

NORTH DEVON COUNCIL

REPORT TO: EXECUTIVE COMMITTEE

PORTFOLIO HOLDERS: LOCAL PLAN AND REGENERATION

Date: 4 March 2019

TOPIC: DERELICT ILFRACOMBE SITES

REPORT BY: HEAD OF PLACE / ECONOMIC REGENERATION MANAGER

1 INTRODUCTION

- 1.1 Two sites in Ilfracombe, Golden Coast and Montebello, have been derelict for over ten years. Both have been marketed recently and have attracted interest but potential developers have not been able to take proposals forward because of viability issues.
- 1.2 The two sites blight the areas surrounding them and are both in prominent positions. They have different but significant constraints on development and are likely to remain in their current state if the Council does not intervene.

2 RECOMMENDATIONS

2.1 That officers:

- explore the potential for compulsory purchase of the Golden Coast and the Montebello sites in Ilfracombe;
- continue negotiation with the site owners if willing, whilst the potential for compulsory purchase is explored;
- bring a further report to the Executive Committee, once the potential for CPO has been explored, with a recommendation on the making of Compulsory Purchase Orders on the Golden Coast and Montebello sites.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The two derelict sites at Golden Coast and Montebello in Ilfracombe are having an adverse impact on the town's environment and economy, and an impact on the wellbeing of the local community.
- 3.2 Without intervention from the Council both sites are likely to remain in their current state.

3.3 A compulsory purchase may be the last resort to ensure proposals are progressed, after over ten years of trying to facilitate development through other means, without success.

4 REPORT

4.1 Golden Coast Site

4.2 The site of the former Golden Coast amusement arcade lies in a prominent position on the Ilfracombe seafront. The Planning Service has served several Section 215¹ notices over the years requiring the hoardings to be replaced/repainted to keep the site as tidy as possible.

4.3 The present owners acquired the site in 2007, and it remains derelict.

4.4 Pre planning discussions have taken place relating to an ambitious proposal incorporating Runnymede Gardens and the existing car park, to develop a large scale development with a hotel, retail, and restaurant uses with two levels of underground car parking. This proposal has not been pursued and the site has been on the market since January 2018 at an asking price of £500,000.

More recently informal discussions have been held at the Ilfracombe Regeneration Board on plans for a hotel requiring only the site. This has not been followed by any discussion with the Council informally, or a request made for a pre-application meeting. The plans discussed showed some detail but were largely generic.

4.5 The Golden Coast site has flood issues relating to the Wilder Brook. JBA Consultants produced a report in 2016 that estimated the cost of mitigation at £1.8m (with a 60% optimism bias). The Environment Agency has confirmed that any developer of the site would be required to cover the cost of flood mitigation. There is a further constraint in the form of a sewer running across the centre of the site, which would need to be redirected if the site were developed.

4.6 There has been some interest in the site but not at the current asking price. The site had an historic planning consent for 23 flatted units.

4.7 A masterplan has recently been prepared for the seafront. The area of the Golden Coast site has been left out, in order to keep future options open.

4.8 Montebello

4.9 The site of the former Montebello Hotel in Fore Street has been derelict since a fire destroyed the hotel approximately 12 years ago. The site's owners, who acquired the hotel, live outside the area, but have been in contact over that period, and a hoarding was replaced at the Council's expense to keep the site safe and make this

¹ s215 of the Town & Country Planning Act 1990 provides a local planning authority with the power, in certain circumstances, to take steps requiring land to be cleaned up when its condition adversely affects the amenity of the area. back to back agreement in place before acquisition could transfer this liability to any partner/purchaser.

busy tourist route more attractive. Fore Street is one of Ilfracombe's most popular streets, with hotels and restaurants on the route from the High Street to the Harbour.

- 4.10 Webbers are currently marketing the site at an asking price of £600,000 and a prospective buyer has been in pre-application discussions with NDC Planning. The purchaser is struggling with viability issues.
- 4.11 There are questions around the stability of the rear retaining wall of the site which is several stories in height. This could be a risk to the Council if the site were acquired, but a back to back agreement in place before acquisition could transfer this liability to any partner/purchaser.
- 4.12 The difficulty with both sites is that their original purchase price has meant unrealistic expectations of value in the current market and with their existing constraints. The recommendation is that the Council explore the potential to use their CPO powers to bring both back into active economic use. External legal advice suggests that the preferred way forward would be to procure a development partner and work with them through the CPO process, potentially with the development partners covering the costs.
- 4.13 Compulsory Purchase Orders – Process
- 4.14 The steps in the CPO process in outline are:
- (a) notify the Owner that the Council intends to use its statutory powers to compulsorily acquire the Property;
 - (b) make an in-principle resolution to commence the CPO process, citing relevant policies and a wish to identify a development partner;
 - (c) identify a development partner (following the Council's usual procurement procedures); and
 - (d) negotiate a development agreement with its preferred development partner, such agreement to include the submission of a planning application for the redevelopment of the Property within a specified timescale, and a full indemnity in respect of all costs in connection with the CPO process, including compensation).
- 4.15 CPO is intended to be a last resort. However, the government recognises that the CPO process often needs to be run in parallel with negotiations (due to the length of time the CPO process can take). Running the CPO process in parallel with negotiations also underlines that the Council is serious about making a CPO if negotiations fail, and strengthens the Council's position in those negotiations.

5 RESOURCE IMPLICATIONS

- 5.1 Office time from within existing Economic Development, Legal and Planning Services time budgets.

6. CONSTITUTIONAL CONTEXT

Article and paragraph	Appendix and paragraph	Referred or delegated power?	A key decision?
Article 7.12	Appendix 4, para 17	no	no

7 STATEMENT OF CONFIDENTIALITY

7.1 The report is not considered to contain confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

8 BACKGROUND PAPERS

8.1 JBA Consulting – Flood Risk Assessment Options – Wilder Road 2015

9 STATEMENT OF INTERNAL ADVICE

9.1 The author (below) confirms that advice has been taken from all appropriate Councillors and officers.

Executive Member: Councillor Barker / Councillor Yabsley

Author: Sally Nelson

Date: 14 February 2019

References: