

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting4th December 2014

1. Title of Item/Report

Northshore Regeneration Scheme Update

2. Record of the Decision

Consideration was given to a report that update Members on the continued success and progress of the Northshore mixed use regeneration scheme as per the Northshore Masterplan and sought support for a critical next step that would enable the successful development of the Northshore Gateway site.

The report updated Members with regard to:-

- Homezone Phase 1
- Homezone Phase 2
- Innovation Centre
- Thirteen Group
- Durham University
- Enterprise Zone Extension
- Commercial Interest
- Riverside Improvements

With regard to the key next step, action to enable the purchase of a prominently located building complex the former Kwik Fit site, Church Road, Stockton would facilitate the continued development of the Northshore masterplan. The property was required to complete the ownership of the Northshore Gateway site marked as site A1 as attached to the report thus enabling its future development. The property itself was considered to be in a dilapidated state of repair having stood empty for several years. The building was therefore detrimental to not only the development of Northshore but in close proximity to the Town Centre on a route directly leading to the High Street of detriment to the significant private investment being made by adjacent business on Church Road.

Continued efforts had been made by the Northshore Development Partnership in attempting to acquire the former Kwik Fit property. An opportunity existed to facilitate the purchase of the property via a partnership approach. The devised approach was to secure the building

via a combination of HCA funding support and the use of Council CPO powers. Finally to be followed by a transfer of property to HCA ownership thus completing the assembly of the Northshore gateway site. Active negotiations continued to take place with the property owners on behalf of the NSDP with the aim of completing a commercial deal without the added delay of a CPO procedure. The present owner having been in control of the property for some considerable time is fully aware of the Northshore Regeneration plans and maintained an unrealistically high valuation of the property; as a result agreement to a commercial sale may prove difficult to conclude. Whilst all attempts at negotiation were to continue, the Council must be prepared, to use its Compulsory Purchase Order (CPO) powers to support the ongoing implementation of the Northshore masterplan.

On this basis it was recommended that cabinet approve a commitment to undertake a CPO process, through the development of a business case as a key step to the use of the Council's CPO powers under the Town and Country Planning Act 1990 (Section 226(1)(a)) and the Acquisition of Land Act 1981 in order to acquire all necessary interests and approve the use of all actions and orders etc. that may be necessary to then deliver the CPO.

Whilst no firm timescales could be given should the CPO process be required to proceed, it was anticipated that the likely time frame from Cabinet approving a CPO process to developing a detailed CPO case with a view to gaining vacant possession of the property was likely to be in the order of 12- 18 months, however timescales were variable and would be impacted by a number of factors (i.e. if any objections are received / the need for a Public Inquiry etc.).

The Northshore Development Partnership had identified the gateways site as a potential location for a new Hotel development. It was anticipated that a Hotel development in this location would benefit both the Town Centre and complement the Globe Theatre development. Northshore partners sought to commission an independent market and financial feasibility study for the development of a new hotel at Northshore with the gateway site a preferred location within the development. A study would assess present and future demand for lodgings and such other hotel facilities as public areas, function and syndicate rooms, food and beverage outlets, and leisure facilities. The study would also encompass an evaluation of operating models income generation and expenses for five or ten year projections for return upon investment and demand analysis for rooms of a given competitive type for a designated catchment area of Stockton / Tees Valley.

The independent hotel market study outlined was a pre requisite to the

design and development of a detailed development brief and design scheme for the site. A feasible end scheme was a key pre requisite of any CPO process.

RESOLVED that:-

1. The success and positive progress made in developing out Northshore as well as the additional opportunities currently being advanced be noted.
2. The Council commit to a Compulsory Purchase Order (CPO) process to obtain the site identified as the former Kwik Fit, Church Road, Stockton.
3. Specifically in relation to the request to support a Compulsory Purchase Order (CPO) agree that the acquisition of the necessary outstanding property will facilitate the development / redevelopment or improvement of the property shown at (Appendix B) and will contribute to the economic, social and environmental well-being of the area and the realisation of the Northshore masterplan.
4. Cabinet recognise 'in principle' the need to exercise Compulsory Purchase Powers to progress the Gateway site element of the Northshore regeneration scheme the key linkage to Stockton Town Centre and that officers be authorised to formulate strategies for the use of CPO powers, with further details to be reported back to the Corporate Management Team and Cabinet.
5. The undertaking of all actions necessary to progress the completion of a site development plan be approved and the makings of a CPO case with a view to the future use of the Council's CPO powers under the Town and Country Planning Act 1990 (Section 226(1)(a)) and the Acquisition of Land Act 1981 to acquire all necessary interests in respect of the former Kwik Fit site, Church Road, Stockton to include;
6. The completion of a site specific development plan be approved which reflects the conclusions of any master planning and business sector consultation exercises that identify a realistic and substantive end use of benefit to both the Northshore scheme and Stockton Town Centre. Delegated authority to agree the responsibility for the development plan and its subsequent execution is given to the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport.
7. The completion of a CPO business case be approved to be finalised in accordance with a final development plan, to encompass all

necessary acquisitions, demolitions, appointments of private developers and authority to enter into all necessary legal arrangements necessary to progress the development brief and business case to completion, with any required amendments to be agreed by the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport.

3. Reasons for the Decision

The interventions and next steps proposed to progress the development of the Northshore Gateway site will enable the realisation of the Northshore vision and bring improvements to Stockton Town Centre contributing to the delivery of two key regeneration ambitions for the Borough.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Nelson declared a personal non prejudicial interest in respect of agenda item 14 - Northshore Regeneration Scheme Update as he was a member of Tristar Board.

Councillor Beall declared a personal non prejudicial interest in respect of agenda item 14 - Northshore Regeneration Scheme Update as he was a resident of Homezone.

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight on Friday, 12th December 2014

Proper Officer
08 September 2014