

CABINET

5 AUGUST 2014

CHATHAM WATERFRONT

Portfolio Holder: Councillor Rodney Chambers, Leader of the Council

Report from: Robin Cooper, Director of Regeneration, Community and Culture

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Summary

This report:

- Informs and updates Members on the regeneration of the Chatham Waterfront.
- Seeks approval for the preparation of a planning brief for the site and to investigate developer interest.
- Seeks agreement to continue negotiations with landowners to acquire interests in the site and agree compensation.
- Informs Members that, if agreement with the landowners cannot be reached at a reasonable cost, and in a reasonable timeframe, it would be necessary to use the Council's statutory powers of compulsory purchase to acquire the land.

1. Budget and Policy Framework

- 1.1 The preparation of the Planning Brief and the approval to make compulsory purchase orders (CPOs) are matters for Cabinet.

2 Background

- 2.1 This report concerns the proposed development of the Chatham Waterfront development site as shown edged black, hatched black and cross hatched black on the attached plan (area approximately 0.9 hectares (2.22 acres)) – Appendix 1.

- 2.2 The site is an area located at a key gateway to Chatham town centre, facing onto the River Medway, Medway Street, the bus station and the Pentagon Shopping Centre. The acquisition and development of the site is a major regeneration focus supported by funding from the Growing Places Fund.
- 2.3 The main current use of the site is a public car park, managed but not owned by the council. Additional ancillary uses include part of the Chatham river walk, soft landscaping and public amenity land.
- 2.4 The location of the site facing onto the river: The main retail offer of the Pentagon Shopping Centre, the bus station and significant public amenity land in the form of the Paddock, provide the potential for a high impact mixed use development site.

2.5 *Council's aspirations for the site*

- 2.5.1 The council has regeneration aspirations for the wider area to include a civic space and gateway to Chatham and the wider Medway area. As part of creating this gateway and destination the council is installing the 'Big Screen' on the Chatham Waterfront Pumping Station, which is a 9m by 6m digital outdoor screen, which will show local news and information regarding council services, interacting with the local community and town centre users/visitors.
- 2.5.2 The site will significantly contribute to the regeneration of the area, particularly if, as recommended, the ground floor of the development includes a leisure or restaurant use providing active frontage to the river walk and also facing out to the Big Screen, the bus station and the Pentagon Shopping Centre. This will complement and support emerging plans for the civic space.
- 2.5.3 In addition, there are potential development sites further up the river towards Rochester. A successful development of this site could be the catalyst for viable developments elsewhere in the area in conjunction with the phased development of Rochester Riverside.
- 2.5.4 It is proposed that the site be redeveloped for a residential led mixed-use development, including public realm and open space use.

2.6 *Planning policy support*

- 2.6.1 Chatham Centre and Waterfront is one of several major regeneration projects in the wider Medway area, to enhance the character and the economic fortune of the sub-region and contribute to the wider regeneration of the Thames Gateway.
- 2.6.2 The Chatham Centre and Waterfront Development Framework 2004 and the Chatham Centre and Waterfront Development Brief 2008 Supplementary Planning Guidance promote unlocking potential at the site and encourage development to boost Medway's economy and deliver opportunities for further investment.
- 2.6.3 Retained policy C5 of the Medway Local Plan 2003 identifies the site as part of the area for development of a major multi use 'city' centre for Medway.
- 2.6.4 The site is identified for a residential led mixed-use development.

- 2.6.5 The council is in the process of preparing a new Local Plan, a draft of which is expected to be published in July 2015, be subject to examination in March 2017 and then be adopted in the summer of 2017. The new Local Plan is expected to be supportive of the Chatham Waterfront development.
- 2.6.6 The National Planning Policy Framework (NPPF) promotes sustainable development, including ensuring that there is sufficient land available in the right places and at the right times to support growth and innovation.
- 2.6.7 Regeneration remains a priority of Central Government as indicated by the Chancellor at his Mansion House speech on 12 June 2014. The council has also been awarded Growing Places Funding for the redevelopment of the site.
- 2.6.8 Two planning applications were submitted by the Council and A2 Dominion for the joint redevelopment of part of the site in 2011. These applications proposed a mixed-use development on the site. The council as local planning authority resolved to grant permission for the applications. A2 Dominion has a number of different freehold and leasehold interests in that part of the site for which it applied for planning permission. Amongst other things, delivery of the scheme has been frustrated by fragmented ownership. In addition to this, the council has been advised that the scheme proposed in the applications is not currently viable.

