

SHEERWATER REGENERATION

Executive Summary

This report relates to the Sheerwater Regeneration Scheme proposals (the “**Scheme**”) and follows the Report of 13th February 2020 (“**February Report**”) by way of update and further consideration of the use of compulsory purchase powers and whether or not there is a compelling case in the public interest for their use in delivering the Scheme. On the basis of the analysis set out in the February Report and the detail of this Report, it is recommended that the Council makes a compulsory purchase order (“**Order**”) in respect of the Order Land identified within Appendix 1 (“**Order Land**”) to facilitate the carrying out of the Scheme.

Recommendations

The Council is requested to:

RESOLVE That

- (i) the Council authorises the use of Compulsory Purchase powers as set out in Section 226(1)(a) of the Town and Country Planning Act 1990 to compulsorily acquire the Order Land identified within Appendix 1, and in particular that the Council makes the Order;
- (ii) the Director of Legal and Democratic Services, in consultation with the Leader of the Council and Portfolio Holder, be authorised to settle the final form and content of the Order and all associated documentation and take all action needed to pursue the Order and secure its confirmation;
- (iii) the Director of Legal and Democratic Services, in consultation with the Leader of the Council and Portfolio Holder, be authorised to negotiate, agree terms and enter into agreements with interested parties including agreements for the withdrawal of objections or undertakings not to enforce the Order on specific terms including where appropriate removing land or rights from the Order or to request the modification of the Order by the Secretary of State;
- (iv) the Director of Legal and Democratic Services in consultation with the Leader of the Council and Portfolio Holder, be authorised to implement the Order powers following confirmation of the Order, and so acquire title to and/or take possession of the Order Land; and
- (v) the External Borrowing Limits be determined as set out in the table below

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Revised Operational Boundary for External Borrowing	1,906,409	2,070,420	2,345,504	2,527,313	2,706,404
Revised Authorised Limit for External Borrowing	1,916,409	2,080,420	2,355,504	2,537,313	2,716,404

The Council has the authority to determine the recommendation(s) set out above.

Background Papers: February Report

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1.0 Introduction

1.1 At its meeting on 13 February 2020, Council considered (amongst other things) a full report on the proposed compulsory purchase order (“**Order**”) for the Sheerwater Regeneration Scheme (the “**Scheme**”). Having done so, it resolved as follows:-

“Following consideration of the matters contained in this report relating to the proposed compulsory purchase order:-

(a) Council re-affirms its commitment to using its compulsory purchase powers as set out in Section 226(1)(a) of the Town and Country Planning Act 1990 to compulsorily purchase the Order Land, and

(b) Authority is delegated to the Head of Democratic and Legal Services to settle the final form and content of the Order and all associated documentation so that a final decision on the making of the Order can be made at the Council meeting on 2 April 2020.”

1.2 From a procedural point of view, the Council could not formally resolve to make the Order at its February meeting. This was because the Planning Committee had not, at that time, considered the proposed clarification of certain affordable housing provisions associated with the Scheme. Council was advised that a short report would be brought to the April meeting which would (i) update the Council on any material changes since the February Report and (ii) contain the formal resolution to make the Order. As the April Council meeting was cancelled (due to the Coronavirus outbreak), the report is being made to this (July) meeting of Council.

2.0 Update Since 13 February 2020

2.1 At its meeting on 25 February 2020, the Planning Committee approved the changes to the affordable housing provisions sought by the Council (as landowner) and Thamesway Housing Limited and Thamesway Developments Limited. This means that the Scheme can be implemented in the manner proposed, with the agreement of the local planning authority.

2.2 There are now only three homeowners of the original 120 who have not engaged with the Council in connection with the voluntary purchase of their properties.

2.3 The Coronavirus outbreak has not adversely affected the implementation of the Scheme. Both the first residential phase (purple phase) and the leisure element of the Scheme are currently proceeding in accordance with the original contract programme.

3.0 Implications

Financial

3.1 The Council resolved to finance the Scheme at its meeting on 25 February 2020. The Scheme is, therefore, “fully funded”. A consequence of the earlier decision is that the Council’s prudential borrowing limit will need to be increased in accordance with the table below.

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Revised Operational Boundary for External Borrowing	1,906,409	2,070,420	2,345,504	2,527,313	2,706,404
Revised Authorised Limit for External Borrowing	1,916,409	2,080,420	2,355,504	2,537,313	2,716,404

3.2 The supporting detail of the calculation is set out below.

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	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Operational Boundary for External Borrowing					
- Council 13 February 2020	1,905,867	2,062,947	2,283,918	2,404,875	2,414,638
Borrowing approved for Sheerwater Regeneration	30,741	74,172	155,785	245,098	291,766
Less: Included in Base Investment Programme	- 30,199	- 66,699	- 94,199	- 122,660	
Revised Operational Boundary for External Borrowing	<u>1,906,409</u>	<u>2,070,420</u>	<u>2,345,504</u>	<u>2,527,313</u>	<u>2,706,404</u>
Authorised Limit for External Borrowing					
- Council 13 February 2020	1,915,867	2,072,947	2,293,918	2,414,875	2,424,638
Borrowing approved for Sheerwater Regeneration	30,741	74,172	155,785	245,098	291,766
Less: Included in Base Investment Programme	- 30,199	- 66,699	- 94,199	- 122,660	
Revised Authorised Limit for External Borrowing	<u>1,916,409</u>	<u>2,080,420</u>	<u>2,355,504</u>	<u>2,537,313</u>	<u>2,716,404</u>

- 3.3 A grant of £285,000 has been awarded from the Government's Estate Regeneration Fund to cover legal costs of the CPO.

Human Resource/Training and Development

- 3.4 None, directly arising from this report.

Community Safety

- 3.5 None, directly arising from this report.

Risk Management

- 3.6 These were fully addressed in the February Report. The Council has also instructed specialist solicitors and Counsel to act for it in connection with the Order.

Sustainability

- 3.7 None, directly arising from this report.

Equalities

- 3.8 These were fully addressed in the February Report.

Safeguarding

- 3.9 None, directly arising from this report.

4.0 Conclusions

- 4.1 The February Report dealt fully with all relevant issues relating to the proposed Order, subject to the updated matters within this Report.

- 4.2 This Report updates the Council on material changes since the February Report and following the Planning Committee meeting on 25 February 2020.

- 4.3 For the reasons set out in the February Report and the further information within this Report (and their accompanying documents), Officers remain of the view that there is a compelling case in the public interest for the making and confirmation of the Order, and that the Order comprises a proportionate response to secure the Council's objectives. The need for the

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comprehensive development of the Order Land is acknowledged and supported in the adopted national and local planning policy framework. Delivery of the Scheme would fulfil the Council's key planning policy objectives for the area and transform the Order Land. It would contribute significantly to the improvement of the economic, social and environmental well-being of Sheerwater.

- 4.4 The Council is confident that there is more than a reasonable prospect of the Scheme proceeding, given the commitment to the delivery of the Scheme demonstrated to date, in securing planning consent for it, the acquisition of interests by agreement in the Order Land and the steps it is taking to deliver the Scheme. The Council also believes that there are no credible alternatives to compulsory purchase to achieve the purposes of the Order. It is highly unlikely that all the outstanding interests required could be assembled by agreement within a reasonable timescale, if at all.
- 4.5 Council is therefore recommended to formally resolve to make the Order, and authorise the Director of Legal and Democratic Services, in consultation with the Leader of the Council and Portfolio Holder, to take all necessary steps to secure its confirmation.

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