



REPORT OF:	HEAD OF PROPERTY
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TO:	EXECUTIVE
DATE:	15 October 2015
EXECUTIVE MEMBER:	Councillor Natalie Bramhall

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	Redhill Wards

SUBJECT:	MARKETFIELD WAY, REDHILL: USE OF COMPULSORY PURCHASE POWERS TO ENABLE DEVELOPMENT
<p>RECOMMENDATIONS:</p> <p>(i) The Executive approves the principle of the Council's willingness to use compulsory purchase powers under Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) to acquire or appropriate third party land and buildings for planning purposes, shown edged red on the plan in Annex 1 of this report and such other incidental and adjoining interests in land which would facilitate and enable viable and deliverable development in connection with the creation of a mixed use development in order to improve the Borough's economic and social wellbeing.</p> <p>(ii) The Head of Property in consultation with the Executive Members for Finance and Property & Regeneration be authorised to undertake preparatory work for the making of a compulsory purchase order as detailed in paragraph 13 of this report.</p> <p>(iii) The use of CPO powers are subject to:</p> <ul style="list-style-type: none"> • The Council using reasonable endeavours to assemble the development site by agreement/private treaty. • The Council being satisfied that there is a viable business plan and funding strategy, together with a preliminary property cost estimate detailing the costs of making and confirming any CPO and/or appropriation; and • In the event the Council and its development partners are unable to assemble the development land by agreement/private treaty, that a further report is presented to the Executive seeking authority to make a full and unconditional Compulsory Purchase Order for the site and to acquire or appropriate the site for Planning purposes. 	

REASONS FOR RECOMMENDATIONS:

Where a development site is in multiple occupation and ownership, a developer may be unable to reach agreement with all of the landowners even where a scheme is viable. In this case an otherwise viable scheme of significant public benefit may be frustrated unless a capable authority, in this case the Borough Council, is able to compulsorily acquire all necessary interests in the site. In the case of key sites this would have adverse implications for the Council's corporate plan objectives and therefore the compulsory purchase powers would be used to enable improvement of the Borough's environmental, economic and social wellbeing.

Both the Council's Corporate Plan and adopted Core Strategy recognise the importance of promoting the Borough as a place to do business and providing commercially and residentially attractive developments to deliver the regeneration and economic benefits for the Borough and its residents, through increased investment and the provision of jobs.

The site at Marketfield Way has been identified as the most suitable site in Redhill town centre for the provision of a mixed use development comprising, cinema, A3, A2, A1 planning uses and residential. Land in this location is currently in multiple ownership.

CPO will only be used where negotiated settlements cannot be reached and means land ownership does not act as a barrier for development of schemes which are in the economic, environmental or social interests of the Borough.

EXECUTIVE SUMMARY:

This report seeks confirmation of the Council's willingness, in principle, to use compulsory purchase and appropriation powers in order to enable development of the site known as Marketfield Way, Redhill.

Government guidance in Circular 06/2004 'Compulsory purchase and the Crichel Down Rules' make it clear that CPO powers should only be exercised where there is a compelling case in the public interest.

Knowing the Council is prepared to use compulsory purchase powers may be sufficient to bring parties to the negotiating table. However, the report also seeks specific authority to commence preparatory compulsory purchase procedures in respect of the site so that the Council will be in a position to proceed quickly to make a Compulsory Purchase Order so that it can acquire all necessary interests in the land to enable development.

However, proceedings would only be initiated if that were necessary either to demonstrate intent to encourage meaningful negotiations or where negotiations had irretrievably broken down. The preference is to acquire by way of voluntary agreement wherever practicable. However if the Developer is unable to secure all the land interests within the timescale needed, a Compulsory Purchase Order will be required.

Officers would be required to obtain further Executive Authority prior to the making of a Compulsory Purchase Order.

Executive has authority to approve the above recommendations

STATUTORY POWERS

1. The Council has wide ranging powers for the acquisition of sites including Part IX of the Town and Country Planning Act 1990.
2. Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) gives a local authority the power to compulsorily acquire land in its area if it thinks that the acquisition will facilitate a development, re-development or improvement on or in relation to the land. However, the power must only be exercised if the authority thinks that the development, redevelopment or improvement is likely to contribute towards the economic, social or environmental well being of the Council's area.
3. A Compulsory Purchase Order is not effective until it has been confirmed by the relevant Secretary of State.
4. Section 237 gives authority to override easements and other rights that may exist on the land that has been acquired or appropriated by a local authority for Planning purposes (whether done by the local authority or by a person deriving title under them) and the development is done in accordance with the Planning Permission.

