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**Meeting:** Executive  
**Date:** 31 May 2011  
**Subject:** Dunstable Town Centre Regeneration  
**Report of:** Executive Member for Sustainable Communities – Strategic Planning and Economic Development

**Summary:** Following the adoption in March 2011 of the Dunstable Town Centre Masterplan, this report provides an update on and seeks approval of key delivery issues, including progressing the acquisition of properties to enable the refurbishment/redevelopment and extension of the Quadrant Shopping Centre. The Masterplan was subject to a 'statutory consultation' process in September/October 2010, the findings of which were considered by the Sustainable Communities Overview & Scrutiny Committee in December 2010.

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**Advising Officer:** Gary Alderson, Director of Sustainable Communities  
**Contact Officer:** Liz Wade, Assistant Director Economic Growth, Skills and Regeneration  
**Public/Exempt** The report is public with an Exempt Part B (Appendix 3)  
**Wards Affected:** Dunstable wards: Icknield, Central, Watling, Northfields and Manshead  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/ exemption from call-in (if appropriate)** N/A

#### **CORPORATE IMPLICATIONS**

##### **Council Priorities:**

The vision of the Sustainable Communities Strategy is "To ensure Central Bedfordshire is Globally Connected, Delivering Sustainable Growth to ensure a Green, Prosperous and Ambitions Place for the Benefit of All".

The Strategy will be delivered through two underpinning key themes of creating the conditions for economic success and community prosperity and raising standards and tackling inequality in order to deliver 26,000 new homes and 27,000 new jobs by 2026.

The implementation of the Dunstable Town Centre Masterplan and the regeneration of the town centre is a fundamental part of the Council's key aim to manage growth effectively. The regeneration of Dunstable Town Centre ("the Town Centre") is a critical part of the proposals to deliver sustainable growth for the area.

**Financial:**

The implementation of the Dunstable Town Centre Masterplan will require a variation of the Council's Capital Programme for 2011/12 – 2014/15. The cost of acquisition of a number of residential properties to allow development to proceed is defined as a major scheme as the whole life cost exceeds £500,000. This addition to the capital scheme requires Executive approval, and this report when endorsed fulfils the financial compliance requirements.

The variation to the capital programme is within the affordability budget of the Council over the medium term. The Council has sufficient borrowing capacity to meet the balance of costs after the reallocation of budgets from capital schemes nominated within the report.

The Project Manager proposes to utilise the Council's Legal and Democratic Services to undertake the necessary legal work associated with the acquisition of the properties referred in this report rather than the use of external resources as a cost saving measure.

Detailed financial information is set out in an exempt annex.

**Legal:**

Section 226 of the Town and Country Planning Act 1980 sets out the legislative framework for the Council to use Compulsory Purchase Powers. Under Section 226 of the Act the Council can use its compulsory purchase powers:

- if the view is held that the acquisition will facilitate the carrying out development, redevelopment or improvement on or in relation to land; or
- where the land is required for a purpose which it is necessary to achieve in the interests of the proper planning of the area.

Only the Local Planning Authority can exercise such powers as it is not possible to delegate these powers to a third party. However, it is lawful for those powers to be exercised in order to promote and facilitate a redevelopment scheme which is advocated by a third party.

The Council must have satisfied themselves that the conditions that exist meet the reasonable tests for a Compulsory Purchaser Order (CPO) to be made if required to assemble the site and for it to come forward in a timely fashion. In particular, the circumstances around the economic viability of Dunstable Town Centre add weight to the use of Compulsory Purchase Powers.

The Council must show that the use of CPO powers is necessary and proportionate to secure the Scheme. Any CPO which does not satisfy this requirement is unlikely to be a justifiable interference with individuals' property rights under the Human Rights Act 1998.

If the CPO were to be challenged by way of objection, this would result in a Public Inquiry taking place.

In the event that this initial Report to Executive obtains an “in principle” resolution, a further report may follow seeking a further resolution from the Executive which will be required to confirm approval to make a CPO in its final form. This will only occur if the acquisition of the freehold of land cannot be achieved by negotiation. A further resolution will include a copy of the Order, Order Map, Schedule of Interests and the Statement of Reasons. There is however no fixed or anticipated timescale for a further resolution stage to seek approval to make a CPO as it is hoped that this will not be necessary.

### **Risk Management:**

The delivery of the town centre Masterplan provides key risks to the Council; in particular, failure to acquire the residential properties could risk the future regeneration of, and new investment in the Town Centre.

- **Reputation:** If the acquisition of key land/premises within the town centre is not managed effectively, the need for the Council to undertake difficult decisions in respect to the delivery of the Masterplan will not be understood by the local community. The issues relating to the Masterplan have already attracted a significant amount of local press coverage.
- **Delivery:** The redevelopment of the Quadrant shopping centre area is crucial for the delivery of the Masterplan and the wider regeneration of the town centre. Other parts of the Masterplan are dependant on achieving this key objective. It is therefore essential that the delivery of the Masterplan is managed effectively to ensure the regeneration of the town centre is achieved.

### **Staffing (including Trades Unions):**

Not applicable.

