aim –

We will make Liverpool the preferred choice for investment and job creation.

The Anfield Project, as a consequence of the partnership between LCC, LFC and YHG will deliver a comprehensive regeneration project which is forecast to cost £250 Million and deliver an estimated 770 Jobs. The majority of spend is forecast to come from the private sector and together with public sector

investment, will deliver a fundamental step change in the prospects for this part of the City.

**Key Decision:**

Yes.

**28 Day Notice.**

**Reason if not in 28 Day Notice:**

**Inclusion in Urgency Notice:**

**Implementation effective from:**

1 November 2013

**Timescale for action:**

2013 to 2017

**Reason(s) for Recommendation:**

- (i) To enable a comprehensive development and regeneration of the Anfield area and for the whole of the Anfield Project to be achieved.
- (ii) To enable the City of Liverpool as a whole to benefit from the regeneration.
- (iii) To maximise the benefits to the community and businesses within Anfield as a whole and within the local area and North Liverpool.
- (iv) To enable a better visitor experience to Anfield.
- (v) To allow partners to assemble the site/s by agreement and as a last resort by the Council, to facilitate the development by the use of Compulsory Purchase powers.

**Other options considered**

- Not to support the Anfield Project in land assembly by use of CPO and appropriation powers.

The proposed decision enables LCC to assemble the site and proceed with the regeneration of Anfield. To date, the partners have had difficulty assembling the site/s which has impacted upon the local area and caused decay of the built environment around the existing stadium

and housing. If the Council decides not to support the Anfield Project in the land assembly process and the development of this area, the regeneration of Anfield may not be realised for a longer period.

- Use of Compulsory Purchase powers by other agencies instead of the Council.

Although the Council has Compulsory Purchase powers, there are also other Government agencies which have these powers and consideration was given to whether it would be appropriate for another agency to exercise powers. For example, the Homes and Communities Agency has undertaken similar land assembly projects throughout Liverpool. Due to the comprehensive spending review, the public sector financial climate, the current consolidation of agencies for financial and efficiency reasons, and the Council's existing land and property ownership in the Anfield area, it is appropriate for Liverpool City Council to exercise its compulsory purchase powers, particularly as the Anfield area is of strategic importance in the locality of the Council and in relation to the development of North Liverpool.

## **Background**

On 18<sup>th</sup> October 2012, the Liverpool City Council, Liverpool FC and Your Housing Group announced their intention to work in partnership to bring forward a regeneration plan for Anfield.

On 24 June 2013 the regeneration plan was launched for public consultation in the form of a 'Vision' for the Anfield Project. In order to deliver the Anfield Project, it may be necessary for the Council to exercise its compulsory purchase powers, as within the Anfield Project area, the Council, LFC and YHG own various landholdings (e.g. strips of highway, land, the former Breckfield Primary, commercial and school and housing units) which are potentially affected by the Anfield Project, both in terms of land assembly and interference with third party rights.

## **Compulsory Purchase**

Section 226 of the Town and Country Planning Act 1990 (as amended) enables the Council to acquire land compulsorily for "planning purposes". Section 226 (1) (a) allows these powers to be used if acquiring the land will facilitate the carrying out of the development, redevelopment or improvement on or in relation to the land being acquired and it is not certain that the necessary land can be acquired through agreement. This is a wide power and it is subject to sub section (1A) of Section 226 which provides that an acquiring authority must not exercise this power unless it thinks the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area.

Of the four areas considered for this "in principle" approval to CPO, the CPO



for the Rockfield Scheme requires the Council to seek assurances and an indemnity from Liverpool FC and the CPO for the Training Hotel as part of the Phase 5 Scheme may require the City Council to seek assurances and an indemnity from YHG.

The remaining CPO's are either funded by Government funding/or by the Council for the purposes of Business Development and regeneration.

Further details of the Compulsory Purchase process and powers will be presented in future reports to Cabinet should the Council decide to proceed with an "in principle" decision and if a resolution is required which authorises the making of one or more of the proposed CPO's.

