

Whitgift Centre and Surrounding Land - Proposed CPO

Presented by:

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Preparing for Growth

The previous 8 years have seen the key building blocks for growth and investment put in place, including : –

- The creation of strong relationships with key developers and investors.
- The formation of robust partnerships with Regional and National Government.
- The creation of a proactive planning framework based on viability and deliverability.

Delivering Growth

- The Farrell Review recognised Croydon's approach to development as an exemplar of best practice.
- We are now uniquely placed to think ahead over a 20 year horizon.
- We are driving the delivery of projects which are making a real difference today.
- The £1bn Whitgift proposals are a direct result of this strategic approach.

The Results - £1bn Regional Retail Centre

- In June 2012 both Westfield and Hammerson were competing to redevelop the Whitgift Centre.
- This demand highlighted the environment for growth and investment in Croydon, but resulted in deadlock.
- The Council worked hard to encourage key parties to break the deadlock. Now a unique joint venture between two highly competitive international retail developers has come together for the benefit of Croydon.

The Results - £1bn Regional Retail Centre

- The Croydon Limited Partnership JV was formed in January 2013.
- Key acquisitions have been made by CLP and negotiations to acquire interests continue apace.
- Planning Permission and Conservation Area consent for the Whitgift was gained in February 2014.
- The following slides show the illustrative scheme presented by CLP as part of the Planning Application.

Proposed Illustrative Scheme – North End



Proposed Illustrative Scheme – Wellesley Rd



Proposed Illustrative Scheme – George St



Whitgift – Next Steps

- Now we must consider the need for a Compulsory Purchase Order to enable delivery of this scheme.
- The key tests and considerations for this decision are set out in the report in front of you.

The report and appendices

- Report on proposals for the comprehensive redevelopment of the Whitgift Centre, former Alders Store and surrounding land (“**the Scheme**”) including relevant factors for consideration as to whether there is a compelling case in the public interest for compulsory purchase to support the Scheme
- Appendices :
 - A** Draft CPO Map and introduction to the CPO
 - B** Draft Statement of Reasons
 - C** Land acquisition and relocation strategy
 - D** Structure chart to illustrate proposed land transfer arrangements
 - E** Provisional indicative timetable of events
 - F** Equality Analysis
 - G** Proposed Exceptional Hardship Scheme
 - H** Report from Deloitte with further advice on the proposed CPO
 - I** Correspondence and information on a claim for judicial review in respect of the outline planning permission
- Members are asked to consider the contents of the report on Part A and the related report on Part B of the Agenda
- The reports should be read and considered in their entirety

