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# Scottish City Centres

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Workstream 3: Reduce Vacant/Derelict Land  
and Property  
Seven Cities Summary Report

Final Report

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## Executive Summary

Savills have been commissioned by seven Scottish cities to undertake research and provide recommendations on the issue of reducing the amount of vacant and derelict land and property (VDLP) in each of the seven Scottish city centres.

The ambition of the National Policy Framework 4 (NPF4) is to prioritise development on brownfield land and in cities limiting urban expansion. The NPF 4 recognises that a combination of incentives, investment and policy support for productively reusing brownfield land and buildings at risk will be required to steer development away from greenfield locations.

The analysis of the locations and clusters of vacant or derelict land across all seven city centres is substantiated by an analysis of the Scottish Vacant or Derelict Survey (SVDLS) for the sites larger than 0.25 hectares. The analysis indicates that the seven cities have varying amounts of VDLP in different parts of each city centre and their time lengths of vacancy cover a 42-year period. In terms of the location and quantity of VDL, Glasgow has the highest number of vacant or derelict sites compared to other cities. However, the total amount of VDLP is larger in Stirling, mainly due to the Ministry of Defence site which is still in partial use. The previous uses of these vacant or derelict sites are also various. These uses range from offices to community and health. These sites are mainly owned by the local authority or a private individual, with private individuals owning the majority of these sites and 54% of the total VDLP area. In terms of development potential, these sites are geared towards the short term, which includes 39.36 ha and 79% of VDLP to be redeveloped. Most of the sites have become vacant in the last two decades. Overall, the analysis suggests that the VDLP in seven cities have reasonably good potential for redevelopment and may require a strategy that robustly promotes these sites for redevelopment as some of them have been vacant for 42 years.

The analysis of the live planning applications reveals a relatively little interest in vacant land. Currently only Glasgow and Edinburgh have live planning applications (total of four) for residential and hotel and mixed use.

The demand for VDLP is relatively low in the majority of the cities due to viability issues. The situation is improving in Glasgow where a number of developers are keen to have representation in the city centre. Edinburgh experienced the highest demand for VDLP in the recent years what has greatly reduced the amount of VDLP left in the city centre.

The potential for development is the highest in cities with the largest amount of VDLP – Stirling, Glasgow and Dundee. There is a moderate potential for development in Perth which generally has smaller sites. Aberdeen, Inverness and Edinburgh have limited potential due to the relatively small amount of VDLP in these cities. However, cities like Perth have more significant issues related to vacant and derelict land in the outer areas, i.e. outside the defined city centre.

Viability including abnormal costs connected to development of VDLP is the greatest barrier to development. Significant upfront costs for demolition/remediation and low rents in many city centres contribute to the perception that development of VDLP is highly risky. Other constraints include land ownership with unresponsive/unknown landowners, difficulties with redevelopment of upper floors for residential use and lack of VDLP supply in Edinburgh and Aberdeen.

#### ***Options and Recommendations***

In seeking to reduce the amount of vacant/derelict land and property, we suggest that the councils deliver on the following actions:

- A mechanism for the delivery of grant funding to bridge viability gap in the case of most challenging sites. Council's help might be required to unlock the sites including:
  - Preparations of site investigations and other professional reports
  - Funding for decontamination
  - Funding for the demolition
  - Land assembly / compulsory purchase order if required
- A template for the assessment of the retention of existing unlisted buildings
- Guidance on the conversion of listed buildings in the city centre – including the potential to partner with a developer to deliver an exemplar scheme
- For larger vacant and derelict sites with the potential for comprehensive redevelopment, development briefs and masterplans should be produced to de-risk the planning and potentially assist with the commercial delivery of a wider range of housing tenures
- For stalled and larger sites the option to put either planning permission in principle in place or a Development Consent Zone should also be considered to remove the risk and the upfront costs of obtaining planning permission
- Support the temporary use of vacant space by creative and startup ventures.

