

Agenda Item No:

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Report of : Head of Land & Property

Report to : Director of City Development

Date: 18 January 2019

Subject: **COMPENSATION – SETTLEMENTS RESULTING FROM SCHEMES OR FROM COMPULSORY ACQUISITIONS OF LAND OR PROPERTY BY THE COUNCIL – EAST LEEDS ORBITAL ROAD**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Crossgates & Whinmoor	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4(1), 10.4 (2) and 10.4(3)	
Appendix number:	1	

Summary of main issues

1. Parties adversely affected by Council schemes are, in certain circumstances, legally entitled to compensation. For compensation relating to acquisitions of land or property, or property rights, the Chief Officer – Asset Management, the Head of Asset Management, and the Head of Land and Property have authority to negotiate the settlement of claims, under sub delegation from the Director of City Development where financial provision exists within the Council's Capital Programme.
2. This report details a settlement which are being recommended in respect of East Leeds Orbital Road.

Recommendations

3. It is recommended that the payments detailed in the confidential appendix to this report are approved and the property is acquired. It is further recommended that the Director of City Development authorise the making of them in accordance with his delegated authority.

1 Purpose of this report

- 1.1 The proposed settlement is listed in the confidential appendix to this report. If approved, the amounts being recommended will be paid out of an approved scheme.

2 Background information/Main Issues

- 2.1 The East Leeds Extension (ELE) is the largest single area of allocated housing land in the city, estimated to accommodate around 5,000 new homes by the time it is fully built out. This will form a significant part of the overall requirement for new homes across Leeds by 2028 as set out in the Core Strategy.
- 2.2 East Leeds Orbital Road (ELOR) is a proposed 7.5km dual carriageway road that will link the A6120 at Red Hall to Junction 46 of the M1 at Thorpe Park via the Manston Lane Link Road, and will facilitate the development of the ELE.
- 2.3 Adjoining the ELE is Thorpe Park, a major mixed use development that will see new office, leisure, retail and residential development coming forward, creating 13,000 new jobs and training opportunities, in a significantly expanded business and leisure destination. This includes the construction of the Manston Lane Link Road (MLLR) which will provide a connection from ELOR to the M1. Thorpe Park is also proposed as the location for a new rail halt and Park & Ride facility which it is envisaged will further drive footfall at the site as well as offering attractive new travel options for existing and new residents of East Leeds, as well as commuters, leisure and business visitors, contributing to the regeneration of East Leeds as a whole.
- 2.4 Other adjoining housing developments are also underway or in the pipeline at Grimes Dyke and Manston Lane with the potential to deliver around 6,000 new homes. In the adjoining inner areas of Seacroft and Halton Moor, 1,000 new homes have recently been approved for development under the Council's Brownfield Land Programme.
- 2.5 Taken as a whole East Leeds represents a major strategic growth point, which is of regional if not national importance. It is recognised by the Local Enterprise Partnership (LEP) and West Yorkshire Combined Authority (WYCA) as a Strategic Priority Area in the Leeds City Region Strategic Economic Plan and by central government as a major development and investment opportunity that will help drive forward the 'Northern Powerhouse' initiative.
- 2.6 The delivery of the ELE will clearly relate to the Best Council Plan ambition for a Strong Economy and Compassionate City and to the outcomes it seeks to achieve regarding delivery of good quality, affordable homes, well cared for places and a well-planned city which is easy to move around. Delivery of the ELE will provide new homes, meeting housing needs as the city grows, boost the local economy, deliver new social and physical infrastructure and improve travel and access to new employment opportunities.
- 2.7 In order to support the delivery of ELOR and ELE in June 2017 Executive Board:
- i) authorised the Director of City Development to make the Leeds City Council (East Leeds Orbital Road) Compulsory Purchase Order 2017 ("the CPO") under sections

239, 240, 246, 249, 250 and 260 of the Highways Act 1980, the Acquisition of Land Act 1981 and all other enabling powers;

ii) authorised the Director of City Development to make the Leeds City Council (A6120 (East Leeds Orbital Road Classified Road) Side Roads and Other Works) Order 2017 ("the SRO") under sections 14 and 125 of the Highways Act 1980 and all other enabling powers;

iii) authorised the Director of City Development to take all necessary steps to proceed with and secure confirmation of the CPO and the SRO including the making of agreements and undertakings with landowners and other affected parties necessary in order to secure removal of any objections made to the CPO and the SRO (where such agreements and undertakings are appropriate);

iv) approved a provisional financing package for ELOR including a grant of £82.95m from the West Yorkshire Transport Fund;

v) approved the Council underwriting all land assembly and compensation costs arising from the making and implementation of the CPO and the SRO in the event that they exceed the available WYTF grant;

v) approved that the scheme be injected into the Council's Capital Programme;

vi) approved that, in the event that the Council needs to acquire additional land or interests to ensure that ELOR is delivered, the Director of City Development in consultation with the Chief Officer Financial Services and the Executive Member for Regeneration, Transport and Planning be authorised to inject relevant schemes to the capital programme and be delegated the authority to spend for such schemes; and

vii) approved that the estimated cost of land assembly for interests including land outside the direct route of ELOR be injected into the Capital Programme and authorised the Director of City Development to agree appropriate terms and acquire such land or interests in land that may be necessary to enable delivery of the ELOR scheme.