The recommendations

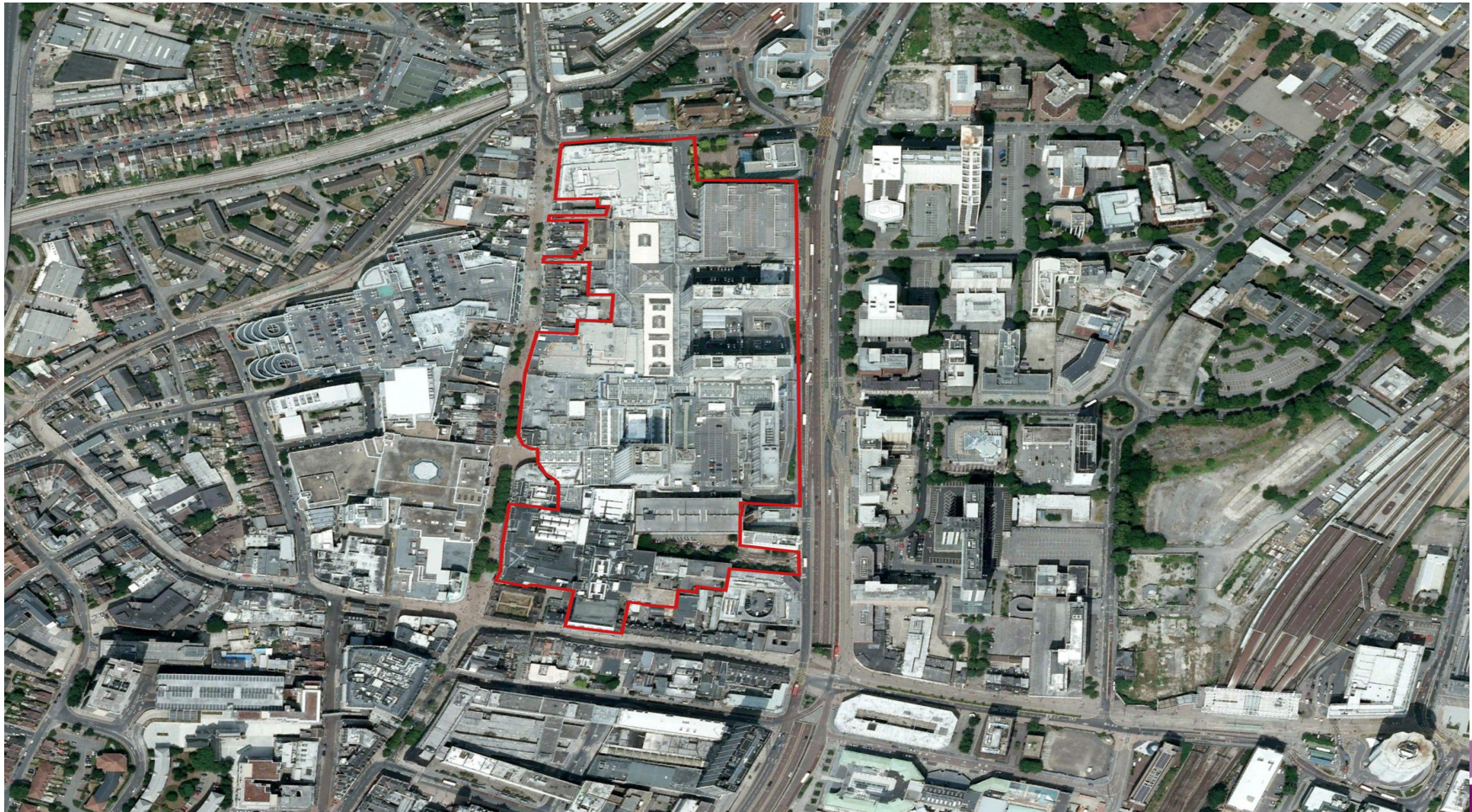
In summary:

- To make a compulsory purchase order (“**CPO**”) to facilitate the Scheme, subject to prior completion of the CPO Indemnity Land Transfer Agreement (“**ILTA**”) (which is to include an indemnity for the Council in relation to all CPO costs & compensation)
- To delegate authority to the Executive Director of Development and Environment, acting on advice of the Director of Democratic and Legal Services, to:
 - enter into the “ILTA” with the Croydon Limited Partnership (“**CLP**”) and other specified parties
 - to dispose of Council owned land and other land specified in the ILTA in accordance with its terms
 - to take all steps to secure the making, confirmation and implementation of the CPO including payment of compensation to affected third parties
- **To note and support the continuing efforts to be made by CLP to acquire by agreement the land and new rights needed to facilitate the Scheme**

Background and need for the Whitgift Redevelopment (“the Scheme”)

- London Plan – Croydon town centre
 - Largest Metropolitan Centre in London & an “Opportunity Area”
- OAPF – adopted by GLA and Council April 2013
 - “Retail Core tired and does not live up to its potential”
 - Promotes the regeneration and reinvigoration of the Retail Core
 - Need for significant change across a large part of the Retail Core
 - Strong preference for this to be done in a comprehensive way
 - Outline planning permission and conservation area consent for the Scheme issued 5 February 2014 – N.B. judicial review claim
- Further planning application for Chapel Walk to be made shortly