Compulsory purchase is a useful tool for local authorities to tackle vacant and derelict land. The Scottish Government has committed to reform the compulsory purchase system with the aim to make it clearer and faster for all parties. Several suggestions have been put forward to achieve it:

- The various routes to compulsory purchase such as Transport and Works Act Order, CPO and a bill process should be merged into one consistent procedure;
- The acquiring authority should be made to commit to a timetable for delivery and to deliver a thorough detailed engagement with every party impacted by the CPO process;
- The acquiring authority will need to demonstrate that they have made realistic and appropriate offers of compensation;
- Make genuine attempts to acquire by agreement using qualified and experienced CPO surveyors;
- Thought needs to be given to the mental impact that many parties experience; and
- An acquiring authority should be made to make payments in a timely manner.

From a practical perspective in most cases regeneration schemes are delivered through a form of a joint venture or in the form of an indemnity between private developers a local authority who utilise their CPO powers. An advantage of bringing on board a promoter/developer is the opportunity to leverage of the skill and experience they have in delivering these type of projects around the country which typically the local authorities do not have in house.

## 1. Introduction

### 1.1. Objectives

1.1.1. Savills have been commissioned by seven Scottish cities to undertake research and provide recommendations on the issue of reducing the amount of vacant and derelict land and property (VDLP) in all/each of the seven Scottish city centres. The cities included in the study are Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling.

### 1.2. Report Structure and Fit with Other Work

1.2.1. The need for this study has been identified through the Scottish City Centre Recovery Task Force, which released At the Heart of Economic Transformation Report, 2021-22. In the Scottish City Centre Recovery Task Force's report seven priority areas were identified to be most important for the successful recovery of city centres. This report relates to the priority area 3: reduction in the amount of vacant/derelict land and property.

1.2.2. Individual reports have been prepared for each of the seven Scottish cities. This summary report provides an overview of the VDLP issue across the seven cities pertinent to this project and provides recommendations at the UK and Scottish levels.

1.2.3. The report is structured around four sections:

- **Section 2** covers the national policy relevant to VDLP
- **Section 3** analyses the locations, clusters and characteristics of the VDLP
- **Section 4** provides an overview of barriers and potential for VDLP

1.2.4. As a part of the same instruction research and recommendations on the priority area 1: increasing residential capacity and occupancy in each of the seven Scottish city centres has been prepared. Both workstreams should be read in conjunction.

## 2. Policy and Literature Review

### 2.1. Introduction

2.1.1. The policy review covers national policies and supplementary guidance relevant to vacant/brownfield land and the compulsory purchase order in Scotland.

### 2.2. Relevant Documents

2.2.1. The relevant documents include:

- National Planning Framework 4 (2023)
- Town and Country Planning (Scotland) Act 1997
- Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947
- Guidance for Acquiring Authorities: Can I use Compulsory Purchase? (2018)

### 2.3. Relevant Policies

2.3.1. The National Planning Framework 4 (NPF4) (2023) sets out the spatial principles for Scotland 2045 specify where the development should be located. The ‘Compact growth’ principle aims to limit urban expansion where brownfield, vacant and derelict land and buildings can be used more efficiently.

2.3.2. The NPF4 recognises that a combination of incentives, investment and policy support for productively reusing brownfield land and buildings at risk will be required to steer development away from greenfield locations. It is noted that public sector-led development can shape future markets and deliver development in places where change is needed the most and can deliver multiple benefits.

2.3.3. The National Planning Framework 3 (2014) notes that whilst re-use of vacant land remains a priority, in some cases greening initiatives could be the best permanent solutions for sites where built development is unrealistic for cost or other reasons.

### 2.4. Compulsory Purchase Order /Compulsory Sales Order

2.4.1. Compulsory purchase for regeneration works generally fall under the Town and Country Planning (Scotland) Act 1997 (s.189), which is for *‘land which is (1) suitable for an is required in order to secure the carrying out of development, redevelopment or improvement (2) required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated’*.

#### **CPO Process**

2.4.2. The compulsory purchase process is governed by the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 in conjunction with the Scottish Government: Guidance for Acquiring Authorities. The procedure can be summarised as follows:

I. Acquiring authority resolution to make the CPO

A paper will be presented to the acquiring authority Committee which is competent to deal with the proposed project and a decision will be made to pursue the use of CPO powers to acquire land and rights to deliver the proposed scheme.