### **Equalities/Human Rights:**

The Town Centre has the utmost need for town centre regeneration in the Central Bedfordshire area, as measured by retail indices including vacancy levels. Dunstable serves a mixed population including the priority neighbourhoods of Downside, Tithe Farm and Parkside in Houghton Regis. Successful town centres are often a reflection of the wider well being of the communities they serve and the implementation of the masterplan proposals will ensure that the regeneration of the town centre can take place.

An Equalities Impact Assessment was carried out as part of the Masterplan process and whilst there are no outstanding issues, a number of issues were considered during this assessment including: improved access to healthcare facilities for older people by public transport or within walking distance; the accessibility of social infrastructure and community facilities for disabled people; and the location of appropriate town centre uses in specific locations which will increase accessibility for all sections of the community.

### **Community Safety:**

The implementation of the Town Centre Final Masterplan whilst bringing substantial economic and social benefits to the town would have a significant and positive impact on community safety. The increase in businesses and residential dwellings will lead to additional pressures on local policing and support from partner agencies and the Council who deal with community safety issues including environmental crime and anti social behaviour. The Masterplan will however bring forward considerable opportunities to address some of these issues during the design and implementation/delivery stages, including any redevelopment of the Quadrant shopping centre. The Council will need to ensure that it complies with its statutory duties under Section 17 of the Crime and Disorder Act and that all plans fulfil the criteria set down for community safety within planning design guidelines

### **Sustainability:**

The Dunstable Town Centre Masterplan will initially form part of the evidence base for the Local Development Framework (LDF) for the southern part of Central Bedfordshire. The LDF embraces sustainable development as its overarching aim and has and will continue to be subject to a sustainability appraisal. The regeneration of the Town Centre is a critical part of the proposals to deliver sustainable growth for the area.

### **Summary of Overview and Scrutiny Comments:**

At its meeting on 14 December 2010 the Sustainable Communities Overview and Scrutiny Committee received a presentation relating to the outcomes of the statutory consultation on the Dunstable Town Centre Strategy and Masterplan prior to its endorsement by the Executive. The Committee noted the consultation responses received on the Draft Dunstable Town Centre Strategy and Masterplan and agreed the following: - **‘that the Executive be informed that it is the view of the Sustainable Communities Overview and Scrutiny Committee that the Dunstable Town Centre Strategy and Masterplan should be endorsed’**. (Minutes of meeting - Appendix 1)

### **RECOMMENDATIONS:**

- 1. to agree to progress by private treaty negotiation the acquisition of Nos. 1-4 and Nos. 25-28 Dorchester Close and No. 45 Kingscroft Avenue, Dunstable;**
- 2. to agree to provide funding to support the residents of the above properties to assist with costs of their own independent advisor/valuer/negotiator;**
- 3. to confirm in principle that the Council would be prepared to make a Compulsory Purchase Order under the powers conferred by Section 226 (1) (a) of the Town and Country Planning Act 1990 to acquire the freehold interests of land within Dunstable Town Centre as defined on the South Bedfordshire Local Plan 2004 and as defined as an extension to the town centre in the Dunstable Town Centre Masterplan (Figure 1.2: Potential town centre boundary extension), in the event that the Council is unable to reach agreement to acquire the necessary interests by private treaty.**

**4. to agree that funding for the acquisition be met as set out in the EXEMPT Part B of this report – Appendix 3.**

*Reason for Recommendations:* *To agree the Council's approach towards the implementation of the Dunstable Town Centre Masterplan*

### **Executive Summary**

The report seeks approval to implement the Dunstable Town Centre Masterplan through agreeing to progress by private treaty negotiation the acquisition of residential properties at Dorchester Close and Kingscroft Avenue, and seeking an 'in principle' agreement to the use of compulsory purchase powers to acquire the freehold interest of land within the Town Centre as defined in the Town Centre Masterplan. The Executive is further asked to agree the funding arrangements as set out in the Exempt Part B of this report (Appendix 3).

### **Background**

1. The Dunstable Town Centre Masterplan was endorsed by Executive in March of this year to be used as Interim Technical Guidance for Development Management purposes. The Masterplan has been subject to public and elected members' engagement during the various stages of the masterplan process, including the 'statutory consultation' process in September/October 2010, the findings of which were considered by the Sustainable Communities Overview & Scrutiny Committee in December 2010.
2. The Masterplan focuses on a number of key elements including:
  - (a) Retail - The creation of substantial additional retail floorspace together with associated car parking, with the majority being created in the Quadrant Shopping Centre area;
  - (b) Community and Leisure - The provision of a new medical centre incorporating a new ambulance station facility, a replacement library facility and a new cinema within the new retail area;
  - (c) Housing - The potential for the creation of approximately 180 new dwellings which would predominantly deliver housing for elderly people and families;
  - (d) Public realm improvements – The provision of improvements, including proposed works to the A5 (High Streets North and South) following its detrunking, post A5 – M1 Link road. The introduction of 'shared space' concept has also been identified within the Masterplan.
3. The refurbishment/redevelopment of the Quadrant Shopping Centre is considered crucial for the delivery of the masterplan and the wider regeneration of the Town Centre. Other parts of the Masterplan are dependant on achieving this key objective.

