

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway to Peckham Project Update and Approval of the making of an application to the Secretary of State for a compulsory purchase order to acquire the property interests within the revised project boundary	
<b>Ward:</b>		The Lane	
<b>Cabinet Member:</b>		Councillor, Mark Williams, Regeneration, Planning & Transport.	

### **FOREWORD BY COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT**

The continued regeneration of Peckham is a key priority for Southwark Council, the next phase of this work is the Gateway to Peckham project. This will be an exemplar scheme for our Heritage-led regeneration approach in Peckham as we unveil the beautiful Victorian frontage and re-create a bustling public square. From the low-point of the 2011 riots this much needed project received funding from the GLA and Southwark Council to create a new 'gateway' into Peckham for local residents and visitors alike.

Following concerns raised by residents and businesses in 2014 the project was paused so that we could better engage with them, the Co-Design process which followed produced an 'Atlas of Aspirations' for the new square which will inform the design work. We recently appointed Landolt + Brown as the architects who will take forward these aspirations and turn them into a design which will be submitted for planning approval later this year. This report formally establishes the funding arrangements so that the project can proceed, and sets out the Compulsory Purchase Order process to ensure the project can be delivered. We will continue to engage with local residents, businesses and community groups throughout the design process, as will Landolt + Brown. As this report states there will be an impact on local businesses who will have to relocate as part of this regeneration project, we will work closely with them to help them find new premises in the vicinity and moves within the completed scheme itself. We will also investigate phasing the works so that the impact on local businesses can be better managed.

### **RECOMMENDATIONS**

That the cabinet agrees that:

1. The council makes a Compulsory Purchase Order (CPO) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights within the area and hatched edged black on the Ordnance Survey plan LBS\_3175(Layout3) at Appendix One for the purpose of securing the creation of a new public square and new or refurbished commercial space to the front of Peckham Rye Station part of proposal site 6 in the Peckham & Nunhead Area Action Plan (PNNAP).

2. The Director of Regeneration be authorised to:
  - a) take all necessary steps to secure the making, confirmation and implementation of the CPO including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called;
  - b) acquire all interests in land within the CPO boundary either by agreement or compulsorily;
  - c) approve agreements with land owners setting out the terms for the withdrawal of objections to the CPO, including where appropriate seeking exclusion from the CPO;
  - d) amend the boundaries of the Area 1 edged and hatched black on the Ordnance Survey plan LBS\_3175(Layout3) at Appendix One; or
  - e) either amend the boundaries of the Area 1 edged black on the Ordnance Survey plans to include Area 2 edged black on plan LBS\_3175(Layout4) at Appendix One or seek a separate compulsory purchase order, if negotiations are not concluded between Network Rail (the freeholder) and Bywater Properties (the tenant), should it be required;
  - f) make arrangements for the presentation of the council's case for confirmation of the CPO at any public inquiry;
  - g) exercise the compulsory purchase powers authorised by the CPO by way of general vesting declaration and/or notice to treat.
  - h) to approve the acquisition of all interests, where possible, by negotiation pursuant to the CPO approving payments to interest holders in line with the statutory compensation provisions within the budget and limits per interest set out in the closed report.
3. That the cabinet note:
  - a) The change in the delivery of the project
  - b) The results of the community engagement work undertaken as part of the Co-Design Process
  - c) Other work completed as part of the project
  - d) The renewed funding agreement to be entered into with the GLA.

## **BACKGROUND INFORMATION**

### **Project Update and Information**

4. The Gateway to Peckham Project was outlined to cabinet in April 2012 when authorisation was given to enter into a grant agreement with the GLA to secure £5.07 million of funding.
5. In April 2013, cabinet resolved:

That officers be instructed to commence negotiation with all interested parties in the area.