- II. The making of the CPO by the Acquiring Authority  
This process involves the drafting of the Compulsory Purchase Order and other statutory documents in support of the scheme.
- III. Notice of making of the CPO by the Acquiring Authority  
Statutory notices will be served on all interested parties impacted by the scheme
- IV. Objections to the CPO  
The Notice of making of the Order gives interested parties at least 21 days for objections from the date of the first publication in the newspapers. Any objection must be done in writing directly to the Scottish Government, as clearly specified in the Notices for the relevant CPO.
- V. Submission of CPO by the Council to the Scottish Minister for confirmation  
Following a Public Inquiry and following submission of the inspectors report the relevant Scottish Minister will confirm or reject the CPO.
- VI. Confirmation of the Order by the Scottish Government  
The final step of the CPO procedure is confirmation of the Order by the Scottish Ministers.
- VII. Notice of Confirmation of the CPO  
This is done by observing statutory procedures and service of notices to relevant parties.
- VIII. Service of Statutory Notice to take possession  
Once the CPO has been confirmed an acquiring authority will be able to then serve statutory notices to compulsory acquire the land and property thereby obtaining vacant possession to begin construction of the scheme.

## 3. Locations and Clusters VDLP

### 3.1. Introduction and Summary

3.1.1. This section focuses on the locations and clusters of vacant or derelict land across all seven cities, specifically around the city centres. This section is substantiated by an analysis of the Scottish Vacant or Derelict Survey (SVDLS) focusing on the quantity of vacant and derelict land (VDL), previous uses of VDL, the ownership of vacant or derelict sites, the development potential of these sites, and the time length of these sites' vacancy. The size threshold used in this study is 0.25ha.

3.1.2. The analysis indicates that seven cities have varying amounts of VDL in different parts of each city centre and their time lengths of vacancy cover a 42-year period. In terms of the location and quantity of VDL, Glasgow has the highest number of vacant or derelict sites compared to other cities. However, the total amount of VDL is larger in Stirling, mainly due to the Ministry of Defence site which is still in partial use. The previous uses of these vacant or derelict sites are also various. These uses range from offices to community and health. These sites are mainly owned by the Local Authority or a private individual, with private individuals owning the majority of these sites and 54% of the total VDL area. In terms of development potential, these sites are geared towards the short term, which includes 39.36 ha and 79% of VDL to be redeveloped. Most of the sites have become vacant in the last two decades. Overall, the analysis suggests that the VDL in seven cities have reasonably good potential for redevelopment and may require a strategy that robustly promotes these sites for redevelopment as some of them have been vacant for 42 years.

### 3.2. Location and Quantity of Vacant and Derelict Land

3.2.1. Seven cities have varying amounts of vacant or derelict land in different parts of each city centre. The analysis of the SVDLS shows that Glasgow has the most vacant or derelict sites compared to other cities. This reinforces the statement in the Glasgow Local Plan that the city centre has some of the country's highest concentration of vacant or derelict land. However, Stirling's vacant or derelict land in hectare terms is the highest, which mostly attributes to the Ministry of Defence site that is in partial use. Glasgow has the second largest amount of vacant or derelict land at 14.75 ha. Edinburgh has recorded zero vacant or derelict land in the city centre as the two sites currently in the SVDLS are under development. In terms of percentage of vacant or derelict land of the city centre, Stirling is the highest and Edinburgh is the lowest.

