

Report to Cabinet

Subject: Economic Regeneration Land Assembly

Date: 22 March 2023

Author: Head of Regeneration and Welfare

Wards Affected

Ernhale

Purpose

To seek approval for the acquisition of land and properties (“the site”) as shown edged red on the attached plan at Exempt Appendix 1 for no more than the maximum price set out in Exempt Appendix 2. To seek approval to delegate authority to the Chief Executive to agree Heads of Terms and make a formal offer to acquire the site.

Key decision

This is a key decision as the acquisition will result in the Council incurring significant expenditure having regard to the budget for the function concerned.

Recommendations:

THAT Cabinet:

1. Approves the acquisitions of the site (as shown on the Plan Exempt Appendix 1) for no more than the sum set out in Exempt Appendix 2:
2. Delegates authority to the Chief Executive to agree Heads of Terms for the acquisition of the site (as shown on the Plan at Exempt Appendix 1) , to make a formal offer for no more than the maximum price set out in Exempt Appendix 2 and subject to the offer being accepted to complete the acquisition of the site.

1 Background

- 1.1 The economic sustainability and prosperity of the borough’s town and local centres continues to be a priority of the Council as reflected in the 2023 – 2027 Gedling Plan. The Council continues to be committed to “encouraging and supporting healthy businesses in our town and local centres”. These centres provide a focal point to attract visitors and leisure users supporting the local community, local economy and employment.

1.2 The Council's Levelling Up Fund 2022 (Round 2) submission proposed a redevelopment of the north end of Arnold town centre, which included the site referred to in Exempt Appendix 2. The bid outlined the strategic importance of the Arnold town centre within the borough referencing the significant investment in the Arnold Market Place (AMP) and the need for complementary interventions to prevent the further decline to the northern gateway/Front Street area of the town.

The strategic need for redevelopment of the north of the town centre is based upon a number of key contributory factors that include

- 1.3
- An aging leisure and cultural estate
 - Public amenities that have exceeded expected economic life span
 - Considerable current and forecasted maintenance liabilities
 - Deterioration of the high street through long term voids and dilapidated premises
 - Anti-Social behaviour hot spot created by the poor configuration of the northern gateway into the town
 - Lack of well-designed and quality public realm
 - The continued decline of the retail offer within the town centre impacting upon both consumer and business confidence in the town and the reputation the borough as a place for retailers to thrive and the declining perception of the town centre as a place to shop and visit.

1.4 A consultation exercise undertaken during 2022 supported the strategic need for investment in Arnold town centre (Front Street). Local retail businesses and shoppers both identified that the physical appearance of the town to be an issue alongside the limited retail offer; public realm; and public amenities within the town. Businesses in particular voiced concerns about the fall in footfall to the north of the town, stating that the area to be "*quite desolate*", with the "*the look and feel of Arnold Front Street being run down*". Also of priority to shoppers was the feeling of safety and accessibility that was considered to be poor in the town centre.

- 1.5 The Council vision is to create and support a town centre that is
- Distinctive and vibrant
 - Safe and attractive
 - Welcoming and accessible
 - Offers a wide range of services and facilities
 - Provides access to a range of cultural and leisure activities
 - Supports and creates employment and new business opportunities

- Resilient and adaptable to the changing economic climate

1.6 Although the Council's Levelling Up submission was not successful the proposal was judged to have set out the economic, community and cultural priorities of the town centre to support investment. The feedback stated that there was "*credible evidence of the local challenges and barriers to growth identified in the bid to redevelop the north of the town and a coherent relationship between those challenges and the proposed intervention*". DLUHC acknowledged the Council's ambitions for the north of the town would complement the investment of the Arnold Market Place and "*work to boost footfall in Arnold and regenerate the town's retail and leisure offering*".

1.7 Currently a comprehensive leisure review is underway and will provide further evidence to support and shape a viable development and regeneration plan within the town centre. However, the Council remains aware that without securing the site, future regeneration opportunities will be limited and could even jeopardise future development options. If future external funding is to be sought e.g. through a further bid to the Levelling Up Fund (Round 3) the Council is aware that funders consider ownership of land to be a prerequisite for the successful project delivery. Ensuring land assembly at this stage will make the deliverability of regeneration swifter and will be a more attractive prospect to potential funders.

1.8 In 2022 LSH Chartered Surveyors were appointed to undertake an independent valuation of the site and a review of land titles has been undertaken. In order to secure the site, offer levels, taking into account the independent valuations and market values have been agreed in principle and without prejudice, with landowners, subject to approvals being obtained. Further information in relation to the titles and legal rights over the site are detailed in Exempt Appendix 2.