2.7 *Proposals for redevelopment*

- 2.7.1 It is now appropriate for the council, as a local planning authority, to review its policies and proposals for the site. The council intends to set out its aspirations for the site in an up to date non-statutory design brief to assist potential development partners and provide a framework to support its aspirations for the site to accommodate a residential-led mixed use development of around 90 apartments and 2,500 sq m of commercial space.
- 2.7.2 It is also appropriate for the council to work with its advisors to confirm developer appetite for the redevelopment of the site.
- 2.7.3 The council's timeframes for the redevelopment of the site are between 30 and 36 months, which would allow for acquisition of the parts of the site not already owned by the council, marketing of the site, discussions with a preferred developer, determination of a planning application completion of a development agreement/sale of the land and then carrying out the redevelopment.

2.8 *Land ownership*

- 2.8.1 The land edged black on the attached plan is currently owned by 3 third parties and part is leased to the council for use as a temporary car park. The council owns the area hatched black and has a long leasehold interest in the land cross-hatched black. This complex pattern of ownership means that, without a process of land assembly, the site is unlikely to come forward for regeneration.

- 2.8.2 Cabinet at its meeting of 12 February 2013, amongst other things agreed to delegate authority to the Assistant Director of Legal & Corporate Services in consultation with the Portfolio Holder for Finance to acquire third party land in the Chatham Waterfront area.
- 2.8.3 Discussions have taken place with the 3 landowners with interests in the site and offers have been made with a view to reaching agreement to acquire their interests by private treaty. However terms have not yet been agreed.
- 2.8.4 The outcome of discussions held with landowners to date mean that, whilst the council will continue to seek to acquire the land by negotiation, if negotiations are not successful, the council may promote a compulsory purchase order in parallel with further negotiations to allow redevelopment to take place within a reasonable timeframe to meet the council's aspirations for the site.
- 2.8.5 The complex nature of the land ownership at the site means that it would be more likely that the redevelopment aspirations of the council for the site (in the interests of the proper planning of Chatham) would be realised with intervention by the council, together with an approach demonstrating strategic leadership for the site.
- 2.8.6 The council has powers under Section 226 (1)(a) of the Town and Country Planning Act 1990 (Act) to acquire land compulsorily if it thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement of the land.
- 2.8.7 If negotiations to acquire the land by private treaty at a reasonable cost and within a reasonable timeframe are not successful, the council could use these powers of compulsory acquisition to acquire the interests in the site within a reasonable timeframe.
- 2.8.8 In preparation for possible promotion of compulsory land assembly powers, the council should:
- a) Serve requisitions for information on land owners and those thought to have an interest in the site.
 - b) Instruct experts to advise the council on the compulsory acquisition process generally.

3. Options

3.1 Option 1

- 3.1.1 Prepare a non-statutory planning brief to confirm the relevant planning policies and the council's aspirations for the site.
- 3.1.2 Instruct agents to soft market the site to confirm developer interest.
- 3.1.3 Continue negotiations with landowners in parallel and authorise officers to conclude negotiations where possible and agree compensation for acquisition of interests by private treaty.

3.1.4 Instruct experts to advise on the compulsory acquisition process and serve requisitions for information on landowners if negotiations do not progress.

3.1.5 Seek a further resolution to use compulsory acquisition powers should negotiations fail to reach a successful conclusion.

3.1.6 The advantages of this option are

- a) Reliance on compulsory acquisition powers should negotiations fail will allow redevelopment to proceed within a reasonable timeframe;
- b) Through the preparation of a planning brief and through confirming market interest for the site, the council is demonstrating its commitment to its aspirations to improve Chatham.