That the director of regeneration be authorised:

- a. To approve the detailed provisions and requirements of a business engagement package in consultation with the cabinet members for regeneration and corporate strategy and communities and economic wellbeing.
  - b. To prepare and report back to cabinet at the earliest opportunity on a land information and assembly strategy, which would include:
    - i. Continued engagement and negotiations to acquire all interests and approve agreements with landowners of land within Area 1 shown in Appendix 1 of the [April 2013] report
    - ii. Undertake referencing and/or obtain further information using requisitions under the Acquisition of Land Act 1981
    - iii. Amend the boundaries of the areas edged in bold and shown in Appendix 1 of the [April 2013] report should it be required
    - iv. Enter into agreement with Network Rail for the Gateway to Peckham project.
6. Following call-in by the overview & scrutiny committee of the 16/04/2013 decision the cabinet resolved on 26 June 2013:
1. That models of partnership arrangements which are as dynamic as possible while involving the widest range of stakeholders and community groups be investigated.
  2. That a further report on the findings of the engagement models investigated be received in the autumn.
  3. That the area where interests need to be acquired which is set out Appendix 1 of the report be noted.
  4. That the cabinet member and officers ensure that the outcomes of involvement activities for this project are recorded, especially those with partners, alongside logistical information on the number of meetings and consultation documents distribution and stakeholders consulted, to ensure meaningful and measurable engagement.

#### **Proposals for Redevelopment of the Area Surrounding Peckham Rye Station**

7. Between 2012 and 2014, led by Network Rail, with Southwark Council, a planning application was prepared for a comprehensive redevelopment of the entire site including Dovedale Court at the rear and all the adjacent buildings within the Network Rail freehold.
8. A combination of pre-application feedback from the planning department and the opposition from local people, led Southwark Council and Network Rail to seek an extension to their current timescales from the GLA. The aspiration was that with

a revised timescale and refreshed approach, the partners can ensure that plans could be developed with local people helping to shape the redevelopment.

9. Following competitive tendering of a brief to consultants to undertake further consultation, the Co-Design process was initiated in order to successfully engage local people, and to facilitate greater local influence on the project brief and design. The Co-Design process also was a platform to more thoroughly communicate the opportunities and challenges of delivering the project
10. Southwark Council commissioned Ash Sakula architects to undertake the first stage of a Co-Design process, examining new visions for the area around Peckham Rye Station. The creative team of Ash Sakula in partnership with the people of Peckham held discussions, exhibitions, workshops and editorials as part of the Co-Design project. They engaged local people, writers, urbanists, horticulturalists, artists, filmmakers, poets, activists and visionaries in the process.
11. The Co-Design team published an Atlas of Aspirations in November 2014. This document breaks down, into 30 different subject matters, the views of the local community on their ideas, concerns and aspirations for the local area; it is the culmination of several months of public engagement. This will form a key document in the next stage of clarifying and informing the design brief.
12. The original project was in effect a master plan for the whole station area including the rear arches and adjacent buildings, resulting in the displacement of up to 60 local businesses, the approach now being adopted is one of evolving a design with local stakeholders seeking to relocate existing businesses within the scheme or elsewhere wherever possible.
13. In order to deliver the overall project the site has now been broken down into four discrete elements, each being delivered by different partners. Shown on the plan at Appendix 1.
  - Area 1 – Edged and hatched black on plan LBS 3175 (layout 3)
  - Area 2 – Edged black on plan LBS 3175 (layout 3)
  - Area 3 & 4 – Edged black on plan LBS 3175 (layout 4).
14. The council has now tendered the design element of the project and appointed Landolt + Brown Architects to continue the Co-Design process, building on the significant work already undertaken and secure a detailed planning consent.
15. This is the first co-design project to be undertaken by the council. As a result of the process a strong group of local co-designers has developed. The appointed team at Landolt + Brown have, demonstrated how they will engage successfully with the co-designers, continue the process of Co-Design and work further to engage with the wider public, building on the work already undertaken.
16. The project is now moving into the Design stage and a planning application will be submitted for the scheme, it is expected this will coincide with the CPO process. The indicative programme is:
  - a) Planning application – Summer 2015
  - b) Make CPO – Summer 2015
  - c) Construction – Summer 2016 to Spring 2017
  - d) Completion – Spring 2017

## **Planning Policy Support for the Redevelopment of the Area Surrounding Peckham Rye Station**

17. The redevelopment and regeneration of the Peckham Rye Station area is supported in planning policy. The relevant planning policy being:
  - (a) the National Planning Policy Framework (NPPF) (guidance)
  - (b) Southwark Council's Core Strategy (with saved policies from the Southwark Plan)
  - (c) the Peckham and Nunhead Area Action Plan – November 2014

### ***National Planning Policy***

18. The NPPF confirms the government's commitment to economic growth, and that planning policies should recognise and seek to address potential barriers to investment, including poor environment, lack of infrastructure and services. This should include identifying priority areas for economic regeneration, infrastructure provision and environmental enhancement.
19. The NPPF supports the promotion of healthy communities via safe and accessible environments and high quality public space which encourages the active and continual use of public areas.
20. The NPPF also provides guidance to local authorities in conserving and enhancing the historic environment; it notes that local authorities should take into account the desirability of sustaining and enhancing the significance of heritage assets and the wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring.

### ***Local Planning Policy***

21. The council's Core strategy sets out the vision for Peckham, the vision includes working with Network Rail to deliver improvements around Peckham Rye station, to include a possible new square to transform the area around Peckham Station and the railway arches
22. The council's Peckham and Nunhead Area Action Plan (AAP) was adopted in November 2014. The AAP builds upon the council's Vision set out in the Core Strategy, providing the detailed framework for the aspirations and delivery for the redevelopment of the area.
23. Peckham Rye Station (and surrounding area) is allocated in the AAP under policy PNAAP6 as a regeneration area; it provides site specific guidance on its redevelopment. The policy confirms the following:
  - Development at Peckham Rye Station should include the creation of a public square in the forecourt of the station;
  - It should conserve or enhance the historic character of the listed station building and the surrounding conservation areas and listed and locally listed buildings.
24. The text in support of the policy acknowledges that the visibility of the listed station building is restricted by the arcade built in front of the station; this in turn creates low quality public space. It identifies proposals for improving the setting of the listed building by removing the existing arcade buildings to open up the façade of the station and providing a new public open space. It is considered

that improving the station forecourt in this way will enhance the station entrance, increase footfall and encourage people to spend time in Peckham.

25. In addition to the immediate enhancement of the station building, other objectives for the area include residential development, developing a market at the rear of the station building and encouraging the use of premises within Blenheim Court for creative and artistic enterprises.
26. There is therefore a detailed and up to date planning policy framework in place which supports the redevelopment and regeneration of the Peckham Rye Station area. The council's proposals to facilitate the first stage of this regeneration, in preparing a planning application for the new public square and opening up of the station entrance, is enshrined in planning policy

### **Funding Agreement GLA**

27. A funding agreement was entered into with the Greater London Authority (GLA) to provide £5.093M of capital funding from the Mayor's Restoration Fund to the project. This agreement expired in 2014. An extension was agreed but given the change in scope and delivery of the phases of the project a new funding agreement will be entered into for approximately £5.073M to deliver the area in front of the station and support the other projects at Dovedale Court, Station Improvements, and Townscape Heritage Initiative.
28. Formal Approval of the agreement by the GLA Investment Board is due in March 2015 following this the council and the GLA will enter into a renewed agreement.