**Table 3.1 Vacant and Derelict Land**

| City           | VDLP (ha)    | No. of Sites | % of city vacant/derelict |
|----------------|--------------|--------------|---------------------------|
| Aberdeen       | 3.79         | 2            | 3.2                       |
| Dundee         | 4.77         | 8            | 5.4                       |
| Edinburgh      | 0            | 0            | 0                         |
| Glasgow        | 14.75        | 31           | 3.7                       |
| Inverness      | 2.2          | 2            | 2.1                       |
| Perth          | 1.09         | 1            | 1.8                       |
| Stirling       | 23.44        | 6            | 21.7                      |
| <b>Total</b>   | <b>51.53</b> | <b>44</b>    | <b>-</b>                  |
| <b>Average</b> | <b>7.18</b>  | <b>7</b>     | <b>5.44</b>               |

Source: Savills, 2022; Scottish Vacant or Derelict Land Survey Audit, 2022



### 3.3. Previous Uses of VDLP

3.3.1. The previous uses of VDLP vary across each city centre. The analysis indicates that defence accounts for the largest amount of VDLP in all city centres overall, which is 34.1% of the total VDLP. However, this previous use is found in only three sites, mainly in Stirling where the Ministry of Defence site is located. The second largest amount of previous use is 'other', which includes retailing, utility services and general industry. This type is found in 11 sites across the seven cities, which is the highest. The smallest VDL is community and health, which is found in two sites and accounts for 2.6% of the total VDL. These figures are presented in **Table 3.2**.

**Table 3.2 Previous Uses of VDLP in all Seven City Centres**

| Previous Use of Land | Area (ha) | No. of Sites | % of VDL |
|----------------------|-----------|--------------|----------|
| Community & Health   | 1.33      | 2            | 2.6%     |
| Education            | 3.12      | 2            | 6.0%     |
| Manufacturing        | 2.1       | 4            | 4.1%     |
| Offices              | 5.67      | 4            | 11.0%    |
| Leisure              | 1.7       | 3            | 3.3%     |
| Hotel/Hostels        | 1.8       | 3            | 3.5%     |
| Residential          | 2.51      | 1            | 4.9%     |
| Transport            | 1.8       | 3            | 3.5%     |
| Defence              | 17.63     | 3            | 34.1%    |
| Other                | 6.37      | 11           | 12.3%    |
| Unknown              | 4.53      | 4            | 8.8%     |

Source: Savills, 2022; Scottish Vacant or Derelict Land Survey Audit, 2022

### 3.4. Ownership Analysis

3.4.1. **Table 3.3** presents the analysis regarding the ownership of the sites in all seven cities. It shows that private ownership is the largest out of all types of ownership, accounting for 27.87 ha and 19 sites in total across all cities. Local Authority is the second largest owner. This shows that the majority of these sites are either owned by the Local Authority or private individual.

**Table 3.3 VDLP by Ownership**

| Ownership                             | Area (ha) | % of the Total Area | No. of Sites |
|---------------------------------------|-----------|---------------------|--------------|
| Private                               | 27.87     | 54%                 | 19           |
| Local Authority                       | 13.87     | 27%                 | 16           |
| Unknown                               | 6.71      | 13%                 | 4            |
| Partially Local Authority and Private | 1.09      | 2%                  | 1            |
| Network Rail/Rail                     | 0.62      | 1%                  | 1            |
| Housing Association                   | 0.66      | 1%                  | 1            |
| Scottish Enterprise                   | 0.71      | 1%                  | 2            |

Source: Savills, 2022; Scottish Vacant or Derelict Land Survey Audit, 2022

### 3.5. Development Potential

3.5.1. The development potential of all sites in these seven cities are geared towards the short term, which includes 40.61 ha and 79% of vacant or derelict land to be redeveloped. This covers 29 sites. The sites with medium-term development potential cover 10.07 ha and 20% of area.

**Table 3.4 VDL with Short, Medium and Long-Term Development Potential in All Cities**

| Ownership                  | Area (ha) | % of the Total Area | No. of Sites |
|----------------------------|-----------|---------------------|--------------|
| Developable - Short Term   | 40.61     | 79%                 | 29           |
| Developable - Medium Term  | 10.07     | 20%                 | 14           |
| Developable - Undetermined | 0.85      | 1%                  | 1            |