### **Compulsory Purchase "in principle" decision**

At this stage, the partners are seeking an "in principle" resolution indicating that the Council will support the scheme by compulsory purchase and use of land appropriation powers, if necessary. There have been similar resolutions passed for developments elsewhere in the Liverpool area.

Compulsory purchase is a course of last resort, and should only be pursued where it is a proportionate response to pursue a compelling public interest. The Council will be using all reasonable endeavours to agree terms with interested parties by voluntary means in accordance with government advice in ODPM Circular 06/2004. This guidance also recommends the use of alternative dispute resolution techniques including mediation and arbitration wherever appropriate.

Making this "in principle" decision does therefore not commit the Council to making any of the CPO's proposed at this stage and any decision to make an Order will follow a report setting out detailed and reasoned justification why such an order is necessary in the public interest.

### **Planning Policy**

The development plan for Liverpool comprises the saved policies in the Unitary Development Plan (UDP) which was adopted in 2002. It will remain the City's extant development plan until it is replaced by the Local Plan and other development plan documents which will form the new Development Plan for Liverpool.

#### Liverpool Unitary Development Plan

The Order Lands, which fall within the proposed Anfield Spatial Regeneration Framework area sit with the adopted UDP as follows:

- Policy GEN1 (Economic Regeneration): a strategic policy that seeks to reverse the decline in economic activity, investment and employment in Liverpool;
- Policy GEN2 (Open Environment): this policy aims to protect and

- enhance a network of open space throughout the City;
- Policy GEN4 (Housing): a strategic UDP housing policy which includes an objective of improving the living environment of existing housing areas;
- Policy H2 (Housing Renewal): which states that the Council will adopt an area based approach to tackling problems in the City's housing stock. In the private sector, the Council will seek to designate Housing Renewal Areas as a means of delivering renewal of the housing stock;
- Policy H4 (Primarily Residential Areas): the majority of the Order Lands are designated as being in a Primarily Residential Area on the UDP Proposals Map. This policy states that within the Primarily Residential Areas, planning permission will be granted for new housing development that satisfies other Plan policies industrial/business development, community facilities and other forms of development provided there is not adverse impact on residential amenity or character of the area;
- Policy H5 (New Residential Development): a policy which promotes high quality design in new residential development;
- Policy GEN4 (Housing): a strategic UDP housing policy which includes an objective of improving the living environment of existing housing areas;
- Policy OE11(Protection of Green Space): a policy that seeks to resist built development on green space unless it can be accommodated without material harm to its recreational function, visual amenity, relationship with other green spaces, and any known nature conservation value;
- Policy OE12 (Enhancement of Green Space): states that the City Council will seek to enhance the overall stock of publicly accessible green space;
- Policy C7 (The Football Clubs): a policy that seeks to ameliorate match day parking, maintain and enhance residential amenity in the area, and assist both Everton and Liverpool clubs in progressing their development proposals provided that they do not adversely affect residential amenity and area in accordance with other policies in the Plan; and
- Policy HD15 (Historic Parks, Gardens and Cemeteries): states that the City Council will take positive action to protect and enhance the character and setting of Historic Parks, Gardens and Cemeteries. Stanley Park carries a Grade 2 listed status.

Therefore the purpose for which the Council is seeking to acquire 'in principle' accords with the relevant Unitary Development Plan policies listed above and other related policies within the Plan.

A number of other documents can be material considerations. These include national policy guidance in the form of the National Planning Policy Framework (NPPF), statutory and non-statutory planning documents (e.g. Supplementary Planning Documents), draft documents, other plans and strategies and recent planning applications. Notwithstanding the proposal to

prepare an SRF for the area to be adopted as an SPD, relevant to the Order Lands at this time are the NPPF and the Liverpool Core Strategy Submission Draft 2012.