Outline planning permission site



Outline planning permission for the Scheme

Use	GEA sq m	Summary of elements
Retail and related uses	136,551 (new & retained)	A1 to A5 - A new anchor store of modern high quality design and smaller units of modern design; beverage & dining options. A series of public spaces, improved pedestrian access, safety and security and a new 24 hour East-West route
Leisure	16,428	D2 - May include a cinema, bowling alley or other entertainment zones
Community facilities	1,135	D1 - Such as a creche, skills centre, Shopmobility unit and multi-faith centre
Residential	32,512 to 48,924	C3 - 400-600 high quality town centre homes
Offices	1,921	B1
Car parking	113,920 (new & retained)	Refurbished and new parking integrated with the retail development
Total	(with malls and back of house)	340,725 to 357,138 sqm GEA <u>net</u> increase 97,563 to 113,974 sqm GEA <u>new</u> floorspace

Summary benefits of the Scheme - 1

Benefits of the Scheme which will contribute to the economic, social and environmental well-being of the area include:

- A step change in reversing the decline of Croydon Metropolitan Centre through a comprehensive approach to rejuvenating a key part of the Retail Core
- Transformation of the town centre as a major retail destination, acting as a catalyst for further investment and economic growth
- In excess of £1 billion of investment and the creation of 5,000 full and part time permanent jobs and 4,300 “person years” of construction employment + training and jobs brokerage for local people
- Physical regeneration of the town centre including rejuvenation and enhancement of the character and appearance of the Conservation Area and the potential to unlock the regeneration of other sites
- Investment in public transport and the public realm

