

<b>Title:</b>	<b>Waterside Project Report</b>
Portfolio holders:	<b>Councillor Graham Payne- Leader</b> <b>Councillor Michael Mounde- Economy</b>
Reporting officer:	<b>Ian Gallin (Corporate Director)</b>
Key Decision:	<b>Yes</b>

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## **Purpose**

This report outlines the mechanism to ensure that the St. Stephen's Place and Castle Place sites will be brought forward for redevelopment at the earliest possible opportunity.

## **Background**

### St. Stephen's Place Castle Place Development

The Council has been working for some time with the developer and owner of Castle Place Shopping Centre and St. Stephen's Place on a comprehensive development of both sites. The site is one of a number of key sites and a key element in the overall regeneration of the town. The Council has given consideration as to how best to encourage and ensure the development of this site, and Cabinet (7 January 2008) agreed that the advice of an appropriately experienced planning solicitor with regard to a Compulsory Purchase Order was to be sought and subject to a further report to Cabinet in March.

## **Key Issues**

The key issues in this report relate to the need to consider:

- How best to ensure the redevelopment of St. Stephen's Place and Castle Place sites

### **St. Stephen's Place Castle Place Development**

Cabinet on 7 January 2008 noted a report which outlined the mechanism for using Compulsory Purchase Powers in relation to this key regeneration site. Cabinet instructed officers to seek the advice of an experienced planning solicitor in this respect. Officers contacted the legal department of Great Yarmouth Council, who have experience and expertise in CPOs and who have recently established a consultancy to provide a CPO related service. The advice provided is as follows:

- We are advised that the Council is in a relatively a straight forward situation in terms of the rationale behind CPO. The Council has a clear vision for the site (both in terms of the Vision for Trowbridge/UDF and the agreed planning consent) and our aspirations are consistent with Government Policy as we will be using Planning Powers to make a CPO under the banner of "Improvement and Development". Also as the Council would use Planning Powers Stamp Duty would not have to be paid. Moreover, we are advised that because Planning Permission has more or less been granted (even if S.106 not agreed) the principle of CPO for development is fine.
- The Council is further advised that ideally a purchaser would need to be identified before starting work on the CPO and either pursue a "back to back" deal with them or come to an agreement whereby the Council progress the CPO process in return for the developer paying for costs and agreeing to indemnify the Council for any compensation. The Council would agree to sell the site on to them. This agreement can be tied up during the CPO process.
- The Council is advised that ordinarily, if the owner does not object to the CPO the Order can be confirmed in 4-5 months and the site could be vested in WWDC approximately 2 months after. If the owner does object to the CPO it is usual for a public inquiry to be held in 6-9 months. Once the Order has been made the owners have 6 years in which to claim compensation, which usually takes approximately one year to settle. This is calculated as Market Value + Basic Loss Value (which is 7.5% of market value up to a maximum cap of £75,000). Alternatively some owners ask for an "up front" sum equal to 90% of the compensation value, although this is not that commonplace.

The Compulsory Purchase consultancy at Great Yarmouth Borough Council has been engaged to provide the following service:

- Review of files relating to the St Stephen's Place Development
- Review of the Council's position
- Advice on the prospects of success
- Advising on the CPO process, compensation, costs and agreement with your preferred development partner

Total cost in the region of £1,750 + travel and accommodation costs for site visit and meeting officers.

In addition, following the provision of the above, should the Council wish to proceed further with a CPO, the consultancy advise the following:

- Making the CPO and dealing with all statutory procedures, including vesting the land in the ownership of your council

Total cost in the region of £1,000

- If there were objections to the CPO and a public inquiry was held, there would be additional costs for preparing the case for the inquiry and acting as the advocate at the inquiry

Total cost likely to be in the region of £2-3,000 depending on the length of the inquiry.

### **Effect on strategies and codes**

This report is in line with the Council's objectives in the Transforming Trowbridge project and the Corporate Plan and the Trowbridge UDF.

### **Risk Assessment Implications**

The legal and financial risks associated with a potential CPO have been largely addressed in the January 2008 report to Cabinet. However, this report addressed the financial risks associated with providing full advice to Cabinet. Cabinet will be more fully advised in future reports.

### **Financial and Performance Implications**

The cost of reviewing the Council's position with regard to the CPO and advising more fully of the process and prospects for success will cost less than £2,000. Cabinet have formerly been advised that the costs of pursuing a CPO are likely to exceed £100,000 (principally associated with the compensation payment).

### **Legal and human rights implications**

The legal implications associated with the CPO will be reported to Cabinet at future meetings.

### **Next Steps**

Subject to the agreement of recommendations in this report, the next step is as follows:

- Engage with legal consultants to understand detail, mechanisms and likely outcomes of a CPO on St. Stephens Place and Castle Place and report to a future meeting of Cabinet.

## Recommendations

Cabinet are asked to:

- **Note the advice received to date with regard to the CPO process and associated legal fees**

Statement of reason for key decision	Impact on the community
Options considered and rejected	These are addressed in the report
Date of implementation	There will be no implementation of the CPO process until Cabinet has considered further legal advice.