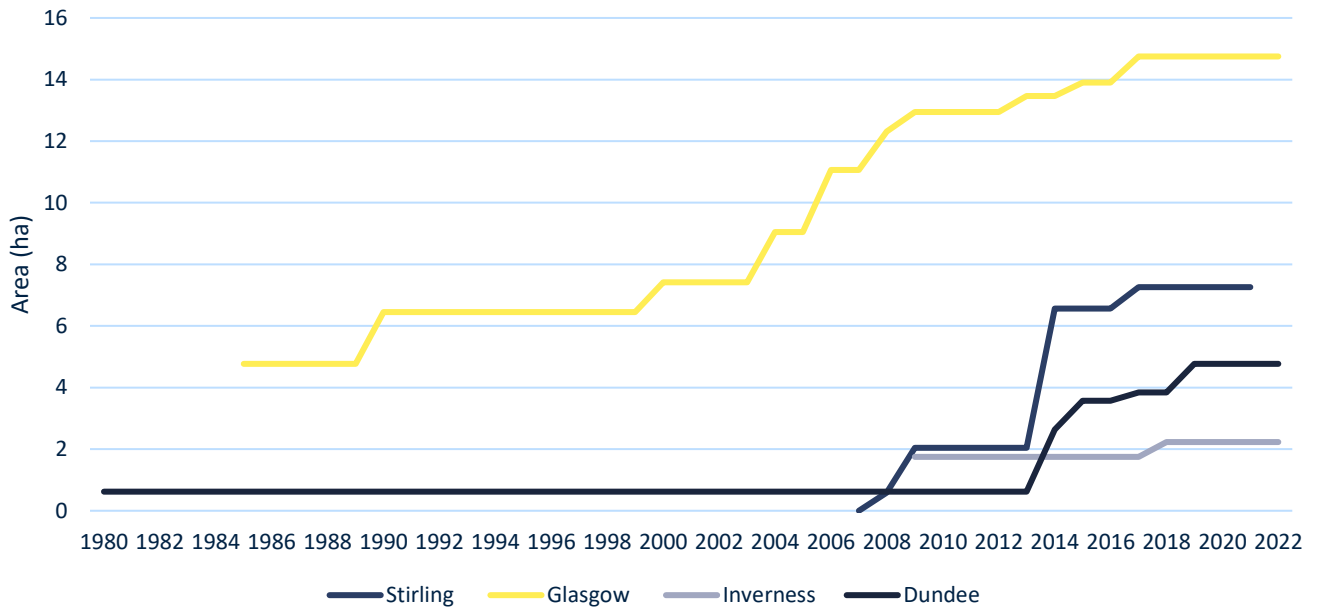
Source: Savills, 2022; Scottish Vacant or Derelict Land Survey Audit, 2022

### 3.6. Length of Time Vacant

3.6.1. The time length of sites' vacancy across all cities vary. **Figure 3.5** below shows that Glasgow's vacant and derelict land became vacant as early as 1985 with 4.77 ha being vacant. This grew to 14.75 ha in 2022, an increase of 209% in the period. However, Dundee's vacant and derelict land was the earliest, which started in 1980. One site of 0.62 ha became vacant in the year, much smaller amount of VDLP than in Glasgow's figure. This grew to 4.77 ha in 2022, which is smaller than Glasgow and Stirling. Overall, the chart suggests that the amount of vacant and derelict land tends to increase in quantity over time, and this offers an opportunity for these councils to deliver housing and other uses.



Figure 3.5 Length of Time Vacant by Total Area in all cities



Source: Savills, 2022; Scottish Vacant or Derelict Land Survey Audit, 2022

## 4. Barriers and Potential for Vacant/Derelict Land

### 4.1. Introduction

Section 4 reviews live planning applications for VDLP, demand for VDLP, development constraints, zones and use types for VDLP and the role of public sector in the development of VDLP.

### 4.2. Review of planning applications shows little interest in vacant land

4.2.1. There are only a few live planning applications for VDLP in Glasgow and Edinburgh. The proposed uses are residential, hotel mixed use. Details of these applications are presented in **Table 4.1**.