The National Planning Policy Framework (NPPF) was published in March 2012. It provides for a presumption in favour of sustainable development and states that development proposals should be approved that accord with the development plan without delay. Although paragraph 7 of the NPPF explains the various dimensions to “sustainable development”, the Government’s view of what sustainable development means in practice is stated by paragraph 6 of the NPPF to be found in paragraph’s 18-219 of the NPPF taken as a whole. Therefore what is sustainable development should be determined by consideration of the NPPF at paragraph’s 18-219.

Where the development plan is silent, absent or relevant policies are out of date, the NPPF indicates that permission should be granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the NPPF as a whole or where policies within the Framework indicate development should be restricted. Paragraphs 214 and 215 in the NPPF make it clear that due weight should be given to existing policies in existing plans according to their degree of consistency with the NPPF.

Taken as a whole, the policies elaborated within the NPPF at 18-219 constitute the Government’s view of what sustainable development in England represents in practice for the planning system. These policies are premised on the basis of the three dimensions of ‘sustainable development (paragraph 7)’:

- An economic role, ensuring there is sufficient suitable land to assist in the development of a strong, responsive and competitive economy;
- A social role, which supports strong, vibrant and healthy communities, by providing a supply of housing required to meet the needs of present and future generations; and
- An environmental role, which contributes to protecting and enhancing our natural built and historic environment....helping to improve biodiversity.

The NPPF sets out 12 core land-use planning principles at paragraph 17. The following principles are particularly relevant to the current proposals:

- Planning should not simply be about scrutiny, but instead be a creative exercise in finding ways to enhance and improve the places in which people live their lives;
- Planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth;
- Planning should seek to secure high quality design and a good

standard of amenity for all existing and future occupants of land and buildings;

- Take account of the different roles and character of different areas, promoting the vitality of our main urban areas;
- Support the transition to a low carbon future in a changing climate, taking full account of flood risk and coastal change and encourage the reuse of existing resources, including conversion of existing buildings, and encourage the use of renewable resources;
- Conserve and enhance the natural environment;
- Planning should encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value;
- Promote mixed use developments, and encourage multiple benefits from the use of land in urban and rural areas;
- Heritage assets should be conserved in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of this and future generations;
- Patterns of growth should be actively managed to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations, which are or can be made sustainable; and
- Take account of and support local strategies to improve health, social and cultural wellbeing for all, and deliver sufficient community and cultural facilities and services to meet local needs.

#### The Liverpool City Council Core Strategy (Submission Draft 2012)

Although this document has not been formally adopted for development control purposes and does not yet form part of the Development Plan for the area, it is the Council's most up to date consideration of planning policy guidance for its area. As the document is at an advanced stage it is a material consideration in the planning decision process which must be given some weight. A number of strategic policies in this document support the in principle proposal and the approach taken for the Anfield Project area. Of particular relevance are:

SP1 Sustainable Development Principles  
SP3 Delivering Economic Growth  
SP9 The Location and Phasing of New Housing  
SP11 Housing Provision in the Urban Core  
SP13 Housing Mix – City Wide Principles  
SP15 Housing Mix – Urban Core  
SP23 Key Place Making and Design Principles  
SP24 Historic Environment  
SP26 Protecting and Enhancing Green Infrastructure  
SP29 Green Infrastructure in the Urban Core  
SP31 Sustainable Growth  
SP33 Environmental Impacts  
SP34 Improving Accessibility and Managing Demand for Travel  
SP35 Maximising Social Inclusion and Equal Opportunities

It is submitted that the 'in principle' proposals conform to the development plan and the other material considerations, set out above and should be supported.

### **Third Party Rights and Interests**

In addition to owning land required for the proposed schemes, third parties may hold easements and other interests and rights which would prevent or interfere with the planned redevelopments. This report therefore also recommends that the Council take appropriate steps to acquire such interests by compulsory acquisition or to override them under section 237 of the Town and Country Planning Act 1990 in respect of land held or acquired by the Council for planning purposes.