### **CPO – Issues**

29. Officers acknowledge that compulsory purchase powers should only be exercised if there is a compelling case in the public interest. Members should be sure that the purpose for which CPO powers are sought sufficiently justify interfering with the human rights of those with an interest in the land affected.
30. The background to this project has already been set out above. Since the original resolution in April 2013, officers have worked with Network Rail, engaged with members of the local community and leaseholders and occupiers with an interest in the site, with a view to obtaining interests by private treaty and securing a scheme which has the support of the local community. Consultation on the scheme is an on-going process and officers will continue to liaise with those with interests in the site to secure as many interests by agreement both up until the making of the CPO (if needed) and after the CPO has been made.
31. It is proposed that the CPO be made pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended). This power enables local authorities with planning powers to exercise their compulsory purchase powers if they think that acquiring the land in question will facilitate the carrying out of development, redevelopment or improvement on, or in relation to the land being acquired.
32. Circular 06/2004 titled "Compulsory Purchase and the Crichton Down Rules" provides guidance on the use of compulsory purchase powers. The Circular acknowledges that for the purpose of exercising S226(1)(a) it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained before proceeding with the order.
33. The use of Section 226(1)(a) is subject to subsection (1A) which provides that a local authority should not exercise the power to compulsorily acquire unless they

think the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion, or improvement of the economic, social or environmental well-being of the area - the benefit in this instance not being necessarily restricted solely to Peckham but also to the council's wider administrative area.

34. Officers are satisfied that the scheme underlying the CPO (as currently enshrined in the AAP) will contribute to the well-being of both the local area and deliver wider benefits for the Borough of Southwark. The first phase of redevelopment will secure significant economic investment in the Borough; it will facilitate investment by Network Rail to improve the station facilities and will create secure and attractive premises around the station forecourt, which in turn creates new employment and investment opportunities.
35. The first phase of redevelopment will significantly contribute to and promote the overall social and environmental well-being of the area through the creation of a new public square; a new public realm asset. The environmental enhancement delivered by the new public square and the opening up of the station frontage should contribute to a reduction/perception of crime, creating a safe and attractive environment and increasing footfall to the station. Further it is considered this this first phase of redevelopment will act as a catalyst to the other 3 phases coming forward for redevelopment, encouraging further investment which in turn will bring new economic opportunities with the environmental and social benefits that regeneration of the wider area will inevitably bring about.
36. As a result of identifying the separate stages/phases of development , it is proposed that the CPO boundary now only comprise the first stage of development (also being the area for which a planning application is currently being prepared) namely the area in front of the station (Area 1) edged black at Appendix 1.
37. The Iceland site (Area 2) is currently identified to be excluded from the CPO as the Leaseholder has proposed a transaction with Network Rail to redevelop the site. Should negotiation fail to reach a conclusion the area will be included within the CPO boundary or a separate order will be made.
38. Negotiations with Leaseholders and businesses has commenced with the first financial offers made by the council to the Head Lessees in Dec 2014. A program of valuation and condition surveys has begun and seeks to be completed by late spring 2015

#### **KEY ISSUES FOR CONSIDERATION**

39. LBS property and legal teams, supported by Carter Jonas Chartered Surveyors and Denton's legal team, has undertaken an initial referencing exercise to establish the number and nature of the legal interests and registered occupiers within the CPO boundary.
40. The proposed CPO boundary, Area 1 edged and hatched black on the plan LBS 3175 (layout 3) at Appendix 1; is understood to consist of 10 registered leasehold interests and approximately 25 businesses, including some owner occupiers.
41. Negotiations to acquire the long leasehold interests by agreement have been taking place in earnest since December 2014 as discussions had stalled in the past over the approach to the site acquisition. The council's aspiration is to deliver and complete the regeneration of this area without recourse to a CPO,

however due to the complex legal arrangements within the CPO boundary it is highly likely that an Order will be required to “mop up” any residual interests that are not registered, where the registered proprietor is absent / untraceable or any interests where agreement cannot be reached. Negotiation will continue with leaseholders on a voluntary basis whilst the order is made.

42. Area 2 – edged black on plan LBS\_3175 (Layout4) at Appendix 1 – will be acquired by way of a CPO should negotiations not reach a conclusion between the parties. There are four leasehold interests within this boundary (two head lease and two shorter occupier leases.)
43. The making, confirmation and implementation of a compulsory purchase order is therefore recommended to achieve certainty of acquiring all the interests and other property within the envisaged timescale and to mitigate risk to the project.