**Table 4.1 Live Planning Applications in the Seven Cities**

| City      | Address                                      | Details  |
|-----------|--|--|
| Edinburgh | Jeffrey Street                               | 31 resi units and 101 bed hotel units  |
| Glasgow   | Wilson Street/ Candleriggs/<br>Brunswick St. | 460 flats, 10,000sqm of offices/business space, 500 hybrid hotel beds, 615 hotel rooms and 5,000sqm of commercial floorspace |
|           | South of 62 Hutcheson Street                 | 500 hybrid hotel rooms, restaurant, pub and retail   |
|           | Armour Street/ Sydney<br>Street/ Barrack St  | 254 flats  |

4.2.2. Historically there were a few applications for various uses which have now expired. We identified 14 expired planning applications in Glasgow, six in Edinburgh, two in Stirling, Inverness, Aberdeen, Dundee and one in Perth.

### 4.3. Review of Demand for VDLP

4.3.1. In majority of the cities the demand for VDLP is relatively low. The sites will require large amounts of investment upfront before any income is received. As we move into a time of economic uncertainty, developers will look to develop land already under their ownership or look to robust, mature markets where historical sales rates have been strong. Many developers have found easier, richer pickings on the outskirts of the city centres where there is less competition and opportunities are more abundant. There is also a better residential infrastructure giving developers sales confidence on pricing and sale rates.

4.3.2. The situation is improving in Glasgow there are a number of developers keen to have representation in the city centre especially on the back of success of those schemes which have happened.

4.3.3. The exception is Edinburgh where demand for land in the city centre remains incredibly strong, with strong competition for each site that does come forward. There are not enough opportunities to satisfy demand from developers covering both residential and student accommodation markets. Scale remains the key problem with all sites of scale now either complete or under construction.

4.3.4. The appropriate uses depend on location and site-specific considerations. The uses in demand include residential, student accommodation, mixed use, hotel, retirement accommodation and office. There is lack of demand for commercial in Aberdeen but in Edinburgh the commercial sector is very strong.

4.3.5. The potential for redevelopment of VDLP varies across the seven cities. Glasgow has many vacant/derelict sites dotted around the city centre and vacant upper floors above retail. Both Dundee and Stirling have substantial amount of vacant land and great potential for transformation of large parts of the cities. Aberdeen, Inverness and Perth have less vacant land, but still offer opportunities for redevelopment. In Aberdeen the potential is in redevelopment of upper floors above retail. In Edinburgh most of the vacant land has been redeveloped already or is under development. This includes much of the vacant space above retail units on Princes Street which already has planning permission for conversion to hotel or serviced apartment use.

**Table 4.1 VDLP Development Potential**

| City      | VDLP (ha) | Percentage of city centre vacant | Development Potential   |
|-----------|-----------|----------------------------------|-------------------------|
| Aberdeen  | 3.79      | 3.2%                             | Rating 3 – Moderate     |
| Dundee    | 4.77      | 5.4%                             | Rating 6 – Very high    |
| Edinburgh | 0         | 0%                               | Rating 1 – Low          |
| Glasgow   | 14.75     | 3.7%                             | Rating 5 – High         |
| Inverness | 2.44      | 2.3%                             | Rating 2 – Low moderate |
| Perth     | 1.09      | 1.8%                             | Rating 3 – Moderate     |
| Stirling  | 23.44     | 21.7%                            | Rating 6 – Very high    |

Source: Savills, 2022; Scottish Vacant or Derelict Land Survey Audit, 2022

#### 4.4. Development Constraints

4.4.1. The main barriers and constraints to the development of VDLP and property in city centres are as follows:

- Viability - significant upfront costs needed, some sites need demolition/remediation, low rents, high cost of materials and labour
- Land ownership and Land/site assembly - unresponsive/unknown landowners stalling potential development
- Land supply - particular issue in Edinburgh
- Redevelopment of upper floors for residential use may be compromised due to inefficient floor plates, lack of light and access constraints.