### **Efforts to acquire to date**

The Council is taking into account Government Circular, 6/2004 'Compulsory Purchase and the Crichele Down Rules' in considering whether or not a CPO may be required. Government guidance is that CPO powers should only be exercised where there is a compelling case in the public interest.

Compulsory acquisition is an action of last resort, as the preference is to acquire by way of private treaty and agreement wherever practicable. Despite ongoing negotiations with third parties, it is anticipated that the Council will not be able to secure all the interests within each proposed CPO area within a reasonable timescale to enable the delivery of the Anfield Project in a timely manner. The Council continues and will continue to use its reasonable endeavours to reach agreement with landowners by private treaty before making a final decision to use CPO powers.

It is clearly in the Council's, YHG's and LFC's interests that agreements can be reached to avoid the use of compulsory purchase powers. However, if the Council is prepared to use their compulsory purchase and appropriation powers as a last resort, then it is appropriate to make that clear in public so that all parties know the context in which they are negotiating.

### **Financial issues and risk to the Council in making CPO's**

#### **The Rockfield Scheme**

A CPO Indemnity Agreement has been prepared and will form one part of the comprehensive agreements to be entered into between LCC and LFC. This will provide financial protection for the Council in respect of the exercise of its compulsory purchase and other powers, should it need to use those powers to enable the delivery of the Rockfield Scheme, subject to the conditions outlined in the recommendations of this report.

The Council's intention and strategy is to acquire as many of the interests LFC require to implement the stadium element of the Rockfield Scheme by private

treaty and agreement, without the need to call upon CPO powers, which LFC and the Council sees as a last resort. LFC has employed professional legal and property advisors to advise on the CPO process and compensation issues under the terms of the proposed CPO indemnity agreement. LFC have agreed for these professional advisors to provide technical support to the Council to assist in preparing the reasons and case for the CPO and implementing a CPO (if required).

All costs associated with the “in principle” decision and proposed Compulsory Purchase Order and appropriation powers with regard to the possible CPO for the Rockfield Scheme will be met by LFC. The indemnity provided by LFC will be detailed in the proposed Heads of Terms Agreement between LCC, LFC and YHG and which is subject to separate Cabinet approval.

### **The Training Hotel/Phase 5**

A CPO Indemnity Agreement has been prepared and will form one part of the comprehensive agreements between LCC and YHG. This will provide financial protection for the Council in the event the Council agrees to exercise its CPO powers to deliver the Training Hotel as part of the Phase 5 Scheme subject to the conditions outlined in the recommendations in this report.

All costs associated with the “in principle” decision and proposed Compulsory Purchase Order and appropriation powers with regard to the possible CPO for the Training Hotel will be met by YHG. The indemnity provided by YHG will be detailed in the proposed Heads of Terms Agreement between LCC, LFC and YHG and which is subject to separate Cabinet approval.

### **Leading the CPOs for the Rockfield Scheme and Training Hotel/Phase 5**

The CPOs for the Rockfield Scheme and the Training Hotel/Phase 5 will be led and managed by the Council’s Assistant Director of Development, in consultation with the Divisional Manager for Planning, the City Solicitor and Head of Finance. A joint project team has also been set up with LFC and YHG professional advisors.

### **Leading the remaining CPOs and Costs**

As a matter of general principle, all costs associated with the “in principle” decision and proposed Compulsory Purchase Order(s) and appropriation powers with regard to possible CPO’s in the Parks development area, Walton Breck Road/Oakfield Road and Anfield Village will be led and met by the Council.

### **Financial exposure**

The formal steps of the CPO process are set out in a flow diagram in Appendix 2. There are a number of areas of financial exposure associated with a CPO and overriding any third party rights, which are set out below:

## **1. Professional Costs**

Throughout the process of promoting the CPO, the Council will be incurring professional and administrative costs. For those costs relevant to the Rockfield Scheme, to date, the Council has relied on LFC's and YHG's assurances that those costs will be paid. It has been agreed with LFC and YHG that a budget costing of the programme for the CPO (and s237 process) will be prepared and presented to Cabinet, if full CPO resolution(s) are required. These costs will be met by the indemnity agreements with LFC and YHG in respect of the Rockfield and Training Hotel/Phase 5 schemes. The liability for professional costs associated with the other CPO's will be met by the Council.

