

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

3 DECEMBER 2015

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport – Lead Cabinet Member – Councillor Nigel Cooke

NORTHSHORE GATEWAY SITE

1. Summary

This report follows on from a previous report to Cabinet on 4th December 2014 and provides an update on progress of regeneration proposals for the Northshore Gateway site and seeks authority to use the Council's Compulsory Purchase Order powers to acquire the vacant and dilapidated former Kwik Fit building as shown in **Appendix B**.

2. Recommendations

1. Cabinet agree that the acquisition of the land outlined in red in Appendix B will facilitate the carrying out of the development, redevelopment or improvement on or in relation to the land and that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area.
2. Cabinet approve the use of the Council's Compulsory Purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) to acquire all necessary interests outlined in red in **Appendix B** to support the implementation of the wider redevelopment of the Northshore Gateway site.
3. Cabinet approve the instigation of all actions necessary in accordance with the serving of Requisitions for Information, the making of the CPO, the representation of the Council in relation to any Inquiry, the confirmation of the CPO, the actions necessary following the confirmation of the CPO either by the authority or the Secretary of State, and consequent orders or actions including the service of Notices to Treat or the making of a General Vesting Declaration, and all other notices, orders or actions required to give effect to the authorisation to acquire the land compulsorily.

3. Reasons for the Recommendations/Decision(s)

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. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

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RECOMMENDATIONS

1. Cabinet agree that the acquisition of the land outlined in red in Appendix B will facilitate the carrying out of the development, redevelopment or improvement on or in relation to the land and that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area.
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Background

1. The Northshore development is a 23-hectare, mixed use flag ship regeneration scheme which is transforming Stockton's riverside creating significant employment opportunities to benefit the area. The scheme when complete will deliver office, leisure and retail accommodation - in addition to high quality housing - which will take advantage of the site's south facing waterfront location and proximity to the town centre. The Council has assumed a valued facilitation role in supporting the development objectives of the Northshore Development Partnership (NSDP) which consists of the Homes & Communities

Agency (HCA) and Muse Developments in line with a shared vision and masterplan. Through successful partnership work the Council and the NSDP have addressed a number of barriers to site development, expedited key actions and secured key developments and investment. This success to date has ensured that Northshore has gained significant forward momentum and regained profile as a key regeneration site in the face of challenging economic conditions.

2. A key component of the Northshore development is the gateway site marked A1 on **Appendix A**. Authority to use the Councils Compulsory Purchase Order (CPO) powers was sought at Cabinet in December 2014 pending further work on a site specific development plan which would benefit both the town centre and North Shore.
3. The use of CPO powers was specifically related to the need to purchase a prominently located building complex, the former Kwik Fit site, Church Road, Stockton. The property is required to complete the ownership of the Northshore Gateway site thus enabling its future development.
4. The property itself has been vacant for a number of years and is considered to be in a dilapidated state of repair. The building is therefore considered to be detrimental to the development of Northshore and, given its 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.
5. Since December 2014, continued efforts have been made by Council officers to acquire the property, utilising HCA funding support with a view to transfer of the property to HCA ownership once acquired. Attempts to open negotiations with the property owners continue 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 at last contact maintained an unrealistically high valuation of the property; as a result agreement to a commercial sale may prove difficult to conclude.

DETAIL

Recent Progress

6. The Northshore Development Partnership identified the gateway site as a potential location for a new hotel development alongside other commercial, leisure led uses. It is anticipated that a hotel development in this location would benefit both the town centre, compliment the recent investment in High Street infrastructure and Globe Theatre development.
7. The NSDP has progressed with feasibility work to explore potential future uses for the gateway site and to assess the viability of any future development alongside the impact of the former Kwik Fit building. An independent market and financial feasibility study for the development of a hotel on the site has been produced, direct marketing to hotel operators has been undertaken along with outline masterplanning for additional leisure uses.
8. Whilst the financial case for investment in both a hotel and leisure development can be made, advice received suggests that the level of investor interest and the scale of development site needed are unlikely to be achieved with the former Kwik Fit building in situ.
9. This is based on the fact that both the physical appearance of the property and the footprint which it occupies mean that the level of development achievable on the gateway site is constrained to the point where the level of investor interest required is unlikely to be achieved. The physical and visual links to the town centre are compromised and the visual

appearance and impact of the former Kwik Fit building is detrimental to the attractiveness of the site from an investment and aesthetic point of view.

10. Based on the additional site masterplanning, hotel market feasibility study and site marketing, the NSDP now feel that a case can be made and the use of the Councils CPO powers to acquire the property and bring it under a single ownership. This will strengthen the case for investment and increase the likelihood of meaningful redevelopment that will have significant benefits for both the town centre and Northshore as well as increase employment opportunities.

FINANCIAL IMPLICATIONS

11. HCA have put the Local Authority 'in funds' to acquire property and cover all fees. Once acquired, the property will be transferred to the HCA, therefore there are no direct financial implications for the Council.

LEGAL IMPLICATIONS

12. The Council will continue to try to acquire the remaining property by agreement, but if agreement cannot be reached a compulsory purchase order may become necessary to achieve the required outcome.
13. Section 226(1)(a) provides that a local authority shall have power to acquire compulsorily any land in their area if the authority think that the acquisition will facilitate the carrying out of the development, redevelopment or improvement on or in relation to the land. The authority must also think that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area.
14. Any person whose property or lease etc may be acquired under the CPO has 21 days to object to the order. If objections are received the Secretary of State will hold a public inquiry giving those affected a chance to challenge the CPO and the land can then only be acquired if the Secretary of State confirms the order. Compensation is payable to those persons whose interests are acquired by CPO, at open market value.

RISK ASSESSMENT

15. The CPO is categorised as low risk at this stage. A Risk Register has been developed for the project which is monitored as part of project management arrangements and is overseen by a project board with senior officer representation.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

16. **Economic Regeneration and Transport** – supports the development of a key regeneration site within the Borough via the Northshore regeneration masterplan contributing towards providing a quality town centre environment.
17. **Environment and Housing** – the purchase of a site will lead to the demolition of a dilapidated building in a Town Centre location and the redevelopment of a brownfield site.

Supporting Themes:-

18. **Stronger Communities** – A greater sense of pride in the local area will be fostered through the delivery of the redevelopment proposals.

- 19 **Arts Leisure and Culture** – the Northshore redevelopment proposals incorporate high quality design standards and improve access too and onto the river Tees.

EQUALITIES IMPACT ASSESSMENT

- 20 This report is not subject to an Equality Impact Assessment because it does not relate directly to a change of policy strategy or service delivery.

CONSULTATION INCLUDING WARD/COUNCILLORS

Name of Contact Officer: Iain Robinson
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Education related?

No

Background Papers

Report to Cabinet December 2014

Ward(s) and Ward Councillors:

Stockton Town Centre Ward - Cllr Mrs Di Hewitt & Cllr Paul Kirton

Property

As detailed within the body of the report

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