### **Community impact statement**

44. Gateway to Peckham forms a key component in delivering the aspirations and visions of the Peckham and Nunhead Area Action Plan. It is envisaged that investment and improvements to Peckham Rye Station and surrounds will have a positive long term impact.
45. There will continue to be consultation with the current business occupiers, public and key stakeholders involved in the project. An equalities impact assessment (EQIA) has been prepared and the recommendations implemented to mitigate any adverse affect on those with a protected characteristic.
46. Current businesses in occupation will benefit from, on going, free advice from GLE (business support specialist) throughout the process and will be entitled to paid-for representation from independent surveyors of their choice regarding the values and compensation entitlement under compulsory purchase legislation.
47. The council will ensure that all interests, regardless of age, disability, faith/ religion, gender, race, and ethnicity or sexual orientation will be treated fairly and equally throughout negotiations, and where appropriate, they will offered financial and business support as well as being advised of their legal rights in accordance with statutory principles and council policy.
48. Whilst the development will have a direct affect on the businesses relocated to enable the scheme the overall long term impact will be positive for the area. The public square and new buildings created, will as part of its design, fully accessible and have positive impacts on the communities of Peckham. These are outlined at 49
49. The project is considered to have benefits which are expected to affect people across a broader range of protected characteristic groups. The potential benefits of the redevelopment have been identified as:
  - new employment opportunities for local people;
  - new business opportunities,
  - provision of new housing; (Area 2)
  - improved accessibility of public realm and streetscape; and
  - improved safety.
50. The redevelopment of the area and the compulsory purchase order will dispossess some persons of their rights in land. This is a necessary process to ensure that redevelopment can proceed. The proposed new scheme has significant social economic and environmental benefits and accordingly, it is

considered acceptable to use compulsory purchase powers. Essentially where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed.

51. All leaseholders and occupiers that are dispossessed regardless of age, disability, faith/religion, gender, race, and ethnicity or sexual orientation have been and will continue to be treated fairly and equally throughout negotiations, and where appropriate, offered financial and relocation assistance as well as being advised of their legal rights in accordance with statutory principles and council policy.
52. The regeneration of the area including the creation of a public square is considered to have benefits to not only the immediate community but also the borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The individual rights under the Human Rights Act 1998 and Equalities Act 2010 have accordingly been considered and commented further upon in the EQIA at Appendix 2 of this report
53. The furtherance of the regeneration will not negate the council's Diversity and Equal Opportunities Policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

### **Equalities Analysis**

54. In January 2014 and February 2015, an Equalities Impact Assessment (EQIA) was undertaken by URS Global/AECOM to establish the composition of leaseholders/occupiers/businesses, how they might be affected by the regeneration project and how any adverse effects might be mitigated.
55. The attention of cabinet members is specifically drawn to the potential impacts (positive and negative) outlined in the EQIA at chapter 7 and 8. The updated Equalities Analysis is annexed to this report at Appendix 2 to make the cabinet aware of the issues which need to be considered in this particular case.
56. The Public Sector Equalities Duty brings together former race, disability and gender duties, and extends coverage to include age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment. These are the grounds upon which discrimination is unlawful and are referred to as 'protected characteristics'.
57. The Duty requires public bodies to take proactive measures to address inequality. The purpose of these duties is to ensure that public bodies contribute to a wider government commitment to tackle persistent and long-standing issues of disadvantage and discrimination in society. It requires that in the exercise of all their functions, public bodies consider the need to eliminate discrimination, advance equality of opportunity and foster good relations.
58. The conclusions from the EQIA are outlined below at 59 – 62.
59. The redevelopment proposal is identified as giving rise to a number of positive equality impacts in relation to: an improved and more accessible public realm and streetscape; improved public safety; and potential new business opportunities, which could generate new employment opportunities for local people. People sharing protected characteristics are likely to be able to share in

these benefits. Southwark Council, as a public body, can maximise this sharing of benefits, through explicit measures in their approach to future letting of premises and overall site management to encourage equal opportunities.