## **2. Blight Notices and Purchase Notices**

A limited number of owners may be able to serve blight notices or Purchase Notices. A blight notice is, effectively a reverse CPO requiring the Council to take an owners property immediately. The Council will have two months to respond to the notice. A Purchase Notice may be served by an owner if Planning Permission is refused and the land cannot be put to any reasonable beneficial use.

Each blight notice or Purchase Notice will be considered on its merits in accordance with statutory criteria and any payments required to be made with regard to the properties/interests in the Rockfield and Training Hotel/Phase 5 Scheme areas will be covered by the proposed indemnity agreements with LFC and YHG, where the success of the notice is as a result of the their proposals. Should any such notices be served in respect of the other parts of the Anfield Project, these will have to be met by the Council in the normal way.

## **3. Implementation of the CPO**

The decision to proceed with a CPO/CPOs resolution and to implement a CPO/CPO's will be subject to further reports to Cabinet and will be conditional on the matters outlined in the recommendations of this report.

If the Council makes a CPO/CPOs resolution, a pre-condition of the Council making the CPO/CPOs, is that where the CPO is relevant to the Rockfield and Training Hotel/Phase 5 Schemes, LFC and YHG will have to provide evidence of their intention and ability, in terms of funding, financial arrangements and other evidence, to proceed with the CPOs and their parts of the development schemes. If there is any doubt at that stage about their financial standing, then the Council will not be required to acquire properties or make a CPO.

LFC and YHG will be responsible for security, insurance, maintenance and any other ongoing liabilities following CPO and transfer of land and will remain responsible for payment of any costs the Council incurs with regard to any of these issues.

The decision to make a CPO in respect of the other areas within the Anfield Project and the costs associated in doing so, including the acquisition of any land or other interests will be met by the Council either from grant funding or the Council's own funds.

#### **4. Insolvency**

In the case of properties/interests in the Rockfield and Training Hotel/Phase 5 Scheme areas that may proceed to the implementation of the CPO requiring LFC and YHG indemnity, the worst case scenario is if LFC or YHG become insolvent after the implementation of the CPO (and after entry or General Vesting Declaration) but prior to compensation being finalised and before they have paid monies due to LCC under their respective indemnity agreements (however the risk of such insolvencies is considered to be low).

To protect against this, Officers will consider the provision by LFC and YHG of appropriate staged/monthly payments as appropriate to cover likely liabilities for CPO including but not limited to on going costs and compensation plus a margin, so the risk is reduced.

Further details of the financial risks and exposure of the Council on the Rockfield Scheme, Phase 5/Training Hotel or on any of the other proposed CPO's will be presented to Cabinet as part of any report seeking final authority to make a compulsory purchase order.

#### **5. Rights and Other Interests**

The CPO process and other legal mechanisms (s237 etc) convert any rights over the site into an entitlement to compensation. With regard to the properties/interests in the Rockfield and Training Hotel/Phase 5 scheme areas, prior to the relevant legal process taking place, LFC and YHG will enter into appropriate CPO indemnity arrangements with the Council to protect against liability to meet CPO costs and compensation.

#### **6. CPO Compensation**

Under the Statutory Compensation Code owners will be paid the full market value of their interest in any land acquired, with the interest being valued at the date when the Council enter or take control of the relevant property following confirmation of the CPO. They will also be



paid “disturbance” costs, which include all reasonable costs associated with finding new premises and relocating their businesses and/or residences.

To provide a further level of protection for the Council with regard to the properties/interests in the Rockfield area required for stadium expansion and the Phase 5 area required for the Training Hotel, officers will consider the provision of appropriate security by LFC and YHG to protect the Council against all heads of statutory compensation which may be payable as a result of the CPO process (including such matters as severance, business extinguishment and depreciation where no acquisition has taken place). LFC, YHG and the Council will publish a scheme for compensation should the Council resolve to use its powers in due course. Any such costs in relation to any other CPO's will need to be met by the Council.