3.1.7 The disadvantages of this option are:

- a) This is the most expensive of the three options.
- b) Positive action now will mean the council will need to demonstrate continued commitment to regeneration to avoid losing market confidence.

3.2 **Option 2** – continue negotiations only

3.2.1 The second option is for the council to continue negotiations with landowners to seek to acquire their interests by private treaty alone, without also considering the use of compulsory acquisition powers if those negotiations are not successful.

3.2.2 The advantages of this option are that it would avoid significant cost from the promotion of a compulsory purchase order.

3.2.3 The disadvantages of this option are:

- a) Negotiations may not be successful in light of discussions to date;
- b) Development may not proceed in a reasonable timeframe;
- c) There is potentially an indefinite period in which the council's aspirations for redevelopment cannot be met;
- d) It may be that until the council makes a further commitment to redevelop the site or show its intention to assemble the land for the site that, landowners will not take part in negotiations in earnest.

3.3 **Option 3** - Take no further action.

3.3.1 The advantages of the council taking no further action in respect of the site would be:

- a) No further cost would be incurred by the council in promoting the site;

- b) The site could remain as a car park leased to the council. (The council's rent the part of the car park, which it does not own and the rent is covered by the income from the car park).

3.3.2 The disadvantages of the council taking no further action in respect of the site would be:

- a) No regeneration benefits will be delivered from the site;
- b) There will be no creation of a 'city' centre and a town centre enhancing development will not take place;
- c) There will be no creation of a landmark scheme.

4. Advice and analysis

4.1 **Option 1** is recommended. This will allow:

4.1.1 Time for continuation of negotiations with landowners whilst the planning brief for the site is prepared to reflect the council's aspirations for the site and market interest in the site is analysed

4.1.2 The council to update its planning policies to inform developers of the council's aspirations and provide more certainty for potential developers

4.1.3 The council to confirm developer interest in the site.

4.2 The council is required to comply with the Equalities Act 2010 (the Act). Section 149 of the Act, requires the council to have due regard to the need to:

4.2.1 Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

4.2.2 Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

4.2.3 Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

4.2.4 The council has carried out a diversity impact analysis, a copy of which is annexed to this report – Appendix 1. This identifies impacts of the proposals and considers that, overall, the positive impacts outweigh the negative. In addition, it identifies how any negative impacts might be mitigated and any positive impacts ensured through the delivery of the project.

5. Risk management

5.1 This is included in the exempt appendix.

6. Consultation

6.1 Consultation will be sought with developers to confirm their interest in redeveloping the site.

6.2 Consultation will also be sought with landowners, who will be invited to comment on the planning brief when this is taken forward.

7. Financial implications

7.1 The council will need to bear the cost of preparing the new planning brief for the site, which will be undertaken in-house.

7.2 If agreement can be reached with the landowners, the council will need to cover compensation costs for acquisition of the land together with the landowners' legal and surveyor's costs and stamp duty land tax.

7.3 If agreement cannot be reached and the council decides to use a compulsory purchase order to acquire the land then the council will need to pay for the costs of obtaining the compulsory purchase order and for any land compensation and professional fees etc. The council will need to make a resolution to make the compulsory purchase order before it can proceed with the compulsory purchase order. This would be a decision for Cabinet. Further reports will be submitted to Cabinet and if appropriate Full Council concerning this. These reports will set out full details of the likely the costs involved.

7.4 The council was awarded funding by the Local Enterprise Partnership Growing Places Funding (GPF). This funding was granted for the acquisition and marketing of the Chatham Waterfront Development Site and improvements on the waterfront. The GPF will also be used to improve the wider area including the river walk, central civic space, surrounding public realm and key feature points in the town centre such as the Brook Theatre and Saint John's Church.

