

**URN** 23-117

**Subject:** North Quay Riverside Gateway, Great Yarmouth

**Report to:** Cabinet 11<sup>TH</sup> September 2023

**Report from:** Iain Robertson, Executive Director Major Projects

**Responsible Cabinet Member:** Cllr Carl Smith

**Is this a key decision?** Yes

**Date added to Forward Plan if a Key Decision:** 8<sup>th</sup> June 2023

#### EXECUTIVE SUMMARY

Great Yarmouth Borough Council (GYBC) were successful in securing Town Deal Funding and Levelling Up Funding 2 (LUF 2) to regenerate North Quay. To deliver a successful 'gateway destination' mixed-use leisure, retail and residential regeneration project and to support the procurement of a development partner and mitigate risk at a future Compulsory Purchase Order (CPO) Public Inquiry, it is essential that there is a multi-disciplinary team appointed by the Council to assist in delivery of the critical path milestones. This report highlights the need:

1. To note the budget approved by Cabinet in July 2023 for the Land Assembly & Engagement Strategy.
2. To review the overall funding budget and critical path programme and Vauxhall Bridge proposals.
3. To review the range of professional services required to help deliver a project of this scale.
4. To approve a project budget that will be monitored quarterly by the North Quay Members Working Group.

#### RECOMMENDATIONS

That Cabinet:

- (1) Approve a project budget of £26,660,484 with £16,442,706 allocated to land assembly, CPO costs and £10,217,778 for procurement, gateway public realm works, design, surveys and planning costs.
- (2) Approve the proposals and delegate officers to progress discussions with Rail Paths Ltd and Great Yarmouth Preservation Trust to form a Strategic Partnership with the objective to secure the sustainable future of the Vauxhall Bridge
- (3) Delegate authority to the Executive Director - Major Projects, in consultation with the Leader, Deputy Leader, Chief Executive, s151 officer to release Town Deal and LUF 2 funding for procurement and appointments of a project professional team, authorise surveys, reports, collection of data and undertake capital works for the progression and delivery of this project.

## 1. Introduction

- 1.1 This report relates to North Quay, which comprises a mixture of light industrial and commercial buildings, yards, and car parks, areas of open or cleared land and residential properties, and totals approximately 4.07 hectares (10 acres) with a considerable riverside frontage.
- 1.2 The Council are progressing towards a Compulsory Purchase Order (CPO) in support of the delivery of a substantial regeneration with strong linkages to the railway station, The Conge and the Market Place. The area is identified on the Plan in Appendix A.
- 1.3 Two key strategic planning documents are the Local Plan Part 1 (Core Strategy) (key site policy CS17) and The North Quay Development Brief SPD (adopted 19<sup>th</sup> July 2020). Both support the transformational regeneration of the North Quay area of Great Yarmouth, with the principal aim of strengthening the town centre, encouraging a high-quality diverse range of active land uses, opening the riverfront and enhancing the evening economy.
- 1.4 Montagu Evans (ME) Consultants were appointed to develop a site masterplan, viability study and undertake soft market testing for the LUF 2 bid. This successfully resulted in the Council securing £20m funding from the Government.
- 1.5 Lambert Smith Hampton (LSH) Consultants were appointed in March 2023 through the Crown Commercial Services framework to provide specialist regeneration consultancy expertise to support the Council through the second stage of the project. This comprises two linked key work streams (1) support the procurement and appointment of a strategic development partner through leading on a feasibility/financial viability review, expand on previous soft market testing, bringing a strong mix of developer interest to the table, warming up the market and to lead on the dialogue, evaluation, and selection stages, and (2) to manage the delivery of the approved Land Assembly Strategy in advance of a compulsory purchase including negotiation and acquisition of all third-party land interests within the red line or beyond as required.
- 1.6 LSH have taken over the delivery of this regeneration scheme from previous consultants and have highlighted risks associated with viability that will be addressed in more detail once a development partner has been secured. These key risks relate to:
  - Land Assembly (mitigated by the new GYBC Land Assembly & Engagement Strategy)
  - Planning Strategy and Securing Permission in advance of making the CPO
  - Flood Defence (EPOC 3 Compartment G) of North Quay
  - Contamination & Remediation
  - Archaeological
  - Ground Conditions & Foundation Design (Piling)
  - Construction Cost Inflation
  - Viability – Uncertain Occupier Demand and Low Capital Values

- 1.7 This report promotes a systematic approach to development in order that decisions can be made along a critical path timeline to maintain progress or change course depending on market forces, without committing the Council to budget pressures.
- 1.8 Unfortunately, due to the scale and complexity of the North Quay development, the Town Deal and LUF 2 funding is insufficient to undertake all necessary works to prepare the whole site for development.
- 1.9 The secured funding is likely to pay for the costs of land assembly, CPO, procurement of a strategic development partner, procurement and appointment of a professional consulting team, undertaking some surveys and reports, securing a planning permission and undertaking some capital works for example creating the new gateway between the Railway Station and The Conge and contributions towards a flood resilience scheme.
- 1.10 The secured funding is unlikely to pay for demolition and site clearance works; remediation and decontamination; site levelling; removal or relocation of utilities; provision of new utilities; forming new traffic junctions, internal roadways, pavements, street lighting, hard & soft landscaping; Riverside walkways to enable the development. Funding will have to be secured via other sources.
- 1.11 The secured funding provides the Council with the first real opportunity to start the redevelopment of North Quay.