## **7. Relocation**

The Council, YHG and LFC have been working on acquisition and relocation strategies to minimise the impact of the proposed development. The Council, YHG and LFC and their professional advisors will continue to use their reasonable endeavours to reach an appropriate agreement with any other owners who wish to sell prior to any CPO resolution. As part of this, the Council will offer support in trying to find alternative premises, if this is feasible, and the parties will consider advance payment of any compensation that is likely to fall due under a legal agreement to mitigate hardship.

### **Consultation including consultation with Ward Councillors and outcome:**

On 18th October 2012 the Council, Liverpool FC and Your Housing Group announced their intention to work in partnership to bring forward a plan for Anfield. Prior to this, local Stakeholder Groups had been created to bring forward plans for the Anfield Village and Rockfield Housing Regeneration areas.

On 24 June 2013 the plan was launched for public consultation in the form of a ‘Vision’ for the Anfield Project.

The vision for the Project was undertaken between 24th June 2013 and 2nd August 2013. In total, 8000 newsletters were distributed to businesses and households together with full spread articles in the Liverpool Echo, the Anfield Star and other locally circulated publications. Door to door consultation was undertaken with circa. 2000 households including those households within the boundary of the proposed CPO areas and letters were sent to residing and absent property owners. There were 22 ‘road-show’ style drop-in sessions and information points were provided to gauge the opinion of passers by, residents and visitors. In addition a website has been created;

[www.anfieldproject.co.uk](http://www.anfieldproject.co.uk) and a dedicated email address for people to follow the project and ask questions on an ongoing basis.

The majority of those consulted were in favour of the Project as described earlier in this report. The information gathered will be used to create a Spatial Regeneration Framework which will be subject to further consultation, in a similar manner to that detailed above, prior to approval by the Council's Cabinet.

Prior to the current proposals, the Council undertook extensive consultation with local stakeholders as part of the former Housing Market Renewal Programme which established the basis on which the area was prioritised, as one for significant regeneration incorporating new housing, commercial development and community facilities including a school and health centre.

**Financial implications (Efficiency Savings):**

This is a report seeking in principle approval to the making of a CPO/CPOs and does not give rise to any direct liabilities. The financial aspects relating to compulsory purchase will be detailed in full in any future reports seeking final approval for use of CPO powers and will, where appropriate, include requirements for indemnities to protect the Council.

**Legal implications:**

Legal implications have been outlined in the body of the report and the report mainly seeks "in principle" support for the use of compulsory acquisition powers. The legal aspects relating to compulsory purchase will be detailed in full in any future report seeking final approval for use of CPO powers.

**Risk Management:**

These have been clearly articulated in the body of this report.

Financial risks in respect of the proposed Rockfield and Training Hotel as part of Phase 5 Schemes will be managed by the requirement for LFC and YHG to enter into indemnity agreements to protect LCC against the costs of the CPO process and any claims for compensation and costs arising from the exercise of CPO powers.

**Equality implications/Equality Impact Assessment:**

An Equalities Impact Assessment will be undertaken and presented at the full resolution stage which will assess separately any equalities issues specifically in relation to making a CPO.

**Climate Change Strategic Framework and Climate Change Adaptation Framework:**

This is a report seeking in principle approval to the making of a CPO/CPO's, if required, to fulfil the requirements of land assembly.

The Spatial Regeneration Framework of the Anfield Project will be presented at a future stage of the project.

**Budget and Policy Framework:**

The project is being brought forward in accordance with the Councils Budget and Policy Framework.

**Report attached:**

Appendix 1 – Anfield Project – Consultation Document (June 2013)

Appendix 2 – CPO Process Flowchart

Appendix 3 – Anfield Project - 'In principle' Compulsory Purchase Order Lands