

## **TRAFFORD COUNCIL**

### **DELEGATED EXECUTIVE MEMBER DECISION REPORT**

**Report to:** Executive Member for Investment, Regeneration and Strategic Planning

**Date:** 16 January 2019

**Report for:** Decision

**Report of:** Corporate Director, Place

#### **Report Title**

Redevelopment of Hale Barns Shopping Centre - Release of security Bond

#### **Summary**

The Developer (now U and I PLC) agreed to indemnify the Council against all costs it may incur from exercising its compulsory purchase powers to facilitate this scheme. This was supported by a security Bond with Barclays Bank to be released when the development was completed.

This Bond was reduced in 2015 when the development had been substantially completed. The development has since been fully completed and it is considered that there are no outstanding claims and it is now proposed to release the security Bond.

#### **Recommendation**

The Executive Member is recommended to approve:

- a. The release of the security Bond as set out under the "Terms" contained in the Part 2 related report;
- b. That the Corporate Director, Place be delegated to finalise the release of the Bond in consultation with the Director of Legal and Democratic Services to be authorised to arrange for an instrument to be completed which will allow for the release of the Bond in accordance with the terms agreed.

## **Background Papers**

None

Relationship to Corporate Priorities	Regeneration of Hale Barns Shopping Centre
Financial	The Developer has paid the outstanding Council costs due arising from the CPO.
Legal Implications:	Covered within the report
Equality/Diversity Implications	Not applicable
Sustainability Implications	Not applicable
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	None
Health and Safety Implications	Not applicable

### **1. Background**

- 1.1 The Council, as freeholder, has previously been involved in discussions with its tenant of the Shopping Centre in Hale Barns regarding the redevelopment of the centre which resulted in a report to Executive on 28 November 2011. This approved the promotion of a Compulsory Purchase Order in order to achieve the Council's and Developer's aspirations for the area.
- 1.2 The Developer agreed to indemnify the Council against all costs it may incur from exercising its compulsory purchase powers. This was documented in an Indemnity Agreement on 24 August 2012, supported by a Bond with Barclays Bank.
- 1.3 The CPO Order was confirmed and vacant possession of the site was eventually obtained with construction of the new centre being substantially completed in 2015 at which time the level of the Bond was reduced.
- 1.4 The Developer has recently made a payment to the Council in respect of costs incurred in connection with exercising its compulsory purchase powers to facilitate the scheme. It is not considered there to be any outstanding claims.

### **2 Other Options**

- 2.1 Do nothing - the Developer could potentially bring a claim against the Council on the basis that retaining a security Bond is unreasonable given the background and the payments already made of the Council's costs incurred in connection with the scheme.

### **3. Consultation**

Not applicable.

#### 4. Reasons for Recommendation

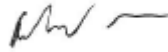
- i) Approval for the release of the security Bond will conclude the outstanding property matter in respect of the Hale Barns Shopping Centre CPO.
- ii) Avoidance of future action being taken against the Council for unnecessary retention of the security Bond.

#### 5. Key Decision

No

Finance Officer Clearance *GB*  
Legal Officer Clearance *JLF*

**CORPORATE DIRECTOR,s SIGNATURE** *(electronic)*



To confirm that the Financial and Legal Implications have been considered and the Corporate Director, Place has cleared the report prior to issuing to the Executive Member for decision.