60. It is considered that the redevelopment proposals do have the potential to give rise to negative equality impacts in terms of potential loss of existing employment and business opportunities, and, to some degree, to access to culturally-specific goods and services. BME-owned businesses and employees (particularly amongst people of Black African and Black Caribbean origin) are identified as particularly vulnerable to potential negative effects of the redevelopment and associated loss of existing business premises.
61. The new development will have a reduced amount of floor space available for businesses and there is current uncertainty regarding what proportion of existing businesses can expect to relocate into the new development. The potential implications of this may involve the closure of a number of BME owned businesses, which could result in job losses among people in BME groups.
62. Southwark Council has stated its commitment to enable businesses to remain local, unless they want to move elsewhere. Where businesses are able to relocate within the redevelopment or the local Rye Lane area, this would reduce the significance of negative effects for businesses and for customers from African, Afro-Caribbean and Asian backgrounds.
63. It is therefore crucial that the council and Network Rail give consideration to appropriate mitigation measures in relation to these potential negative equality impacts in progressing the design proposals and, in the case of Southwark Council in their role as planning authority, in its overall consideration of the scheme.
64. The EQIA recommendations for mitigation have formed part of the possession strategy currently being pursued by officers working to acquire the interests within the proposed CPO boundary. Occupiers will where possible be rehoused within the newly developed units. However it should be noted by cabinet that whilst the newly created space will provide new community and studio space on the upper floors, there will be significantly less ground floor retail than the existing accommodation.
65. Equalities issues have been kept under review, and will continue to be kept under review throughout the life of the project.

### **Human Rights**

66. The Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights. The council is therefore required to consider whether its actions would infringe the human rights of anyone affected by the making of the CPO. While certain Convention rights may be relevant to the CPO (such as the “right to peaceful enjoyment of possessions”) interference with such rights by public authorities will be justified where the public interest outweighs the interest of the private individual. It is considered that any interference with the Convention rights caused by the CPO will be justified and proportionate in the wider public interest in order to secure the economic, social, physical and environmental regeneration of the Peckham Rye Station area.

## **Consultation**

67. There has been extensive consultation on planning issues with the Co-Design process spanning over four months and resulting in an atlas of aspirations from the public.
68. The PNAAP was extensively consulted on between 2006 – 2014 with 86% of respondents in favour of the creation of a square.
69. Businesses have been consulted as part of the work on Co-Design and by GLE business support specialists. This support will be on-going for the duration of the project.

## **Financial implications**

70. All interests within the CPO boundary are commercial.
71. Leaseholders are entitled to the market value of their interest, a basic loss payment and other reasonable disturbance payments for being dispossessed as a natural and direct consequence of the CPO and redevelopment. The basic loss payment is calculated at 7.5% of the market value where the leaseholder. Capped at £75,000. In addition occupiers are entitled to an occupier's loss payment calculated at £25 per square metre, minimum of £2,500, maximum of £25,000.
72. Investment Leaseholders are also entitled to their reinvestment costs, being the costs of acquiring replacement premises including stamp duty and acquisition fees.
73. Relocation vs Extinguishment. Relocation costs are the reasonable costs in relocating the business to an alternative location and include removal costs and temporary loss of profits. Where a business is unable to relocate they may be able to claim for extinguishment of the business. This is normally calculated based on a multiplier of adjusted net profits.
74. Where possible the existing business tenants will be relocated within the new scheme or elsewhere.
75. The assessment of compensation is pursuant to, or undertaken in accordance with the Compensation Code which is a collection of statutes and case law, the principal legislation being the Land Compensation Act 1961 (as amended).
76. The current estimates of the likely compensation categories and values are as set out in the closed report.
77. Each item of a leaseholder's compensation schedule is validated on its relevance to the claim. The costs set out in the closed report are the best estimates that can be obtained using publically available information and that supplied by the main head leaseholders. The legal situation is complex with multiple layers of interests and ownerships.
78. The acquisition price may vary due to market conditions but the professional fees to acquire all remaining leaseholder units is agreed advance of an

acquisition to enable a degree in certainty for this cost.