#### 4.5. Role of the Public Sector in Development of VDLP

4.5.1. In seeking to reduce the amount of vacant/derelict land and property, the councils should work with the owners of the vacant sites to identify the constraints affecting the development, suitable uses and consider viability. The council should assist where possible in alleviating these development constraints. The recommended actions include:

- A mechanism for the delivery of grant funding to bridge viability gap in the case of most challenging sites. Council's help might be required to unlock the sites including:
  - Preparations of site investigations and other professional reports
  - Funding for decontamination
  - Funding for the demolition
  - Land assembly / compulsory purchase order if required

- A template for the assessment of the retention of existing unlisted buildings
- Guidance on the conversion of listed buildings in the city centre – including the potential to partner with a developer to deliver an exemplar scheme
- For larger vacant and derelict sites with the potential for comprehensive redevelopment, development briefs and masterplans should be produced to de-risk the planning and potentially assist with the commercial delivery of a wider range of housing tenures
- For stalled and larger sites the option to put either planning permission in principle in place or a Development Consent Zone should also be considered to remove the risk and the upfront costs of obtaining planning permission
- Support the temporary use of vacant space by creative and startup ventures

#### 4.6. Suggestions for Adaptation of Compulsory Purchase Order (CPO)/Compulsory Sales Order CSO

4.6.1. The City Centre Recovery Task Force in At the Heart of Economic Transformation 2021-22 report identified the need for adaptation of Compulsory Purchase Order (CPO)/Compulsory Sales Order CSO legislation, with the aim of making it clearer, fairer and faster for all parties.

##### **Background**

4.6.2. The underlying principle is that the use of a Compulsory Purchase Order should be used as a last resort; an acquiring authority should exhaust all other avenues to acquire the land by agreement prior to commencing the compulsory purchase process.

4.6.3. An acquiring authority will need to satisfy the Scottish Ministers that the scheme is clearly in the public interest, supported with strong evidence and the necessary funds to compensate owners for the purchase of their land, and to finance the subsequent development, in order for the CPO to be confirmed. Once the CPO has been confirmed, the acquiring authority has three years in which to implement the Order.

4.6.4. A relatively straight forward CPO, which requires a Public or Local Inquiry or Hearing, will likely take between 12 and 18 months to be determined, following submission to Ministers. More complex cases, with higher numbers of objectors, can take longer.

##### **Estimate of Procedural Costs**

4.6.5. The costs of obtaining a CPO, excluding compensation payments, is largely dependent on the complexity of the specific circumstances and will be significantly impacted by whether a Public Inquiry will be required. Typically these can be in the order of £250,000 - £1,000,000.

4.6.6. The estimate above assumes all costs the promoter of the CPO will incur from the outset to the point of serving the notices. They include the acquiring authority cost of making the CPO and undertaking any necessary consultation exercise(s), referencing the land, the fees for obtaining professional and legal advice, fees for holding an Inquiry and obtaining a confirmed CPO. The estimates do not however include any compensation payments or costs associated with the negotiation and settlement of resultant compensation claims.

#### ***Ideas for Improvement***

4.6.7. There are a number of suggestions that have been made historically to improve and hasten the pace at which a compulsory purchase can be delivered but the key point remains that every party should be entitled to a fair opportunity to comment on the scheme and the process needs to allow for representation to be made at the appropriate time. With that in mind it is unlikely that much can be done to shorten the time period for the delivery of a CPO but the impact on those parties whose property and businesses are impacted could be greatly enhanced / improved. Our thoughts are as follows:

- Harmonise the various routes to compulsory purchase. For example an acquiring authority could consider a Transport and Works Act Order, Compulsory Purchase Order and a bill process, each with slight variations on the process, requirements and outcomes. These should be merged into one consistent procedure.
- The guidance should be updated following the recent London Borough of Barking and Dagenham Vicarage Road CPO that failed which was criticised for a lack of viability and commitment from the developer and poor engagement with those impacted by the scheme. The guidance should be updated to consider the following key points that, if undertaken properly, will result in a quicker and fairer process:
  - a. The acquiring authority should be made to commit to a timetable for delivery. This will remove some of the uncertainty that businesses in particular face when threatened with CPO.
  - b. The acquiring authority should be made to deliver a thorough detailed engagement with every party impacted by the CPO process
  - c. The acquiring authority will need to demonstrate that they have made realistic and appropriate offers of compensation and not “low ball” claimants. This will need to include the payment of professional fees which often becomes an early and unnecessary sticking point in the delivery of schemes.
  - d. Make genuine attempts to acquire by agreement using qualified and experienced CPO surveyors. Too often inexperienced surveyors are sent out to negotiate with claimants with poor results
  - e. Thought needs to be given to the mental impact that many parties experience when they have been compulsory purchased.
  - f. An acquiring authority should be made to make payments in a timely manner and in much the same way as the Advance Payment regime in England operates.