2 Proposal

2.1 It is proposed that Cabinet approves the purchase of the site using powers under the Local Government Act 1972 (s 120) for the amount set out in exempt Appendix 2. The primary purpose of the acquisition is to support regeneration and improvement to the town centre. This power enables the Council to acquire the site for the benefit, improvement, or development of their area. It does not matter if the development is not immediate as the land can be acquired for future development. It is recognised that wider development of the site will not be immediate and further funding and proposals will need to be progressed. Acquisition at this stage does however enable the Council to be in a better position to develop proposals and secure funding as the wider development site would be assembled. The landowners have been supportive of the Council's ambitions to regenerate the town centre and have indicated a willingness to sell their land and property. However the landowners are looking to complete a transaction and failure to do so could adversely impact upon a coherent redevelopment of the town centre.

2.2 Any acquisition of land, should be undertaken in accordance with the Council's Rules for dealing with land and a valuation of the site must be undertaken to ensure acquisition at the best value. The valuation has been undertaken and the amount recommended for acquisition is detailed in Exempt Appendix 2.

- 2.2 It is proposed that Cabinet delegates authority to complete acquisition of the sites to the Chief Executive (for no more than the amount set out in the Exempt Appendix 2) including delegated authority to approve Heads of Terms and officers progress proposals for immediate improvement of the area and future regeneration. The maximum costs for acquisition, legal and other fees and immediate improvements are set out in Exempt Appendix 2.
- 2.3 Subject to securing the acquisition of the site, further reports will be brought to Cabinet on proposals and costs concerning future development proposals.

3 Alternative Options

3.1 Do Nothing

The Council has the option to do nothing, as it has no statutory responsibility to acquire these sites. However by deciding not acquire the sites, there is a risk that the premises will continue to deteriorate leading to a spiral of economic decline within the northern area of Arnold town centre.

There is a possibility that the landowners may re-develop the site. But such development would not form part of a coherent development plan to transform the town.

The do nothing option would also impact upon development viability for new leisure and cultural facilities. The current leisure facilities are beyond their expected economic life but the existing footprint of Council owned land would not support expansion of facilities to meet local need.

If no action is taken to secure the site, this will impact the ability for the Council to attract funders to support the wider development of the North end of Arnold.

3.2 Compulsory Purchase

This option is rejected as compulsory acquisition should only be considered as a last resort and where voluntary negotiations have been exhausted. Whilst the land owners are willing to sell the site and are supportive of the Council's ambitions it will not be necessary to commence a Compulsory Purchase Order process

3.3 Acquisition of the site and disposal if redevelopment is unviable due to funding

This options safeguards the Council's interests if it proceeds with the acquisition of the site and funding cannot be secured to satisfactorily undertaken the regeneration development needed. The Council has the option to resell the site on the open market and secure a capital receipt. However, land values are subject to market forces and there is a risk that the value of the properties/land may fall as well as increase.

4 Financial Implications

4.1 The estimated costs associated with the site acquisition are set out in the attached Exempt Appendix 2

5 Legal Implications

5.1 The Council has the power under the Local Government Act 1972 (s.120), as detailed in the report to acquire the land. The primary purpose of the acquisition is to support regeneration and improvement to the area. A further business case is to be presented once regeneration proposals are formulated. As indicated above, improvement does not have to be immediate.

5.2 Any acquisition of land needs to be at market value, following valuation in line with the Council's standing orders for dealing with land.

5.3 Prior to completing acquisition of the site there are a number of areas where further enquiries are to be made that include

- Rights concerning drainage and cables
- Rights of way which may be extinguished upon acquisition of the land
- Unregistered land
- Status of other legal interests in the land
- Multiple ownership of a parcel of land

5.4 Further information about the current known status of the site, ownership and occupation is detailed in Exempt Appendix 2.

5.5 Other issues also include the VAT payable and further enquiries are to be made in respect to whether the land has been opted to tax.

5.6 It is identified that further risks in relation to the properties and their title may be identified, as the acquisition develops. These will be highlighted and the impact assessed as the proposal develops.

6 Equality Implications

6.1 No equality implications arise from the decision. The equality impact assessment can be found at Appendix 3.

7. Carbon Reduction/Environmental Sustainability Implications

7.1 The acquisition of the sites are intended for regeneration purposes. Regeneration plans will include carbon reduction and sustainability considerations.

8. Appendices

8.1 Appendix 1 – Exempt Appendix ; NOT FOR PUBLICATION

8.2 Appendix 2 – Exempt Appendix: NOT FOR PUBLICATION

8.3 Appendix 3 – Equality Impact Assessment

9. Background Papers

9.1 Leader of the Council Decision, Ambition Arnold: Levelling Up Fund Round 2, 17th August 2022

10 Reasons for Recommendations

10.1 The Council recognises the strategic importance of its town and retail centres. It recognises that the northern gateway to the Arnold town centre is in need of redevelopment and presents an opportunity for transformational regeneration to safeguard the long term viability of the centre. However without securing the proposed site such development will be constrained which could jeopardise the viability of a scheme and lead to further decline. This impacting adversely upon the local economy and community.

Statutory Officer approval

Approved by: Alison Ball

Date: 16 March 2023

On behalf of the Chief Financial Officer

Approved by: Francesca Whyley

Date: 16 March 2023

On behalf of the Monitoring Officer