8. Legal implications

8.1 Human Rights Act considerations apply to any use of compulsory purchase powers. Landowners should only have their interests taken, if compensation is to be provided and they also have a right to a fair hearing. If the council decides that compulsory purchase powers should be fully considered and a compulsory purchase order promoted, it will first have to consider the human rights implications of it making a compulsory purchase order. This would be fully explained to members if a report proposing a compulsory purchase order were brought forward in due course.

8.2 The Council's powers to acquire land for regeneration are set out in Section 226 (1)(a) of the Town and Country Planning Act 1990. The Council may acquire land compulsorily if it thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement of the land. Section 227 of the same Act gives the Council power to acquire land by agreement for the same purposes. This means that the Council may proceed to acquire the land compulsorily if it is not able to do so by agreement. The exercise of these powers would be a decision for Cabinet in due course.

9. Recommendations

9.1 That Cabinet requests officers to:

9.1.1 Continue negotiations with landowners to acquire the land.

9.1.2 Prepare a design brief for the site.

9.1.3 Instruct experts to assess developer interest in the site.

9.1.4 Instruct experts to advise on the regeneration of the site and also the compulsory acquisition process (including the preparation of a draft compulsory purchase order) should negotiations not prove successful.

9.1.5 Issue landowners with requisitions for information to enable the council to fully understand the nature of their interests and also to assist in the preparation of a CPO.

9.2 That Cabinet notes that if negotiations with landowners cannot be concluded at a reasonable cost and in a reasonable timeframe (in consultation with the Leader), it will be necessary to use the Council's statutory powers of compulsory purchase to acquire the land, and that if this is the case, a further report will be submitted to Cabinet recommending the making of the formal compulsory purchase order.

10. Suggested reasons for decision(s)

10.1 To allow the council's aspirations for the site to be realised within a reasonable timeframe.

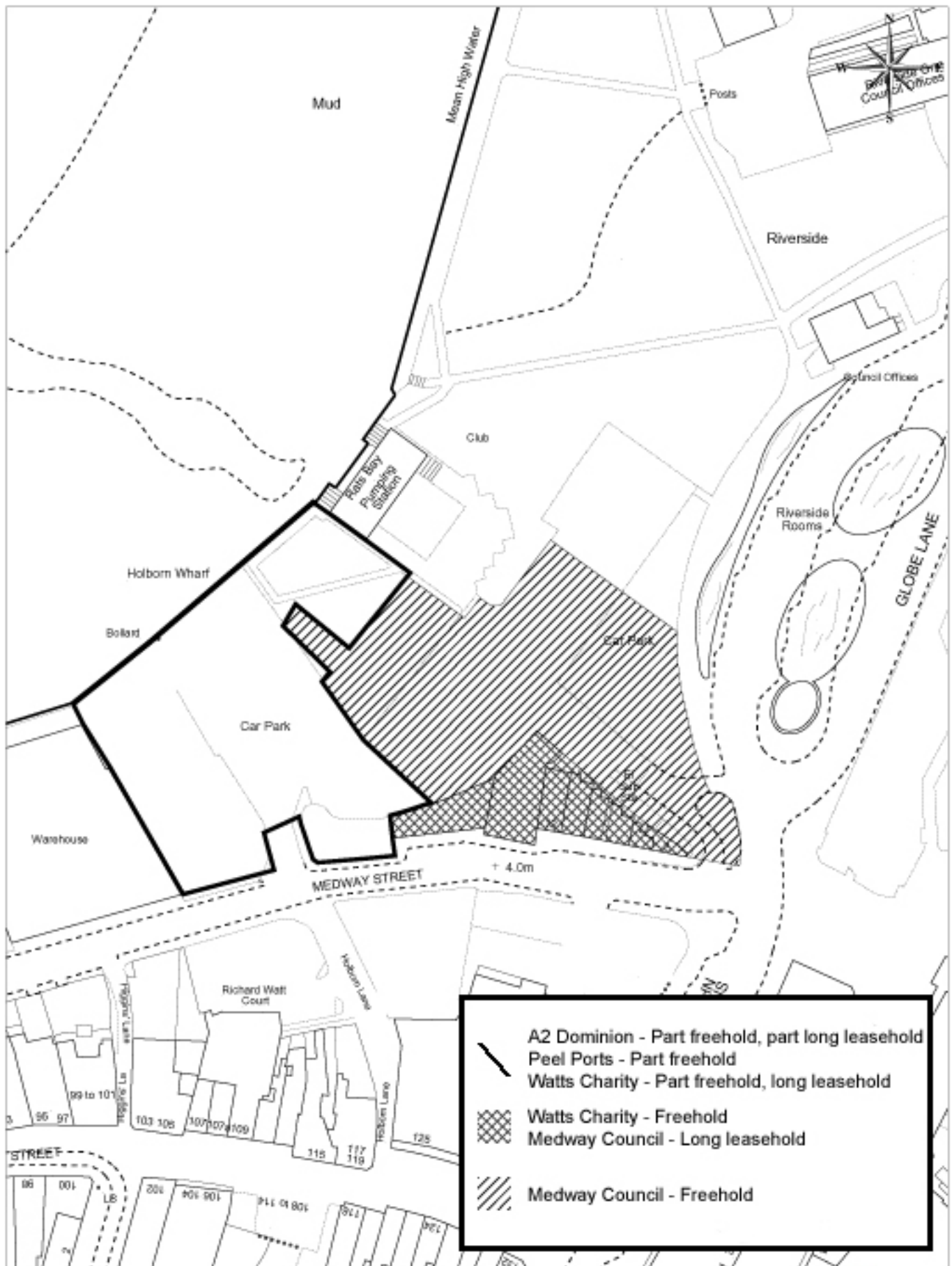
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Background papers