4. To enable the creation of the increase in retail floorspace and associated car parking it would be necessary for 20 Council owned flats and 8 privately owned houses in Dorchester Close and one privately owned house in Kingscroft Avenue to be included within the redevelopment.
5. Preliminary meetings with the potential purchasers of the Quadrant Shopping Centre have indicated that the land currently occupied by Dorchester Close, both Council and privately owned, would be required as part of their emerging proposals for the redevelopment of the shopping centre.
6. Counsel's advice has been sought primarily on whether blight notice claims and/or other compensation claims that could be brought against the Council as a result of the Council's proposals in relation to the masterplanning process. Counsel has advised that the Masterplan, when endorsed as 'Interim Technical Guidance', will result in a real risk that the statutory Blight Notice provisions could be triggered, whether compulsory purchase powers are invoked at that stage or not. This would then require the Council to purchase the land at its unblighted market value.
7. In February this year, specialist consultants CBRE were appointed to advise the Council regarding the acquisition of the Dorchester Close and Kingscroft Avenue properties. CBRE have indicated that in their opinion, the acquisition of these properties would take approximately 12 months from the commencement of formal negotiations. There is the possibility that agreement could be reached earlier, however, it is more likely that the majority of the funding for acquisition purposes would not be required until 2012/13.
8. In July last year, the Council allocated a Community Development Officer from the Community Involvement Team to liaise with the residents. In early June 2011, the closure of the Community Involvement Team will be complete and it is therefore proposed that the Major Project Officer managing the Dunstable Town Centre regeneration together with the appointed specialist consultants will work with the residents and their expert advisor during the acquisition process.
9. An initial meeting has taken place between CBRE and the affected residents of Dorchester Close and the residents have indicated that in principle they are prepared to negotiate the sale of their properties to the Council as soon as possible and do not wish for the Council to use compulsory purchase powers.

#### **Use of Compulsory Purchase Order (CPO) Powers**

10. Whilst it is hoped that acquisition of the properties at Dorchester Close and Kingscroft Avenue can be achieved by private treaty negotiation, it is prudent to consider the option of having compulsory purchase powers in place, to be used only as a last resort. Government advice in respect of the use of Compulsory Purchase Orders is contained in ODPM Circular 06/2004, which states that compulsory purchase powers can contribute towards effective and efficient urban and rural regeneration, the revitalisation of communities and the promotion of business leading to improvements in quality of life.

11. CBRE have advised that in a case where, due to a number of interests, acquiring and securing possession of all properties by agreement may not be possible and in such situations it is better to commit at the outset to using compulsory purchase positively and proactively. In the absence of such a commitment, negotiations could become protracted, ending without success. This could then result in using compulsory purchase powers for properties that cannot be acquired by negotiation.
12. CBRE therefore advise that the Council should communicate its intentions at the early stages of the process and be clear on any intention to use compulsory purchase powers and to be pragmatic, transparent, honest and reasonable in its dealings with those affected. As a first stage, it is advised that the Council formally agree 'in principle' to the use of compulsory purchase powers. (Summary use of CPO - Appendix 2)
13. The Quadrant Shopping Centre has been marketed for sale since June 2010 with only one serious interest. If the ownership of the shopping centre changes, it is likely that the new owners will have plans to redevelop/refurbish the shopping centre considerably and sooner than has been indicated in the Masterplan. CBRE have advised however, that if the current interest in the acquisition of the shopping centre is not successful, the Council could consider using its compulsory purchase powers in partnership with a developer to acquire the shopping centre with the associated costs being underwritten by the developer. It therefore advises that the 'in principle' use of these powers should relate to the whole of the town centre.
14. The timing of the change of ownership of the Quadrant Shopping Centre is crucial as the existing leases of key national retailers including Next, Boots, WH Smith, Clinton Cards, Lloyds Pharmacy etc will expire within the next 18 months with a strong possibility of some of them not renewing their lease and vacating the shopping centre. Whilst informal discussions have been held with the prospective new owners regarding the importance of retaining these key retailers, they are unable to formally intervene until they have acquired the shopping centre.

### **Financial Issues**

15. Financial information is set out in the Exempt Part B (Appendix 3) of this report by reason of part G2 paragraph 10.4 of the CBC Constitution - Category 3 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)'.

### **Conclusions and Way Forward**

16. Subject to the recommendations being accepted, CBRE would be formally instructed to carry out further negotiations with the owners of the residential properties with the aim of reaching agreement with each of them, where possible, for the acquisition of their properties.

**Appendices:**

Appendix 1 – Minutes of Sustainable Communities Overview & Scrutiny Committee 14  
December 2010

Appendix 2 – Summary of CPO powers

Appendix 3 (EXEMPT) – Financial Issues

**Background Papers:**

- Dunstable Town Centre Masterplan [www.dunstablemasterplan.info](http://www.dunstablemasterplan.info)
- ODPM Circular 06/2004 Compulsory Purchase and the Crichel Down Rules

**Location of Papers:**

Central Bedfordshire Council, Priory House, Monks Walk,  
Chicksands, Shefford. SG17 5TQ