The Council's objectives are:

- To ensure the identified Town Deal and LUF 2 funding is committed and maximum value obtained before the programme deadlines of 31<sup>st</sup> March 2026
- To identify viability risk and seek to mitigate via the appointment of a development partner by Quarter One 2024
- To secure a planning permission in advance of a Cabinet decision to Make the CPO estimated between March & September 2025
- To identify potential risk to confirmation of the CPO at Inquiry and to mitigate these risks
- To secure remaining land required to deliver the proposed regeneration of North Quay
- To design and deliver a gateway corridor (subject to budget) linking the railway station, Vauxhall Bridge, North Quay Riverside, The Conge and Market Place
- Ensure the Vauxhall Bridge has a sustainable future
- To create a new neighbourhood and sense of place, complimenting the town centre and enhancing the economy of the town through active land uses and job creation connecting the riverside and railway station encouraging sustainable transport use

### **Compulsory Purchase Process**

To pursue a successful CPO, there are several items that must be demonstrated for it to be confirmed. The requirements, which are set out in Department of Levelling Up Housing &

Communities (DLUHC) Guidance on Compulsory Purchase Process and the Crichel Down Rules (2019) include the ability to demonstrate:

- a compelling case in the public interest for the proposed scheme, including justification of interfering with the human rights of those with an interest in the affected land, having regard also to the Public Sector Equality Duty
- that there are no impediments to the scheme such as:  
Funding  
Planning Permission
- that Compulsory Purchase is being used as a tool of last resort. It is important to demonstrate that the Council have taken reasonable steps to acquire all the land and rights included in the Order by agreement. This implies early engagement with owners and occupiers affected by the CPO and meaningful assistance provided to mitigate the impacts of the CPO.

It is important that the Council, from the outset, provides those affected by the Scheme with information about the CPO process, the rights of landowners and duties of the local authority, and an indicative timescale, all in an accessible format, and that a case manager is appointed to handle questions from the public. It is anticipated that this role is being fulfilled by LSH who are working closely with nplaw and Executive Director, Major Projects.

The stages of the CPO process may be summarised as follows:

**1. Preliminary enquiries**

Acquiring authority considers whether land is required to deliver a project it is promoting and the extent of the land that may be required.

Negotiations to acquire by agreement

**2. CPO preparation and submission**

Acquiring authority formally 'resolves' to use its compulsory purchase powers and gathers detailed information about land ownership and occupation. The acquiring authority then makes the CPO, publicises it and submits it to the confirming authority.

**3. Objecting to a CPO**

Those affected by the CPO are invited to submit objections to the confirming authority.

**4. CPO consideration**

The CPO is considered by the confirming authority through a public inquiry or written representations.

**5. Decision**

The confirming authority decides whether to confirm, modify or reject the CPO.

**6. Possession and acquisition**

The acquiring authority takes ownership of the land.

## **7. Compensation**

There is generally a right to compensation if your land is compulsorily acquired

Cabinet approved the Land Assembly & Engagement Strategy in July 2023 which deals with the Council's approach at stage 1 of this process.

### **THE LAND ACQUISITION & ENGAGEMENT STRATEGY**

The Strategy has been implemented following the Cabinet decision on 25<sup>th</sup> July 2023.

An estimate of property purchases including an assessment of compensation payments under the Code has provided a total estimated cost within a range up to £16.4 m for securing all land interests.

The Cabinet approved the land assembly budget, but this excluded the other potential costs involved in delivering a regeneration project of this scale.

Once land is acquired, the Council will be responsible for payment of Council Tax or Business Rates and utility costs until the properties can be demolished.

### **THE FUNDING BUDGET**

The Council has been successful in securing funding of £5.1m from the Government's Town Deal Fund and £20m from Levelling Up Funding Round 2 to regenerate the key gateway site into Great Yarmouth known as the Riverside Gateway. The Council has committed a further £2.2m to the regeneration pot through borrowings, and the total project funding is now £26.6m.