POLICY FRAMEWORK

5. Redhill town centre is the borough's main town centre and one of the principal regeneration areas identified in the Council's Core Strategy.
6. To support regeneration and enhance Redhill's position as a shopping and leisure destination, the Core Strategy seeks to focus large scale retail and leisure development to the town centre, particularly in the short term. In particular, the Council's evidence identifies additional leisure provision, enhanced food and drink offer, and larger shop units as essential to maintaining and growing the town's market share and evening economy.
7. The Marketfield Way site occupies a prominent location within the primary shopping area of the town centre and represents the most significant opportunity to deliver these needs within the boundary of the town centre. Provision of a new cinema and a range of A1, A2 and A3 retail floor space will contribute directly to delivery of the scale of growth identified in the Core Strategy and the regeneration objectives for the town.
8. Provision of a significant housing element as part of the scheme reflects the Core Strategy 'urban area first' approach and the objective of maximising the use of previously developed land. It will also make a positive contribution to meeting the housing target and support the Council's five year supply.

ISSUES

Marketfield Way

7. The extent of the site that has been identified by the Council for development of a new mixed use site is shown hatched red on the attached plan (**Annex 1**).
8. The site currently comprises shops, offices, and car park and is in multiple ownerships, the owners being Reigate & Banstead Borough Council, and others. A preliminary

schedule of interests is outlined in the exempt section of this agenda. Regeneration would significantly improve this area of the town centre and uplift the centre more generally, being located with frontage onto High Street, Redhill.

9. The site comprises the Council's car park and 18-44 High Street, Redhill.

Compulsory Purchase Process and Timetable

9. In the event that Council did initiate compulsory purchase proceedings, a specific process has to be followed. Prior to the making of a Compulsory Purchase Order (CPO), there are a number of steps to be followed:

(a) Formulation

This is an initial information-gathering exercise to decide that land is required for some particular purpose or scheme, in accordance with the Council's policy framework as set out above, and that the Council is prepared to use compulsory purchase powers to assist in achieving this. This report is effectively the completion of Stage 1, since the site has already been identified and the purpose that the proposed development would fulfil is known.

(b) Referencing

This is an exercise to collect and record information on land ownership and occupation so that all legal interests in, or rights to occupy, the land are identified. External consultants will be appointed to undertake this work and prepare a report.

(c) Preparation of the CPO and Statement of Reasons

The CPO is the document that contains details of the Act authorising the acquisition, the purpose for which the CPO is being made, the land involved and the names of the owners and all other persons who have an interest in or enjoy rights over the land. External consultants will be appointed to undertake this work. The Statement of Reasons is a document that sets out the authority's reasons for seeking to acquire the land.

(d) Resolution

This is the formal Resolution of the Council to use compulsory purchase powers. This Resolution can be obtained prior to steps (a) and (b) above. However, since it is not yet known if it will be necessary to use compulsory purchase powers, this report is seeking an in principle decision only until it is known, or expected, that there is no other option available. A further report will be brought to the Executive should a resolution be required to make a CPO.

10. If negotiations are not successful and the Council were to proceed with compulsory purchase proceedings, the overall time from the Resolution to use CPO powers and obtaining possession of the relevant interest(s) could be between 6 and 18 months from the making of the CPO. The length of time depends upon whether or not an inquiry is required, the length of that enquiry, and the extent of valid objections to the CPO.

OPTIONS

11. There are two options:
 - (a) Do nothing and allow market forces alone to determine whether the land is developed in support of our local prosperity aspirations. This option is not recommended due to the possibility that terms will not be agreed between the parties. If terms are not agreed then it is unlikely that this key site will be developed in the foreseeable future.
 - (b) To confirm the Council's willingness to use compulsory purchase powers, in principle, to facilitate development of this Employment Site and to further economic development objectives in the Borough. This is the recommended option as it gives a clear message to all parties of the importance to the Council of redeveloping this site to further the economic, environmental and social well-being of the Borough.

