

JERICO WHARF TRUST

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2nd December 2024

To: Lizzy Diggins, Councillor for Carfax and Jericho

Copy:

Councillors Susan Brown, James Fry, Ed Turner, Louise Upton
Tom Bridgman, Executive Director for Development
David Butler, Head of Planning and Regulatory Services

Dear Councillor Diggins,

Jericho Wharf Compulsory Purchase Order

The Jericho Wharf Trust (JWT) - with member organisations the Jericho Community Association (JCA), the Jericho Community Boatyard (JCBY), the Jericho Living Heritage Trust (JLHT) and St Barnabas Parochial Church Council - formally request that the City Council promote a Compulsory Purchase Order (CPO) for the Jericho Wharf site. As recently discussed with Councillor Hollingsworth and yourself, there is a strong need for a CPO in the public interest: to at last deliver housing and community facilities on this derelict brownfield site in accordance with the Council's adopted planning policies.

Context

The Local Plan 'Policy SP33: Canalside Land' sets out the planning policy requirements for a mixed-use development on the site: residential, community centre, public square, boatyard and new bridge. The 2013 Jericho Canalside Supplementary Planning Document (SPD) set out the Council's vision and requirements for the site in more detail. Their continuing relevance is clear:

- Residential: the need for more homes and affordable homes is a priority for the city
- Community Centre and Public Space: the need for suitable facilities has been assessed in detail and the Council requires that the community centre is independent and financially sustainable.
- Boatyard: with of the order of 400 residential boats in Oxford there is an urgent need for provision of suitable repair facilities since the Jericho yard closed. There are increasing reports of boats sinking and there is now the potential for serious injury or loss of life.

- New Bridge: the Canal and River Trust has published new guidance for a crossing and this is being taken forward by JWT as a separate project for funding.

British Waterways Board sold the site in 2004 for housing together with land reserved under covenant for community facilities. But for 20 years this prominent brownfield site has remained derelict: traded by investors or held by an Administrator, subject to a series of speculative planning applications, refusals and appeals.

For the last 11 years the vacant site has been held by Cheer Team Corporation Limited (incorporated in Hong Kong) which purchased the land from PWC Administrators in 2013 at a cost of £2.6 millions. This was 30% higher than the bid submitted by JWT in partnership with a social housing provider. JWT then collaborated with Cheer Team and its agents SIAHAF in the development of a high quality scheme design from architects Haworth Tompkins – which met all community facility needs and included 39% affordable housing units. Their application was approved by the Planning Committee in February 2015, and the Section 106 Agreement was subsequently signed in March 2016. However, 3 months later SIAHAF/Cheer Team refused to accept the JCA's legal right to ownership of land for community facilities on the grounds that the planning permission was not satisfactory; and the scheme was abandoned on that unspecified basis.

Cheer Team subsequently appointed Cornerstone Land with architects Stride Treglown, and a second planning application was submitted in June 2020. This scheme was widely seen as having significant shortcomings and the application was unanimously refused by the Planning Committee in March 2022. Following revised valuation advice, which valued the site at £1 million, permission was granted at Appeal in February 2023 and a Section 106 Agreement signed. But in an all-too-familiar pattern it has become clear that development has again stalled. The planning permission cannot be implemented unless Cornerstone achieve the necessary consents from the Church authorities and from the Canal and River Trust; but all contact with the Church and with CRT ceased six months ago. Also Cornerstone has failed to respond to proposals that JWT and senior Council officers had developed earlier this year, proposals designed to enable the delivery of their planning permission. Meanwhile SIAHAF has gone into compulsory liquidation following representations from HMRC; and we understand the landowner is now informally but actively marketing the site again, making another attempt to recoup his costly mistake of 11 years ago.

In conclusion, this iconic site continues to be in the hands of speculative investors, and development has not progressed despite two viable planning

permissions. Without the Council's intervention the series of tortuous planning applications will slowly continue – with all of the consequent further costs and frustrations, for both the Council and the community.

A CPO provides the opportunity to unlock development

After 20 years a Compulsory Purchase Order is required to break these cycles of dereliction, and to deliver the development of much needed housing and community facilities in accordance with the Council's policies.

The Haworth Tompkins scheme of 2015/6 provides a template for the CPO. The scheme received planning permission and was positively endorsed by the Council and by community groups; it included 9 units of affordable housing. Whilst there may be improvement opportunities arising from some changes to the development context, it should be possible to avoid major changes that would invite further uncertainty, cost and challenge from the landowner, or from community interests and third parties.