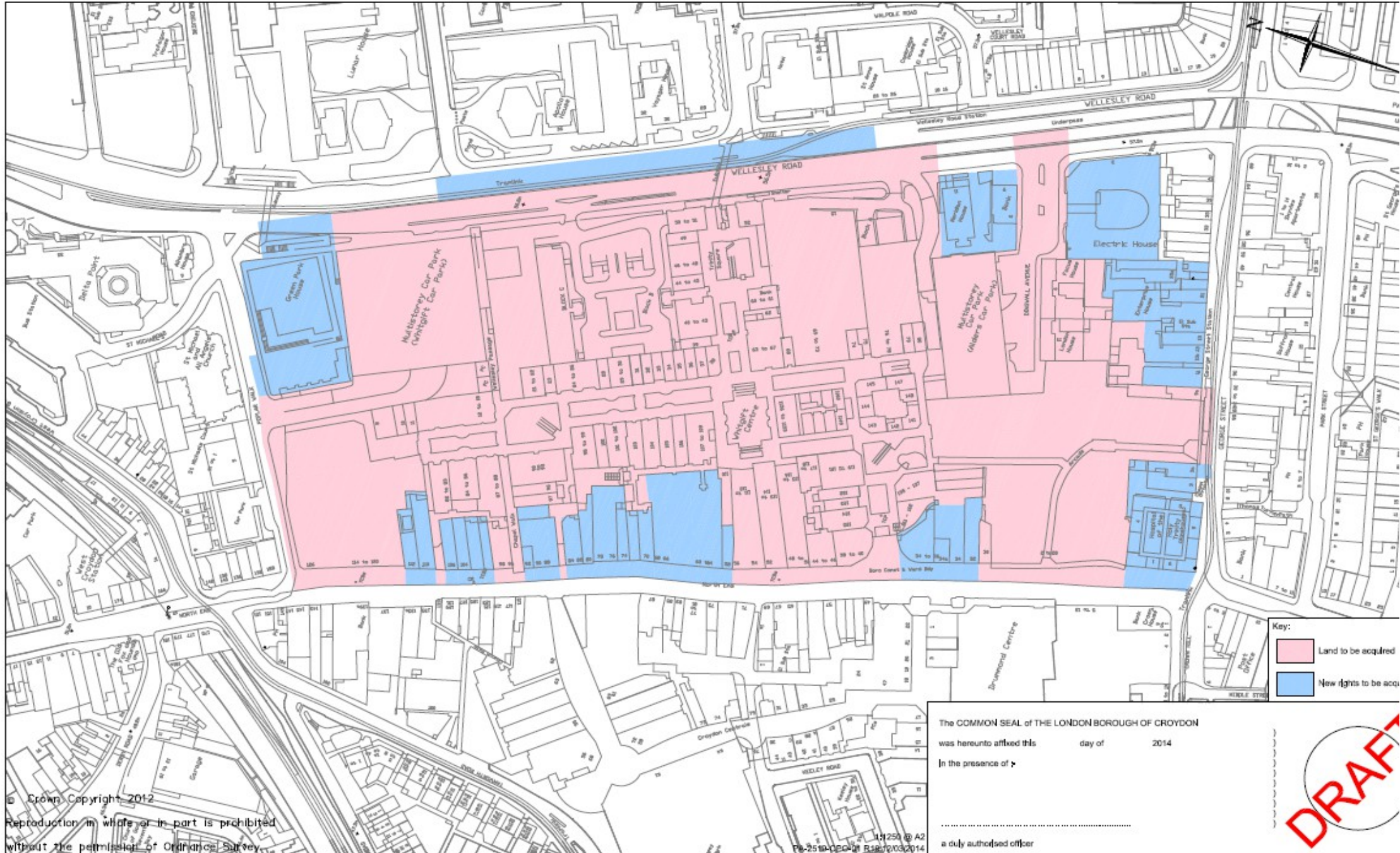
Summary benefits of the Scheme - 2

- A range and critical mass of new high quality retail facilities including a new full range department store and a range of other modern retail units to meet the requirements of national and independent retailers and shoppers
- New leisure and food and drink facilities to provide a diverse town centre, improve its viability and vitality and evening economy
- New and improved community facilities such as a creche, skills centre, Shopmobility unit and multi-faith centre
- On or off-site jobs brokerage and skills hub for training and employment
- 400 – 600 new homes including affordable housing provision
- New and improved areas of public realm, improved pedestrian accessibility and linkage with the surrounding areas including a new East – West route
- A safe and secure environment for shoppers, workers and visitors
- Improved and integrated car parking

Current land ownership

- At least 360 owners and occupiers
 - **Freehold:** including the Whitgift Foundation , Minerva (Stores) Limited, Marks & Spencer, charitable bodies and the Council
 - **Head leasehold:** including WLP and Minerva (Stores) Limited
 - **Other long leasehold:** including the Whitgift Trust*, Marks & Spencer, Eagle Croydon Centre A Limited and Eagle Croydon Centre W Limited, Legal and General Assurance Society Limited and the Council
 - **Occupiers:** approximately 160 occupational tenants and other interests including major national retailers and smaller independent traders
- * The nominee companies of which are Whitgift One Limited & Whitgift Two Limited (not to be confused with the Whitgift Foundation)

Map Referred to In The London Borough of Croydon (Whitgift Centre and surrounding land bounded by and including parts of Poplar Walk, Wellesley Road, George Street and North End) Compulsory Purchase Order 2014



The Developer

- Westfield Shoppingtowns Limited + Hammerson UK Properties Plc
 - Formed Croydon Limited Partnership (“**CLP**”) and Whitgift Limited Partnership (“**WLP**”) and related companies in January 2013 to take forward their proposals
- Westfield and Hammerson both have:
 - Substantial experience of retail development, management and long term ownership
 - A significant portfolio of shopping centres e.g. Westfield London (White City/Shepherds Bush), Westfield Stratford City, the Bullring Birmingham, Cabot Circus Bristol
 - Considerable assets and investment in shopping centres, both in the UK and abroad