79. A change in market values may see a corresponding change in basic loss payments to the leaseholder. A change in variables or input assumptions such as market value are a key determinant in assessment of overall compensation and to quantify incidental costs for purchasing a replacement property / relocation is very difficult without further financial information at this stage but these are kept constantly under review.
80. £10.0M from the councils capital programme is committed to the scheme together with the GLA grant funding of £5.2M a combined total of £15.2M.
81. The resultant commercial development will create an asset for the council and is estimated to have a market value in the region as set out in the closed report.
82. There is therefore sufficient funding already budgeted and allocated to finance the acquisition of the leasehold interests, associated disturbance costs and any third party interests and implement the scheme within the allocated budget. The budget also includes a sum for procedural and legal matters to enable the making, confirmation and implementation of the compulsory purchase order.
83. As the scheme progresses through the design stage and interests are acquired costs will be become fixed and the budget will be reviewed.
84. There will be staff resource costs in taking the Order[s] and project to completion, relocating tenants, and acquiring the leasehold interests; there is also provision for them in the overall project programme.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Finance and Corporate Services – Director of Legal Services**

85. The report at paragraph 33 refers to the appropriate power under section 226(1), Town and Country Planning Act 1990 which the council can seek to secure the compulsory purchase of land. It is considered that the redevelopment of land and rights in the surrounding area to Peckham Rye station to allow the provision of a new square will assist the council in promoting and improving the economic, social and environmental well being of the area and therefore there are adequate powers available to the council to acquire all the land and property interests within the area shown hatched black on the plan annexed either compulsorily or by agreement.
86. The council also has the power under section 227, Town and Country Planning Act or section 120(1), Local Government Act 1972 to acquire interests in this site by agreement with owners.
87. It is explained in the report that the area proposed for redevelopment is smaller than originally envisaged. The area does not include the Iceland site but otherwise negotiations with the relevant leaseholders and businesses have commenced and offers have been made. Reference is made in paragraph 41 of the report to the continuing negotiations.
88. Paragraph 15, Part 3C of the council's constitution reserves the right to cabinet to make decisions on the acquisition of land and property which involves the use

of compulsory purchase orders. However, this requirement does not apply where there is a scheme for acquisition which has already been agreed by members.

89. The financial implications of making the compulsory purchase order are set out in paragraphs 70 to 84 of the report. By agreeing to make a CPO, it is arguable that the council is becoming liable to claims from leaseholders and businesses to claims for blight under the Town and Country planning Act. If claims were made, this would actually reduce the council's commitment since the individual lessees would not be entitled for the full amounts of compensation which are outlined at paragraph 71.
90. Paragraphs 80 to 82 set out the funding which has already been committed for this redevelopment and it is therefore considered that a "scheme" within the meaning of paragraph 15, Part 3C of the Constitution has already been agreed and that officers have authority to negotiate and complete the acquisition of interests up to the budget levels already identified.

**Director of Finance & Corporate Services (FC14/057)**

91. This report is requesting cabinet to note the update on the Peckham Gateway Project and also seeking authority to start a compulsory purchase order (CPO) process. Full details are provided within the main body of the report.
92. The closed version of the report provides details of the estimated cost and it is noted that this can be contained within the available funding for this project.
93. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

**BACKGROUND PAPERS**

Background Papers	Held At	Contact
Gateway to Peckham - Public square and station regeneration Cabinet report	Chief Executive's Department Southwark Council 160 Tooley Street London SE1 2QH	Tim Surry 0207 525 5378
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=50001766">http://modern.gov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=50001766</a>		

**APPENDICES**

No.	Title
Appendix 1	Site Plans – Project Areas
Appendix 2	Equalities Analysis (circulated separately)

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration, Planning and Transport	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Tim Surry, Surveyor / Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 March 2015