Resources required to develop a CPO

Government guidance recommends that a compulsory purchase timetable and formal procedures are prepared and initiated to encourage the landowner to engage effectively in the process and avoid valuable time being lost. The CPO process typically extends 12-18 months: and involves choosing the right powers and justifying the Order; through to preparation, consideration and implementation of the Order and compensation.

A negotiated agreement would curtail this. Parallel seeking of a constructive negotiated sale to the Council is a pre-requisite for a CPO to save time and cost for all parties. Speculative landowners usually prefer this option as objections to a CPO are unlikely to succeed. This was the outcome when the Council proposed CPOs for the Oxford Stadium (Galliard Homes) and Jericho Canalside (Price Waterhouse Coopers-Administrators). However, as we have seen in the latter case, the land can still be traded to a third party without guarantees of development unless the Council takes the opportunity to secure ownership.

The City Council can be confident of meeting the practical tests for a CPO which has the intent and the ability to secure the proposed scheme of development in the public interest:

1. Strategic Planning Framework: the planning policy requirements for the development of the site are established in the current Local Plan Policy SP33 and supported by the Jericho Canalside Supplementary Planning Document. Adopting the Haworth Tompkins design in principle, as a previously

consented scheme, avoids a potential challenge from the landowner and has the support of the community.

2. Control of the Site: there two relevant interests in addition to Cheer Team:

St Barnabas PCC: church land is required to complete the access and the main square for the development. The Ecclesiastical Faculty (planning permission) and access are available by agreement, which removes the need to widen the CPO.

Canal and River Trust: works and access consents are available by agreement. Deferring implementation of any new canal crossing avoids extending this process. CRT has previously supported the principle of a CPO for the site.

3. Development Viability: the financial viability of the development principles of the site have already been tested, most recently in successive planning consents; and confirmed by the landowner and Council officers. These viability assessments showed that the site was worth at most £1million.

The Council will require independent CPO advice: project planning, programme and budget management, legal (CPO and planning) advice, development viability (valuation and costs) and design input (limited). These fee costs can be funded initially (with a substantial reserve contingency) through the approved Council budget for the development of the Jericho community facilities (c£200,000, established some years ago in anticipation of development). Subsequently the costs and the landowner compensation payment can be recovered either through a Developer Indemnity Agreement (see below), or through the sale of the site.

Developer Indemnity Agreement to protect the Council and the community

While the Council could acquire the Canalside site and then seek a development partner, there are advantages in the alternative arrangement of a Developer Indemnity Agreement: this is a forward contract for sale and 'back to back' agreement with a selected proven developer who receives ownership of the site, and in exchange underwrites the Council's costs (fees and compensation):

- The Council then has the assurance that its fee and compensation costs will be reimbursed (and may be cash flowed in addition)
- The development specification, parameters and timetable are included in the Agreement and the preferred architects may be novated to the nominated developer
- The development delivery, viability, site value are validated through this commercial agreement
- The agreement allows for penalties or Council 'step-in' rights if the developer unreasonably fails to perform

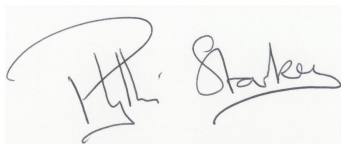
- The transfer of the community facilities to community organisations is agreed and directly contracted by the developer where previous planning agreements could not specify this
- There are development cost efficiencies and time savings through a partnership between the Council and a developer during the CPO process
- Legal and tax charges are reduced by avoiding 'double handling' in land title transfers.

Summary

After 20 years the Jericho Canalside site remains derelict and in the hands of investors who hold the site in expectation of planning gain and inflated land values. The Council and the community continue to be held to ransom. Without Council intervention further speculative planning applications will follow and the cycle of the last 20 years will continue. No housing and affordable homes will be delivered on the site within the Local Plan period or beyond. The existing inadequate community facilities are increasingly at risk with no funding to undertake major repairs. There are significant concerns that the continuing deterioration of residential boats in the absence of dock facilities will lead to further serious accidents or ultimately a fatality.

A CPO will unlock this site to deliver housing and community facilities. Haworth Tompkins' plans will bring important additional benefits: a fitting setting for St Barnabas Church, public open space, a vibrant canal side and canal corridor, served by enhanced pedestrian and cycle links and strengthening community cohesion. Funding is available in the Council's budget to prepare and prosecute the CPO which may be completed in 12-18 months, and much less if there is a negotiated settlement. The Council can secure repayment of its costs and the compensation payment through a Development Indemnity Agreement with a responsible development partner who will deliver the scheme.

We urge the Council to take this initiative and promote a CPO for Jericho Canalside in the public interest.



JWT Chair



JWT Treasurer