Land acquired or controlled by the Developer

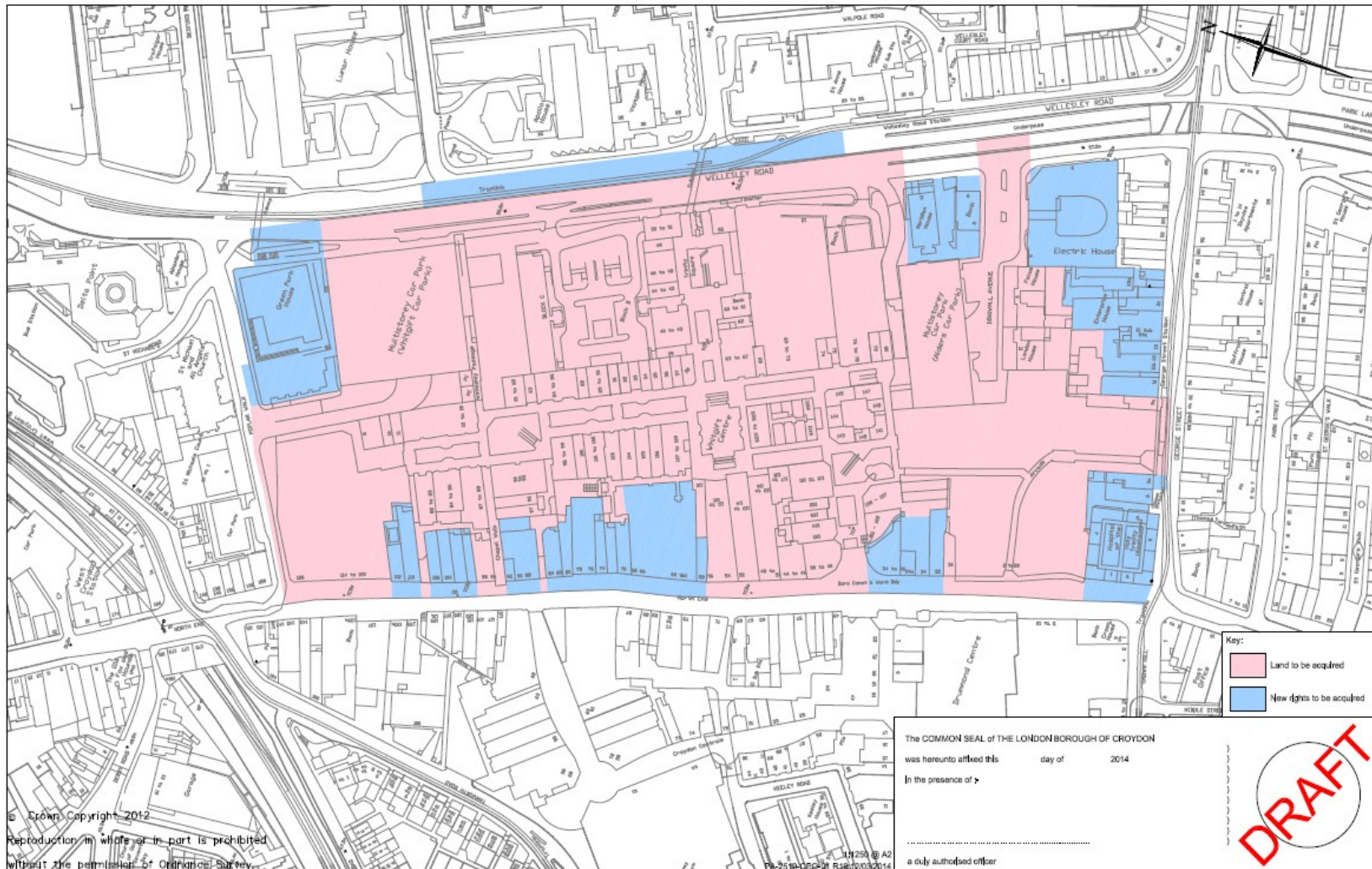
- WLP holds the long head leasehold interest in the Whitgift Centre
- CLP has (through Wesfield) the benefit of an agreement with the Whitgift Foundation, the largest freehold land owner in the proposed redevelopment site, including the Whitgift Centre, part of the Marks & Spencer store and a number of surrounding properties
- CLP also has a beneficial interest in the Centrale shopping centre which lies outside, but close to the proposed redevelopment site
- CLP is in discussion with other owners and occupiers
- Deloitte's advice that CLP has made satisfactory efforts to identify and engage with owners and occupiers with a view to progressing acquisition of their interests in accordance with guidance in relation to potential CPOs (see Appendix H)