LEGAL IMPLICATIONS

12. The use of the powers in Section 226(1)(a) of the Town and Country Planning Act 1990 would be relevant here because the acquisition of all the various interests in the land shown on the plan would facilitate the redevelopment of the land in accordance with the Council's policy framework. The development of this site and the regeneration opportunity it would create would be likely to contribute to the environmental, economic and social well being of the Borough.
13. The use of compulsory purchase powers overrides all ownership rights in land, and therefore a local authority has to demonstrate that there is a compelling case in the public interest for compulsory acquisition of land in order to convince the Secretary of State to confirm a CPO. However, in cases where it is thought that it may be necessary to use the power in order to assemble a redevelopment site if negotiations break down, it is usual to commence the preparatory work for making an order in tandem with the conduct of negotiations for acquisition of the land by agreement. Indeed, negotiation will continue throughout the process. The report seeks confirmation in principle of the Council's willingness to use compulsory purchase powers, and authority to commence preparatory work, in order to be in a good position to progress further if so required.
14. The making and confirmation of a Compulsory Purchase Order means that the acquiring authority can force owners and occupiers of the land to transfer their property interest to the Council and vacate the land. It has the potential therefore to interfere with a person's human rights in respect of the enjoyment of their property, or their home. The extent of the harm must be assessed and weighed against the public interest in achieving the regeneration at the time when a local authority is considering making a CPO. The carrying out of preliminary work as is recommended here is not likely to interfere with the human rights of any person interested in the land.
15. It is considered that the approval of the recommendations in this report is not likely to give rise to the risk of service of blight notices.

FINANCIAL IMPLICATIONS

16. The costs associated with the CPO are included in the Exempt report presented under item 12 of the Executive's agenda for this meeting that discusses the viability of taking the Marketfield Way project to the next stage of its project plan.
17. External consultant appointments that would be required if compulsory purchase proceedings were instigated in accordance with the recommendation (ii) are as follows:
 - (a) Consultants to prepare a Land Referencing report;
 - (b) External valuers to advise on the value of the interests identified in the Land Referencing report and to negotiate an acquisition of these interests, together with appropriate costs for disturbance, ahead of any enquiry;
 - (c) External solicitors to prepare the CPO documents.;
18. There would be a requirement for internal officer time from Property Services in managing these external consultants and in preparing a Statement of Reasons.

RISK MANAGEMENT

19. A risk of legal challenge for example Judicial Review. Legal challenge is unlikely at this stage because there is no legal liability attached to an in principle decision that does not bind the Council to use its CPO powers. At this stage this report is a broad description of policy ambitions. This report does not fetter the discretion of the Council to make a different decision when it comes to consider all the factors associated with making a full CPO.

EQUALITIES IMPLICATIONS

20. A full Equalities Impact Assessment will be undertaken, as part of the preparatory work, to identify any equalities issues that may be associated with the use and occupation of the site. The Council is aware that the use of CPO can impinge on the rights of individuals under the Human Rights Act. Full regard will be paid to this in the development of any proposals and in negotiations with land owners.

OTHER IMPLICATIONS

21. None

CONSULTATION

22. The Leader, Deputy Leader and Executive Members, Ward Members, Officers in Property, Planning, Policy and Regeneration have received verbal or written briefings about this matter from the Head of Property in addition to the whole of Council's Management Team.

BACKGROUND PAPERS

None

Annexes

Annex 1 – Site Plan

NOTES

- 1. This drawing is to be used for the purpose of information only. It is not to be used for any other purpose without the written consent of the author.
- 2. All dimensions are given in millimeters unless otherwise stated.
- 3. All dimensions are given in millimeters unless otherwise stated.
- 4. Do not scale drawings. Figures dimensions to be worked to in all cases.

CDM Regulations 2015

All contractors are to be notified of the position to be worked in accordance with the CDM Regulations 2015.

date	rev	revision/author/checked
purpose of issue Information		
project AA3983 Marketfield Way		
drawing Site Plan		
drawing no	rev	
AA3983-1.3-40		
drawn	checked	
RH		
scale @ A1	1:500	date 01/09/2015
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