
COMMERCIAL STREET – COMPULSORY PURCHASE ORDER

**Responsible Cabinet Members – Councillor Don Bristow,
Resource Management Portfolio
Councillor David Lyonette, Regeneration and Planning Portfolio**

Responsible Director - John Buxton, Director of Development and Environment

Purpose of Report

1. To consider a request by the Council's preferred developer for Commercial Street, for Cabinet to confirm in principle the Council would consider using Compulsory Purchase Powers on other land to bring forward development.

Information and Analysis

Background

2. At the meeting of Cabinet on 19 October 2004 (Min/C120/Oct/04 refers) the Council confirmed in principle that it was prepared to use its Compulsory Purchase Powers to acquire third party land interests for a different scheme proposed by an earlier developer for this site, in the event that these could not be acquired by agreement. To strengthen land acquisition negotiations by the current developer, it is helpful for Cabinet to consider whether in principle the Council would be prepared to use Compulsory Purchase Powers for the scheme recently considered by Planning Applications Committee. It is anticipated that an indication of the Council's willingness to use Compulsory Purchase Powers if required will make it more likely that the developer is able to acquire land by agreement.
3. At the meeting of Cabinet on 27 September 2005 (Min C77/Sept/05) Discovery Properties Limited were selected as the Council's preferred developer. A special purpose vehicle, Cobalt Estates (Darlington) Limited was set up by Discovery Properties Limited to undertake the development and the Development Agreement between the Council and Cobalt Estates (Darlington) Limited was exchanged in December 2005.
4. The developers have been working expeditiously to satisfy the requirements of the Development Agreement and submitted the planning application in respect of the £90m scheme proposals in September 2006.
5. The planning application was considered by the Planning Applications Committee on 10 January 2007 and Members resolved to approve the application. It has been referred to the Government Office under the Shopping Direction, the Secretary of State has allowed the Council to make the decision, and planning permission has now been granted.

6. One of the pre-conditions of the Development Agreement, that the developer needs to satisfy before starting on site, is to acquire land and property currently owed by third parties. There are currently four sites to be acquired and the developer is currently negotiating with the owners. Compulsory Purchase Powers may be used, if the developer is not successful in acquiring the interests by agreement. The Development Agreement provides for all the costs associated with Compulsory Purchase proceedings to be met by the developer.
7. This report is seeking in principle agreement that the Council is still willing to use Compulsory Purchase powers. Were a Compulsory Purchase Order be required a further report would be brought to Cabinet setting out the details of the legal and financial implications and the specific land interests involved.

Outcome of Consultation

8. No consultations have taken place.

Legal Implications

9. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

10. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

11. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

12. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Recommendation

13. It is recommended that subject to the necessary legal requirements being met and the costs of any action being funded by the developer, Cabinet confirms its approval in principle to invoke compulsory purchase powers to achieve the Commercial Street development.

Reasons

14. The recommendations are supported by the following reasons:-

- (a) in principle, to confirm and reinforce the previous resolution;
- (b) to achieve development set out in the Council's Town Centre Development Strategy;
- (c) to enhance the economic well-being of the town centre.

John Buxton
Director of Development and Environment

Background Papers

No Background papers were used in the preparation of this report.

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