Proposed CPO Indemnity & Land Transfer Agreement (ILTA) – overview

- **Parties:**
 - Council
 - CLP (as Developer)
 - WLP (as Landowner)
 - Westfield Holdings Limited (First Surety)
 - Hammerson UK Properties PLC (Second Surety)
- Takes effect when CPO made
- Contains a full indemnity for the Council in relation to CPO costs & compensation, backed by guarantors (i.e. the Council will recover the costs from CLP)
- Contains framework for acquisition and assembly of land interests and grant of development lease by freeholder to developer
- Contains a mechanism to ensure Council receives “best consideration” for all land disposals
- No works obligations but remedies for non-delivery of Scheme

Draft CPO Map

Map Referred to In The London Borough of Croydon (Whitgift Centre and surrounding land bounded by and including parts of Poplar Walk, Wellesley Road, George Street and North End) Compulsory Purchase Order 2014

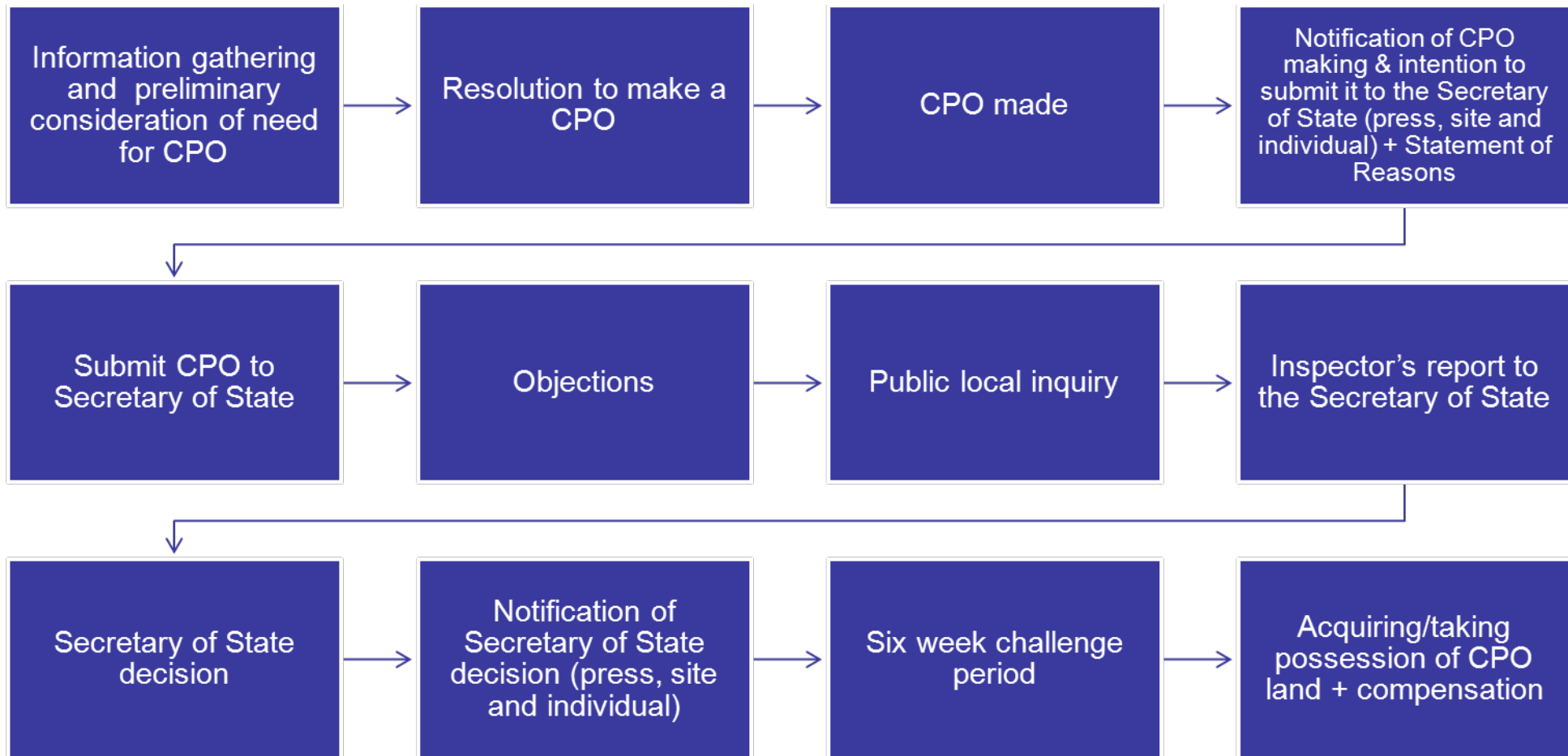


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The Proposed CPO Land

- **Pink Land**
 - the acquisition of substantive interests such as freehold, leasehold, tenancies proposed under the CPO
- **Blue Land**
 - the creation and acquisition of new rights (temporary or permanent as appropriate), such as rights to over-sail cranes during construction, to provide new access routes, carry out modification works and undertake surveys proposed under the CPO
- No residential properties within the Pink Land – but some new rights sought in respect of residential properties within the Blue land for over-sailing cranes, survey and minor external works

The CPO process



Efforts to acquire by agreement continue throughout

Provisional indicative CPO timetable

Approximate indicative dates	
April 2014	Make and serve CPO
Minimum 21 days	Objection period
Late May/ early June 2014	Planning Inspectorate fix “Relevant Date” to start inquiry procedures
Autumn 2014	Pre-Inquiry Meeting (procedural meeting in advance of the CPO Inquiry)
Winter 2014	CPO Inquiry (hearing of objections to CPO before an Inspector)
Spring 2015	Secretary of State decision on whether to confirm CPO
Summer/Autumn 2015	Commence vesting of land if CPO confirmed
Winter 2018	Anticipated opening date of new shopping centre component

Support for owners and occupiers

- Statutory compensation, including value of land interest, loss payments and potential disturbance compensation
- Statutory blight
- Land acquisition and relocation strategy:
 - strategy agreed between Council and CLP