2.8 Since June 2017 detailed planning permission has been granted for ELOR and the CPO and the SRO have been made and submitted to the Secretary of State for confirmation. Objections have been made to both the CPO and the SRO and the Council is now working towards a Public Inquiry to be held later in 2018.

2.9 All known landowners, occupiers and other parties having an interest in the land required for ELOR have been contacted by the Council and made aware that the Council needs to acquire their land or interest. They have also subsequently been given formal notices of the making of the CPO and the SRO.

2.10 Acquisition Progress

2.11 The Council is and has been taking a proactive role to try to agree terms for the acquisition of the land and other interests required for ELOR in advance of the CPO being confirmed. Officers have been actively discussing matters with the affected parties and terms have now been provisionally agreed with certain parties as set out in the confidential appendix to this report.

2.12 The asset management functions of the Council, including the acquisition of land and any other dealings with land or any interest in land are delegated to the Director

of City Development where financial provision exists within the Council's capital programme. Acquisitions of land and property are delegated to the Chief Officer – Asset Management and Regeneration, the Head of Asset Management, and the Head of Land and Property pursuant to the Director of City Development's Sub-Delegation Scheme.

2.13 As mentioned above, in June 2017, Executive Board approved the making of the CPO and the SRO to facilitate the delivery of the ELOR.

2.14 The confidential appendix to this report lists terms that have been provisionally agreed with individual parties affected by the ELOR and/or the ELE where it is either necessary or appropriate to acquire their property interests.

3 Corporate Considerations

3.1 Consultation and Engagement

3.1.1 Consultation has taken place with the Executive Member for Regeneration, Transport and Planning and with local Ward members regarding the making of the CPO and the SRO as well as the need to carry out negotiations for the acquisition of land and interests in land.

3.1.2 In relation to the acquisition of the property referred to in the confidential appendix to this report, the Executive Member for Regeneration, Transport and Planning and the Chief Officer Financial Services have been consulted and are supportive of the settlement proposed.

3.2 Equality and Diversity / Cohesion and Integration

3.2.1 There are no equality and diversity issues arising from the proposed settlement.

3.3 Council Policies and City Priorities

3.3.1 The purchase of the property interest identified in the confidential appendix to this report will contribute towards achieving the Council's Best City ambition, and facilitate the development of 21st century infrastructure through the delivery of the East Leeds Orbital Road that will help to support growth and improve connectivity, bringing new markets within reach for business, new jobs within reach for people, and a wider workforce within reach for employers and provide approximately 5,000 new houses within East Leeds Extension.

3.4 Resources and Value for Money

3.4.1 The cost of the payments is to be met from existing injections into the Council's Capital Programme.

3.4.2 The Council's surveyors and legal fees for dealing with the acquisition will be recharged to the scheme.

3.5 Legal Implications, Access to Information and Call In

3.5.1 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Council in relation to Asset Management.

- 3.5.2 The Chief Officer Asset Management and Regeneration, the Head of Asset Management, and the Head of Land and Property have delegated authority to make decisions in relation to Asset Management pursuant to the Director of City Development's Sub-Delegation Scheme.
- 3.5.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 3.5.4 The Head of Land and Property confirms that, in his opinion, the terms of the settlement referred to in the confidential appendix to this report are fair and reasonable for the interests that are being acquired.
- 3.5.5 The information contained in the confidential appendix to this report concerns and is likely to reveal the identity of individuals and relates to their financial or business affairs as well as those of the Council. This information is not publicly available and it is considered that since this information was obtained through one to one negotiations for the acquisition of land or property or rights in such land or property then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of compensation which the Council is prepared to pay. It is therefore considered that this element of the report should be treated as exempt under Rules 10.4.1, 10.4.2, and 10.4.3 of the Council's Access to Information Procedure Rules.

3.6 Risk Management

- 3.6.1 There are no specific risks associated with the recommendations within this report. The advance property purchase demonstrates the council acting in a reasonable manner. The future maintenance of the property would lie with the council post purchase; prudent asset management will be employed to mitigate the costs of this as far as it is possible.

4 Conclusions

- 4.1 In order to facilitate the construction of ELOR and thereby the development of ELE it is considered that the payments referred to in the confidential appendix to this report should be made and the property acquisition undertaken.

5 Recommendations

- 5.1 It is recommended that the payments detailed in the confidential appendix to this report are approved and the property acquired. It is further recommended that the Director of City Development authorise the making of them in accordance with his delegated authority.

6 Background documents¹

- 6.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.