

London Borough of Enfield

Part 1

Subject: Electric Quarter Regeneration Scheme compensation payments

Executive Director: Sarah Cary, Executive Director of Place

Key Decision: KD 5345 U235

Purpose of Report

1. For the Executive Director of Place's operational decision to approve the recommendation to make payments for the compulsory purchase of private properties for the Electric Quarter regeneration scheme.

Proposal(s)

2. To make the recommended payments to claimants as detailed in Part 2.

Reason for Proposal(s)

3. On 17 June 2015 Cabinet (KD4076) resolved to make a Planning Compulsory Purchase Order under section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and new rights within the area described in the report ('the originating report').
4. Under the Compulsory Purchase Order, the claimants are entitled the payments as they have compensable interests in their respective properties. The compensation payments are for the acquisition of property interests, and where appropriate, disturbance costs to the businesses. Possession of the properties was taken by the Council during 2018 and 2019.
5. The negotiation for these compensation payments have taken place over the last 3 years by the Council's appointed valuation consultants, Avison Young. Officers have been kept fully informed and have been party to some of the main points of agreement. Officers recommend these settlements.
6. The same Cabinet resolution also delegated authority to the Director of Regeneration and Environment, acting in consultation with the Director of

Finance, Resources and Customer Services, to acquire all necessary interests in land subject either by agreement or compulsorily. Accordingly, the Executive Director of Place has authorised previous acquisitions and settlements.

7. An approval for the recommended balancing payments is being sought as an aggregated single exercise rather than seeking multiple approvals for each occasion that a settlement is agreed with each party.

Relevance to the Council's Plan

Good homes in well-connected neighbourhoods

8. The Electric Quarter scheme will increase home ownership levels in the area through the delivery of 167 homes. The Council has also purchased back 75 residential units at a discount to provide additional social housing over and above the planning obligation.

Safe, healthy and confident communities

9. No change from the originating report.

An economy that works for everyone

10. No change from the originating report.

Background

11. The settlement and payment of compensation was delegated to Director level by the originating report and this report seeks that approval to the balances of payments to be made on the claims detailed. There is a need to fulfil the Councils' obligations to bring the compensation process to a conclusion although final settlements can only be made with agreement of the claimants or be settled by a Tribunal if a claimant appeals is agreement cannot be reached.

Main Considerations for the Council

12. Failure to make payments risks legal action against the Council. As stated above the budget is immediately available to do so.

Safeguarding Implications

13. No change from the originating report.

Public Health Implications

14. No change from the originating report.

Equalities Impact of the Proposal

15. No change from the originating report.

Environmental and Climate Change Considerations

16. No change from the originating report.

Risks that may arise if the proposed decision and related work is not taken

17. The Council is under a legal obligation to make the payments and risks legal action by claimants if payments are not made in a timely way although there is no statutory time limit, the Compensation Code expects payment claims to be settled as soon as practical after the claimant confirms full and final settlement. Whilst this would not result in higher payments it will result in the Council having to pay the claimants legal cost which would be fully recoverable and the potential for additional interest to be paid over an above the statutory compensation interest.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

18. None, the claims have been fully analysed and agreed as being those the Council are advised to make. Any lower settlement would result in the Council being advised it would lose if claimants appealed to the Upper Tribunal Lands Chamber, a division of H.M. Courts Service.

Financial Implications

19. This report is seeking approval to pay the balance of compensation payments of £2,485,660 of which £603,244.50 has already been authorised and paid in accordance with the originating authority as advance payments to which claimants are entitled as a percentage of the acquiring authority's assessment of compensation. The payments represent full and final payments and the Council will not be liable for any other future payments or liabilities to the respective owners or agents other than any statutory interest and fees claimed up to the proposed date of payment.
20. The outstanding total balance of compensation of £1,882,415.50 (£1,598,415 after deduction of recoverable VAT) detailed in Part 2 of this report will be made this financial year and will be funded from the balance of the approved capital budget of £6.753m in the 2021/22-2030/31 Capital programme. KD4076 (June2015) & KD4229(Feb2016) granted the approval and budget to undertake the CPO process.

Legal Implications

21. As noted above, in KD4076 Cabinet delegated authority to the Director Regeneration and Environment, acting in consultation with the Director of Finance, Resources and Customer Services, following confirmation of the CPO to pay compensation and statutory interest entitlement to former landowners. The payments can be made following consultation with the Director of Finance and should be in accordance with the Compensation Code (applicable legislation) and the recommendations of the Council's valuation consultants.

Workforce Implications

22. No change from the originating report.

Property Implications

23. The properties were transferred into the Council's ownership under the compulsory purchase process and then passed on to the developer of the scheme. The properties have since been demolished and the scheme is largely completed. The Council have since purchased back 75 residential units at a discount to provide additional social housing over and above the planning obligation.

Other Implications

24. None

Options Considered

25. There are no other alternative options that could be reasonable justified. To do nothing at this stage of the CPO process would invite court action for the compensation payments to be made and would cause huge reputational problems.

Conclusions

26. It is necessary to protect the Council from unnecessary legal costs and comply with its legal obligations that these payments are made as soon as possible.

Report Author: David Bond,
Senior Surveyor, Property Services

david.bond@enfield.gov.uk
020 8132 1604

Date of report: 12/05/2021

Appendices **None**

Background Papers.

The following documents have been relied on in the preparation of this report:

Reports from Avison Young consultant surveyors (contains exempt information due to commercial sensitivity and personal and financial information)