#### **4.7. Practical Application of CPO Schemes and Further Thoughts**

4.7.1. In most cases regeneration schemes are backed by private developers (seeking a suitable commercial return on that development) and supported by the local authority who utilise their CPO powers. Typically this relationship is either in the form of a joint venture or in the form of an indemnity.

- 4.7.2. An Indemnity Agreement is a legally binding agreement between the acquiring authority and the Promoter/Developer which sets out the process for the payment of the costs associated with the acquiring authority obtaining and implementing CPO powers. Typically the acquiring authority will require the Promoter/Developer to pay for everything including but not limited to the costs of confirming the land ownership details, drafting of the order, independent professional advice, holding a Public Inquiry (including the cost of acquiring authority together with any experts required to give evidence), liaising with objectors, service of any Notices, negotiating valid compensation claims, payment of compensation, and any costs that fall to be paid by the Acquiring Authority in connection with references being made to the Upper Tribunal.
- 4.7.3. The timing for making such payments is a matter for the Promoter/Developer and the acquiring authority to agree upon, however we see merit in making these periodic such as monthly or quarterly to help establish a more easily auditable paper trail.
- 4.7.4. Drafting an Indemnity Agreement can be a time consuming process, typically involving significant legal representation for both parties. In order to avoid any delay, we recommend early engagement with the Council in connection with this aspect of the process as a matter of priority.
- 4.7.5. One advantage of bringing on board a promoter / developer is the opportunity to leverage of the skill and experience they have in delivering these type of projects around the country which typically the local authorities do not have in house. Furthermore, this will assist a developer, whose development has stalled, due to difficult land negotiations, perhaps a land owner cannot be traced, or their inability to obtain vacant possession and start development.
- 4.7.6. Finally, we are aware that many Scottish Local Authorities lack the in house expertise to deliver a CPO and would therefore be concerned of the potential public relations (PR) risk of using their CPO powers. However, we would recommend that thought is given to reaching out to both suitably qualified practitioners, developers and also Local Authorities in England and Wales that have recently and consistently delivered regeneration projects for a number of statutory and planning reasons.
- 4.7.7. For example in recent history Birmingham City Council has delivered the Paradise Circus development, Aston Manufacturing Hub, Commonwealth Games and Axis Office Development all using CPO powers to obtain vacant possession and in the case of the Axis development in conjunction with London Continental Railway as development partner. The active sharing of advice, experience and best practice must be encouraged to ensure consistency but to give the Scottish Local Authorities the confidence to deliver important regeneration schemes.

#### **4.8. Consideration of Funding Requirements to Support the Findings**

- 4.8.1. A range of funding pots is available to support the delivery of VDLP as follows:
- Vacant and Derelict Land Investment Programme (Scottish Government)
  - City Centre Recovery Fund (Scottish Government)
  - Levelling Up Fund (UK)
  - Shared Prosperity Fund (UK)
  - Place Based Investment Programme (Scottish Government)
  - Vacant and Derelict Land Fund (Scottish Government)
  - Regeneration Capital Grant Fund (Scottish Government)





- Housing Infrastructure Fund (UK)
- Heritage & Place Programme (Historic Environment Scotland)

4.8.2. In order to take a full advantage of funding opportunities regular scanning of funding pots is recommended.



## Appendix 1 Abbreviations

|       |                                       |
|-------|---------------------------------------|
| CPO   | Compulsory Purchase Order             |
| CSO   | Compulsory Sales Order                |
| ha    | Hectares                              |
| NPF4  | National Planning Framework 4         |
| PR    | Public relations                      |
| SVDLS | Scottish Vacant or Derelict Survey    |
| VDL   | Vacant and Derelict Land              |
| VDLP  | Vacant and Derelict Land and Property |