### **CRITICAL PATH MILESTONES**

#### **Procurement**

Developer 'warm up' – initiated

PIN to be issued by end August 2023

Developer Awareness Event in Great Yarmouth – 13<sup>th</sup> September

Launch ITT September 2023

Contract Award March / April 2024

If no Contract Award – GYBC will proceed alone

Developer partner / GYBC appoint professional team (procure from early 2024)

Commence masterplanning & RIBA Stage 1 for outline planning

Submit outline planning application (EIA will be required) January 2025

Planning permission by July 2025 – an aggressive timetable as this is a major development & will likely require an Environmental Impact Assessment (EIA).

Funding Cutoff Date 31<sup>st</sup> March 2026

#### **Land Assembly**

Strategy approved by Cabinet July 2023 (Budget £16.4m)

Letterdrop initiated

Engagement with parties having an interest in land commenced

Site meetings 11st September

Inspections, Negotiations, Heads of Terms, Approvals, Legal Process ongoing

September 2023 to September 2025 to conclude

## **CPO**

Cabinet approval to make a CPO target March – September 2025 (subject to planning permission & viability)

Cabinet to Approve action to Make the CPO – Legal process

Vesting Order c.2027/28 (subject to Inquiry & Secretary of State challenge)

## **Infrastructure**

Planning Strategy – screening opinion EIA Autumn 2023

Design development 2024

Planning permission 2025

Procurement/Contract & commencement of on-site works end 2025

EPOC 3 Flood Resilience - 2025+

\*Delivery subject to budget

## **VAUXHALL BRIDGE (Grade II Listed Structure) & PUBLIC REALM**

Rail Paths Ltd own the asset. Rail Paths Ltd are a separately registered charity to Sustrans.

Early discussions indicate that Rail Paths Ltd and Great Yarmouth Preservation Trust (GYPT) are willing to form a strategic partnership with GYBC with the objective to secure the bridge as a vital pedestrian and cycle movement corridor between the railway station, North Quay, The Conge and the town centre.

The Morton Partnership are concluding an intrusive structural survey of the bridge to establish current condition and estimated cost for renovation works and future maintenance revenue cost plan.

GYBC would under-write the costs for GYPT being cost of renovation works (using LUF 2 funding). GYPT would manage the delivery of the project with GYBC and use its connections and influence to fund raise assisting Rail Paths Ltd towards future revenue costs.

The bridge has the potential to become an iconic feature in the town centre and providing an integral part of the North Quay Riverside Gateway. The corridor public realm is an integral part of the North Quay Riverside project, linking the railway station to the Town Centre via The conge.

Early estimations based on similar realm projects are that the total cost could be in the region of £5m.

## **NORTH QUAY PROJECT BUDGET**

The Council has assembled a small team of professionals to assist with delivering the development objectives, in particular:

- Procurement of a development partner
- Land Assembly & Engagement
- CPO advisory
- Regeneration & viability advisory
- Legal
- Project management, programming and coordination

- Conservation & Heritage
- Planning
- Design, structural, mechanical & electrical engineering & commercial for public realm works
- Highways engineering
- Landscaping

The total estimated cost of the various support work streams is £2,602,000.

**Budget Summary – Assumed Spend Profile to 31<sup>st</sup> March 2026:**

ITEM	BUDGET	COMMENT
Total Project Budget Funded via LUF 2 & Town Deal	£26,660,484	Assumes total spend by 31/3/26
Land Assembly/CPO	£16,442,706	Assumes all land purchased and compensation paid by 31/3/26
<b>Balance</b>	<b>£10,217,778</b>	
Less Professional Fees/costs	£2,602,000	Assumes planning permission
<b>Balance</b>	<b>£7,615,778</b>	
Less Corridor Infrastructure	£5,000,000	Includes Bridge renovation
<b>Balance</b>	<b>£2,615,778</b>	
Less EPOC 3 contribution to Compartment G	£2,615,778	GYBC capital contribution
<b>LUF/TD Funding Balance – Target is Zero</b>	<b>0</b>	All depends on design work and contract estimation, land assembly and other infrastructure costs (flood defences)

NB: Costs Exclude getting the site ready for development:

- Demolition & Site Clearances
- Remediation & Decontamination
- Site levelling
- Utility & Services disconnections
- New utilities & services
- Infrastructure – on site roadways, pavements, streetlighting, hard & soft landscaping, Riverside walkways
- Full scale flood defences Compartment G
- Construction of the first phase of development

Critical Path decision making at regular stages is important to adjust spend profile and commit to deliver project if:

- GYBC cannot procure a development partner (March 2024)
- Land Assembly must continue then make CPO

- GYBC must secure a planning permission (September 2025)
- GYBC must prove viability for Phase 1 development (September 2025)
- Site abnormal costs, piling, remediation, demolitions etc could be funded via One Public Estate Brownfield Land Release Fund  
Homes England Brownfield, Infrastructure & Land Fund