 - **CLP to use all reasonable efforts to acquire by agreement**
 - all occupiers to be dealt with on a fair basis and kept informed of progress
 - relocation within the Scheme or elsewhere in the town centre where practicable
- Exceptional hardship scheme
 - extends the range of owners who can seek early acquisition (beyond statutory blight)
 - in cases of exceptional hardship
 - applies only to this CPO scheme
- Information and support from the Council and CLP
 - dedicated Council web pages + identified contact points at Council and CLP to assist with queries
 - Council and CLP to work together to create a suitable environment to cater for a diverse range of businesses and workers
 - Council specialist business advice and translation services

Case for making a CPO

- Paragraph 17 CPO Circular 06/2004 embodies the legal and policy test:

*“A compulsory purchase order should only be made where there is **a compelling case in the public interest**. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.”*

Case for making a CPO

Officers' views with the benefit of external advice

The Scheme fits with the adopted planning framework and outline planning permission and conservation area consent have been granted for the major part of the Scheme (paras 11.5 to 11.8)

The Scheme will contribute to the economic, social and environmental well-being of the area (paras 11.10 to 11.14)

There are no impediments to the Scheme proceeding on account of financial viability or availability of funding (paras 11.15 to 11.16)

There are no physical or legal impediments to the Scheme. The claim for judicial review does not present such an impediment, but Members should take that into account when considering the recommendations. There is a reasonable prospect of the Scheme proceeding (paras 11.17 -11.32)

There is no credible alternative to the Scheme which is likely to deliver a comprehensive scheme in a reasonable timeframe (paras 11.33 – 11.37)

Before deciding on the recommendations

- Consider the contents and advice in the report (and appendices) including the Human Rights and Equalities implications
- Consider the contents and advice in the exempt report (and appendices)
- Take account of the claim for judicial review (paras 11.29 - 11.32 of the report)
- Consider whether there is a compelling case in the public interest sufficient to justify the interference with the human rights of those affected by the proposed CPO

The recommendations

In summary:

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