Report to Cabinet 12 February 2013
<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=10291>



Chatham Waterfront



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Diversity impact assessment

Appendix 2

TITLE <i>Name/description of the issue being assessed</i>	Chatham Waterfront Design Brief
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DATE <i>Date the DIA is completed</i>	16th July 2014
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LEAD OFFICER <i>Name of person responsible for carrying out the DIA.</i>	Frances Toomey
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1 Summary description of the proposed change

- *What is the change to policy/service/new project that is being proposed?*
- *How does it compare with the current situation?*

This design brief summarises existing planning policy relating to Chatham Waterfront and illustrates possible design options given current market conditions.

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

Existing planning policy documents:
Medway Local Plan 2003
Medway Waterfront Renaissance Strategy 2004
Chatham Centre and Waterfront Development Framework 2004
Chatham Centre and Waterfront Development Brief 2008

3 What is the likely impact of the proposed change?
Is it likely to :

- *Adversely impact on one or more of the protected characteristic groups?*
- *Advance equality of opportunity for one or more of the protected characteristic groups?*
- *Foster good relations between people who share a protected characteristic and those who don't?*

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age	Nil	Neutral	Positive – more attractive development and

Diversity impact assessment

			additional facilities
Disability	Nil	Neutral	Future development will incorporate disabled access
Gender reassignment	Nil	Neutral	NA
Marriage/civil partnership	Nil	Neutral	NA
Pregnancy/maternity	Nil	Neutral	NA
Race	Nil	Neutral	Positive – more attractive development and additional facilities
Religion/belief	Nil	Neutral	NA
Sex	Nil	Neutral	NA
Sexual orientation	Nil	Neutral	NA
Other (eg low income groups)	Nil	Neutral	Waterfront access and facilities will be improved

4 Summary of the likely impacts

- *Who will be affected?*
- *How will they be affected?*

The development of the waterfront will bring about much needed regeneration, including additional residential units and commercial development. The design of any development will be required to foster links between the town centre and the waterfront.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*

Diversity impact assessment

- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

The design brief will ensure that development is of high quality and that all communities have access to any new facilities.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Preparation and adoption of design brief	Frances Toomey	January 2015

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

To proceed with the development and adoption of the design brief, including appropriate consultation

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Date

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: annamarie.lawrence@medway.gov.uk
 C&A: phone 1031 email: paul.clarke@medway.gov.uk
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Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication