

Public Report with Exempt Appendices  
Cabinet

---

**Committee Name and Date of Committee Meeting**

Cabinet – 19 June 2023

**Report Title**

3-7 Corporation Street Compulsory Purchase Order Update

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

Paul Woodcock, Strategic Director of Regeneration and Environment

**Report Author(s)**

Lucy Mitchell, Major Projects Officer

[lucy.mitchell@rotherham.gov.uk](mailto:lucy.mitchell@rotherham.gov.uk)

**Ward(s) Affected**

Boston Castle

**Report Summary**

The purpose of this report is to provide an update to Cabinet on progress of the Compulsory Purchase Order for 3-7 Corporation Street (comprising of two derelict, fire damaged buildings, formerly a nightclub/bar and a restaurant) and confirm the Council's commitment to the redevelopment of the site following acquisition.

**Recommendations**

**That Cabinet:**

1. Notes the progress made, next steps, and anticipated timescale to confirmation of the Compulsory Purchase Order for 3-7 Corporation Street.
2. Notes the cost of the proposed redevelopment of the site and the sources of funding currently available (as set out in Appendix 1).
3. Approves the proposed use of the Town Centre Investment Fund to ensure sufficient funding is in place for the redevelopment of the site in the event that a private sector development partner is not found and/or further external funding is not secured.

### **List of Appendices Included**

- Appendix 1 Exempt Finance appendix
- Appendix 2 Exempt 3-7 Corp St Full Business Case
- Appendix 3 Equalities Assessment
- Appendix 4 Climate Impact Assessment

### **Background Papers**

DLUHC Compulsory Purchase and Compensation: Guide 1 – Procedure (December 2021)

DLUHC Compulsory purchase and compensation: Guide 2 – Compensation to Business Owners and Occupiers (December 2021)

Cabinet Meeting 28<sup>th</sup> March 2022 (Minute 124) [March 2022 Cabinet Minute 124 re CPO.pdf](#)

Cabinet Meeting 23<sup>rd</sup> January 2023 (Minute 105) [Printed minutes Monday 23-Jan-2023 10.00 Cabinet.pdf \(rotherham.gov.uk\)](#)

[Officer Delegated Decision Report 30<sup>th</sup> March 2023](#)

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

### **Council Approval Required**

No

### **Exempt from the Press and Public**

Yes

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972, as this report contains details of all confidential negotiations to date and financial information relating to the purchase.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because all such negotiations and financial information should remain confidential between the parties.

## **3-7 Corporation Street Compulsory Purchase Order Update**

### **1. Background**

- 1.1 The buildings at 3-7 Corporation Street have been continuously unused and derelict following fire damage in 2007.
- 1.2 Corporation Street is in a prominent position in Rotherham Town Centre. It is a significant route between the Bus Station and the Town Centre, leading to the Minster, the High Street and Forge Island (currently under development). The poor appearance of the site detracts from the appearance and vitality of the Town, it is a disincentive to new investment and has a significant negative impact on the Conservation Area within which it is located, and on nearby businesses.
- 1.3 The site can accommodate a residential-led, mixed-use development, comprising of apartments with commercial space on the ground floor. The Council has formulated a scheme to redevelop the site and approved a Full Business Case, with documentation submitted to the Department for Levelling Up, Housing and Communities in June 2022.
- 1.4 Despite approaches from the Council, the owner of the property is unable or unwilling to bring it forward for redevelopment. Negotiations with the landowner's agent commenced in April 2021 and have continued over recent months. Despite these continued negotiations agreement on the voluntary acquisition has not been reached and is not considered likely by Officers within a reasonable timescale, or at all.
- 1.5 In January 2023 Cabinet approved the acquisition of the freehold and leasehold interests in 3-7 Corporation Street on terms to be agreed. Cabinet also approved the making of a Compulsory Purchase Order (CPO) under section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and rights for the purposes of facilitating development, redevelopment and improvement of the land.
- 1.6 Cabinet authorised the Assistant Director of Planning, Regeneration and Transport, in consultation with the Cabinet Member for Jobs and the Local Economy and the Head of Legal Services, to affect the making, confirmation, and implementation of the CPO and to take all necessary steps to give effect to the CPO.

### **2. Key Issues**

- 2.1 Negotiations with the landowner's agent towards the end of 2022 were more positive but it has still not been possible to reach an agreement on the land acquisition. The landowner, as indicated at the Land Registry, has recently passed away and his Estate is subject to Probate. An offer to acquire the property has been put in writing and issued to the solicitors dealing with the matter. As a result of these circumstances, the inability to reach agreement on the acquisition, timescales relating to the funding and the prior non-

cooperation of the landowner, it was considered necessary to make and serve the Order.

- 2.2 Officers have therefore been undertaking a number of actions necessary to make the Compulsory Purchase Order including;
- Land Referencing to understand ownership details for affected properties around 3-7 Corporation Street
  - Informal correspondence with neighbouring property owners, advising of the Council's intention to secure the redevelopment of 3-7 Corporation Street and submission of a planning application.
  - Formal correspondence and meetings (Requisition for Information) with neighbouring property owners
- 2.3 The site of 3-7 Corporation Street is a complex and constrained gateway town centre site with numerous neighbouring properties surrounding it in very close proximity or even relying on shared party walls. To ensure the Council has all the rights required to enable construction of the residential led mixed use development (recently granted planning consent) on the site, it is necessary to include a number of neighbouring properties in the CPO and discussions are ongoing with affected parties. For many of these neighbouring properties it is simply to acquire the necessary rights for scaffolding or crane oversailing. Details of the full scheme cost and available funding are set out in Appendix 1.
- 2.4 The Council, as acquiring authority, is committed to working with those affected, and will continue to work with leaseholders, and occupiers as the CPO progresses. Owners/affected parties will be compensated in line with the Compulsory Purchase Compensation Code.
- 2.5 Officers have finalised the documentation required for the Compulsory Purchaser Order, including:
- Preparation of a Statement of Reasons detailing why the land, and compulsory purchase of it, is required;
  - Refinement of the Order Land plan and Schedule to incorporate all rights required from neighbouring properties in the CPO;
  - Preparation of Statutory Notices required to publicise the Order, for display on site, publication in the Advertiser and issue to affected landowners.
- 2.6 An Officer Delegated Decision was made on 30<sup>th</sup> March 2023 to make, serve and implement the Compulsory Purchase Order. The first step in this was to make and serve the Order on affected landowners and other interested parties. This was completed on 6<sup>th</sup> April and the CPO submitted to the Department for Levelling up, Housing and Communities.
- 2.7 Details of the CPO were also published in the local press (The Advertiser) in the form of a statutory Notice (published on 6<sup>th</sup> and 13<sup>th</sup> April) and published on the Council's website. A hard copy of the CPO documentation was also lodged in the Riverside House library for public review.

- 2.8 There was a statutory period of 28 days from the date of serving the Order (6<sup>th</sup> April) for any Objections to the CPO to be made by 4<sup>th</sup> May 2023.
- 2.9 For a CPO to be confirmed by the Secretary of State, the Council (acquiring body) must be able to demonstrate:
- A clear idea of how the land being acquired is intended to be used;
  - Necessary resources available to achieve that end;
- 2.10 The Council has a clear idea on the intended use of the land and a full Planning Application for 19 apartments and commercial space to the ground floor was submitted in January 2023. Planning consent was granted on 24<sup>th</sup> May 2023. Securing this consent ensures there are no planning barriers to the delivery of the scheme, provides a degree of confidence for a developer to come on board and demonstrates deliverability (a critical test in the CPO).
- 2.11 In terms of the second point relating to the Council's ability to demonstrate necessary resources available to deliver the development, the Council has secured £3.2m funding (Town Deal and Levelling Up funding) to facilitate delivery of the development scheme.
- 2.12 The Council intend to select and work with a private sector developer as the delivery model outlined in the Full Business Case relies on private sector investment in the development. The funding secured from Town Deal and Levelling Up is intended to be used to acquire the land, clear the site and address the viability gap that exists in the development scheme.
- 2.13 The specific nature of the arrangement to secure a developer partner is being considered and developed alongside the Council's procurement team. However, should private sector interest and investment in the development scheme not be secured, the Council is committed to funding and directly delivering the development. Making the necessary resources available to ensure successful delivery of the development, should this be necessary, is a clear demonstration of the Council's commitment to the success of this CPO and development of 3-7 Corporation Street.

### **3. Options considered and recommended proposal**

- 3.1 Various options have been considered to bring forward the redevelopment of this site and to avoid a Compulsory Purchase Order being required:
- Option 1 – Do nothing
  - Option 2 – Support the landowner through grant funding to bring forward a scheme
  - Option 3 – Acquire by negotiation, demolish and redevelop
  - Option 4 – Acquire by CPO, demolish and redevelop
- 3.2 These options were outlined in more detail in the 23 January 2023 Cabinet report and the commentary on each of these options remains valid. Options 1-3 were rejected in favour of Option 4 – Acquire by CPO, demolish and redevelop. This option provides greatest certainty that the site will be redeveloped and achieve regeneration objectives for the Town Centre, supporting the economy, environment and the well-being of Rotherham

communities. However, dialogue and negotiations with all affected landowners and their representatives will continue as the CPO progresses.

3.3 As Option 4 was selected and confirmed by the January 2023 Cabinet minute, Cabinet now needs to consider how the redevelopment proposed by the Council will be delivered once the CPO process has been completed. There are 2 options in respect of the future funding and delivery of the redevelopment:

- Option 1 – Seek to obtain private investment to add to the existing funding secured but no commitment from the Council to any additional funding to ensure delivery of the development.
- Option 2 – Seek to obtain private investment but, if it is not possible to secure within the required timescales to enable delivery of the development, the Council commit to funding and delivering the redevelopment, meeting any funding shortfall in order to ensure delivery of the development. Further details on the financial implications of this option are set out in Appendix 1.

3.4 Government Guidance (Guidance on Compulsory Purchase and the Crichel Down Rules, issued by the Ministry of Housing, Communities & Local Government, July 2029) is clear that “*the acquiring authority should provide substantive information as to the sources of funding available for both acquiring the land and implementing the scheme for which the land is required.*” These are matters which the Secretary of State will be expected to take into account in deciding whether, or not, to confirm the CPO.

3.5 It is therefore crucial for the Council to do everything it can to demonstrate the deliverability of the proposed scheme in order to ensure the success of the CPO. Specialist legal advice has indicated that removing barriers to delivery of the redevelopment is a key factor considered by Inspectors, and the Secretary of State, in any CPO Inquiry in determining whether to confirm the CPO or not. Accordingly, although the Council will do all it can to secure a private developer to take the redevelopment forward, it must provide commitment to Option 2 as detailed above, i.e. funding and delivering the redevelopment in the event that private sector investment is not secured.

#### **4. Consultation on proposal**

4.1 Extensive public consultation took place during the preparation of the Town Centre Masterplan, highlighting key sites in the town centre such as the Order Land. Workshops, briefing sessions and 1 to 1’s were held to ascertain the views of Members, Town Centre stakeholders, and communities.

4.2 A strategic engagement plan formed a key part of the Town Investment Plan (TIP); MyTown portal was used to initially engage the wider community in understanding the town’s needs. As the TIP was progressed, a more targeted approach was developed, enabling the public to comment directly on proposals via a Virtual Exhibition (in line with Covid 19 restrictions). The

presence of the platform was promoted through social media and Council newsletters.

- 4.3 Events such as the Rotherham Show have also provided a platform for sharing plans and obtaining feedback from communities regarding Town Centre developments. This feedback suggests local residents are keen to see the site redeveloped given the longstanding eyesore in such a prominent location in the Town Centre.
- 4.4 The Town Deal Board has been consulted on the project and is supportive of the approach being taken.
- 4.5 Gateley Hamer, the surveyors advising the Council on the CPO, together with Council officers, have been in negotiation with the landowner (through his agent) over a number of months (April 2021 to current date) and on the Council's behalf made an offer to acquire the land.
- 4.6 Gateley Hamer contacted all neighbouring landowners in December 2022 advising of the Council's intentions to progress redevelopment of 3-7 Corporation Street through the submission of a planning application. No responses were received. Subsequent to this, in February 2023, all neighbouring landowners who may have access rights across the land and those potentially within interests within the red line boundary, were issued with formal 'Requisition for Information' letters from Gateley Hamer. A subsequent reminder letter was issued at the beginning of March 2023.
- 4.7 The Council will continue to engage and negotiate with all affected landowners in order to try and reach agreement throughout the procedural stages of the Compulsory Purchase Order.
- 4.8 In March 2023 Ward Members were advised of the progress of proposals for 3-7 Corporation Street, including the submission of a planning application, and the progression of the Compulsory Purchase Order.

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The Council with support from external advisors will be responsible for continued negotiations with the landowner and other interested parties for purchase of land and interests by agreement. If an agreement can be reached and the acquisition completed, it will negate the need to progress the Compulsory Purchase Order. However, given the current position that has been reached, it is reasonable to conclude that acquisition of 3-7 Corporation Street will not be concluded by agreement within a reasonable timescale, or at all.
- 5.2 Indicative programme for successful land acquisition through Compulsory Purchase powers, based on a Public Inquiry being required.

Make the Order	3 April 23 completed
----------------	-------------------------

Serve the Order and send to SoS	6 April 23 completed
Order publicised and documents lodged publicly	6 April 23 completed
Developer procurement commences	April 2023 completed
Statutory objection period end	4 May 23 completed
Planning application determined	May 2023 completed
Statement of Case submission	June 23
Public Inquiry & site visit	September 23
Inspectors report	January 24
CPO confirmed	March 24
Formal Notice in local press publicising decision	March 24
Statutory challenge period	April 24
CPO implementation	April 24
Developer appointment	July 2024
Detailed design	July 2024
Start on site	January 2025
Funding (Towns Fund) defrayal deadline	March 2026

## **6. Financial and Procurement Advice and Implications**

- 6.1 The project is funded from the Town Deal and Levelling Up grant and is included in the Council's Capital Programme. The exempt Appendix provides additional information on the estimated budget resource required to undertake the CPO if a delivery partner is not found. The Town Centre Investment Fund will ensure sufficient funding is in place for the redevelopment of the site in the event that a private sector development partner is not found and/or further external funding is not secured.
- 6.2 As detailed in the previous Cabinet report, there are no procurement implications associated with the CPO.
- 6.3 In relation to the appointment of the Developer either through Option 1 or 2, this will be the subject of procurement activity, that will need to be completed in accordance with the Public Contracts Regulations 2015 (as amended) and the Council's own Financial and Procurement Procedure Rules. To achieve an appointment by July 2024, the procurement activity will need to run concurrently to the CPO, making clear to potential bidders that any award will be subject to confirmation of the CPO.

## **7. Legal Advice and Implications**

- 7.1 Option 2 will provide the assurance needed as set out in paragraphs 3.4 and 3.5. There are no other substantive legal issues arising from the contents of this report.

## **8. Human Resources Advice and Implications**

8.1 There are no direct HR implications.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 There are no such implications arising from this report.

## **10. Equalities and Human Rights Advice and Implications**

10.1 The Council is confident that there is a compelling case in the public interest which is required to remove private property. Any decision at Public Inquiry, should one be required, will judge the public interest versus the owner's private property rights. As every effort has been made previously to engage the owner to bring the Order Land forward for development, it is now apparent that there is justification to bring a CPO to the table at this stage.

10.3 For an Initial Equalities Impact Screening please see attached Appendix 3.

## **11. Implications for CO2 Emissions and Climate Change**

11.1 During the CPO stage of the Corporation Street scheme, there will be very little impact on carbon emissions. There may be a small amount of increased activity on site from visiting Council staff and contactors involved in negotiations and survey work, however, this impact will be minimal. Where possible, survey/negotiation work will be desk-based. As noted, at this stage in the scheme there will be no works on site and no development. However, as the scheme proceeds there will be detailed Carbon Impact Assessments at key stages such as the demolition of the current derelict buildings and the new development.

11.2 For the full Carbon Impact Assessment please see attached Appendix 4.

## **12. Implications for Partners**

12.1 The scheme will have a positive impact on the local area and the other developments that are part of the town deal, providing opportunities for developers and for local people.

12.2 If the site cannot be acquired this could negatively impact on the wider Town Centre Masterplan implementation and could result in losing the funding allocated to this scheme.

## **13. Risks and Mitigation**

13.1 The main risks to the successful land acquisition:

1. Land acquisition costs higher than budgeted for
2. Developer partner procurement not concluded (CPO impact)
3. Development Cost higher than budgeted for

- 13.2 Landowner acquisition costs higher than budgeted for  
 Risk: Costs decided by Public Inquiry are higher than have been budgeted for. **Mitigation:** Surveyors and solicitors have been appointed at an early stage to provide 'worst-case' scenarios and ensure all potential compensation costs are covered.
- 13.3 Developer partner procurement not concluded (CPO impact)  
 Risk: Developer partner procurement is not concluded/terms are not agreed and the requirements of the CPO mean that the Council is obliged to deliver the scheme directly. **Mitigation:** The Council will deliver the scheme directly which will be achievable within the timeframe but will likely lead to a greater capital cost and long-term involvement in the letting or sale of the project.
- 13.4 Development cost higher than budgeted for  
 Risk: Development cost higher than budgeted for. **Mitigation:** A cost plan has been prepared based on the planning application (RIBA Stage 2 design) and includes allowances for inflation, and a contingency. The design will be reviewed and cost plans prepared regularly to monitor affordability.
- 14. Accountable Officers**  
 Simon Moss Assistant Director, Planning, Regeneration and Transport  
 Tim O'Connell, Head of RiDO

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	05/06/23
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	31/05/23
Assistant Director, Legal Services (Monitoring Officer)	Phillip Horsfield	30/05/23

*Report Author: Lucy Mitchell, Major Projects Officer*  
*lucy.mitchell@rotherham.gov.uk*  
 This report is published on the Council's [website](#).