## **2. Next Steps**

- Land Assembly Strategy implemented July 2023
- PIN Notice issued August 2023
- Developer Event 13<sup>th</sup> September 2023
- Contract Notice to be issued September 2023
- Strategic planning advice – EIA Screening Opinion
- Procurement, Evaluation contract Award by March/April 2024
- Commence masterplanning & design stages (RIBA 3) Phase 1
- Commence planning application consultation post contract award
- Engagement with the Environment Agency regarding EPOC 3 Compartment G)
- Progress designs for corridor infrastructure linking North Quay to the railway station and The Conge via Vauxhall Bridge

## **3. Financial Implications**

- 3.1 The Council has been successful in securing funding of £5.1m from the Government's Town Deal Fund and £20m from Levelling Up Funding Round 2 to regenerate two key gateway sites into Great Yarmouth known as the Riverside Gateway. The Council has committed a further £2.2m to the regeneration pot through borrowings, and the total project funding is now £26.6m.
- 3.2 The external funding has a timescale constraint of 31<sup>st</sup> March 2026 (unless this date is extended).
- 3.3 The Council will need to draw down funding to purchase properties once terms have been agreed.
- 3.4 The total budget for land assembly including a 20% contingency totalling £16,442,706. This property acquisition budget is being funded from the funding pot already secured.
- 3.5 The remaining estimated costs will be funded from the balance of the secured funding pot, subject to critical path decision making via the Officer and Members Working Groups.
- 3.6 Expenditure and budget management will be reviewed at Officer Working Group and Members Working Group.



#### **4. Risk Implications**

- 4.1 A key risk is that despite having a Land Assembly Strategy and early engagement process this does not encourage landowners to sell their property to the Council. In this event the LSH Consultants and GYBC will drive on with the CPO process.
- 4.2 The amount of funding is insufficient to deliver a site of this scale to be ready for development. Further funding will be required to deliver a site sufficient for a first phase of development.
- 4.3 There is a high risk that the Council will be unable to spend the external funding by the required timescale, March 2026, and this will be returned to the funding providers. This will have serious implications for the delivery of regeneration in North Quay. The delivery of the public realm corridor works and will help to ensure funding is spent.
- 4.4 The delivery of the EPOC 3 is subject to the EA securing funding and contributions from stakeholders. The completion of compartment G in total is unsustainable so GYBC is seeking approval that the EA can complete the flood defences north of Haven Bridge.
- 4.5 Key Risks:
  - Land Assembly (mitigated by the new GYBC Land Assembly & Engagement Strategy)
  - Planning Strategy and Securing Permission in advance of making the CPO
  - CPO process and Inquiry
  - Flood Defence (EPOC 3 Compartment G) of North Quay
  - Contamination & Remediation
  - Archaeological
  - Ground Conditions (Foundation Design)
  - Construction Cost Inflation
  - Viability – Uncertain Occupier Demand and Low Capital Values

#### **5. Legal Implications**

- 5.1 The Council have assembled a team of legal consultants to advise on the CPO process and undertake legal work in relation to land acquisitions (nplaw) and lead on the procurement of a development partner and preparation of the related contractual documents (Sharpe Pritchard).

#### **6. Conclusion**

This report outlines the potential spend required to progress the delivery of the Town Deal and Levelling Up Fund 2 programme by 31<sup>st</sup> March 2026. The progress of spend will be monitored by the project Officer Working Group and Members Working Group. Critical path decisions will need to be taken at intervals to divert spend into various priority areas depending on circumstances at the time.

## 7. Background Papers

- 25<sup>th</sup> July 2025 URN 23-091 Cabinet Report Land Assembly Strategy
- 12<sup>th</sup> July 2022 URN 22-117 Policy & Resources Committee report & minutes – Town Deal Intervention 2 – Strategic Regeneration of North Quay in Great Yarmouth. Council approved the principle of using CPO powers to acquire land for the regeneration of North Quay.
- 24<sup>th</sup> July 2018 – Policy & Resources Committee report & minutes – Strategic Site Allocation – agree Land Acquisition Strategy, commit revenue budget of £250,000, task officers to undertake further enquiries.
- 26<sup>th</sup> November 2019 – Policy & Resources Committee report & minutes – note ongoing engagement, delegate authority for purchases, note technical studies.

## 8. Appendices

- Appendix A – Red line plan of the site known as North Quay
- **CONFIDENTIAL** Appendix B – Detailed Development Budget (**NOT FOR PUBLICATION**)

*Areas of consideration: e.g., does this report raise any of the following issues and if so, how have these been considered/mitigated against?*

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Acquisition & Disposal Policy
Financial Implications (including VAT and tax):	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	As above
Equality Issues/EQIA assessment:	Screening will be undertaken at a later stage
Crime & Disorder:	N/A
Every Child Matters:	N/A

# Appendix 1 North Quay site location

