

SHEERWATER REGENERATION

Executive Summary

This report updates the Council on, and seeks Council’s approval of four matters concerning, the Sheerwater Regeneration Scheme:-

- the funding of the remainder of the Scheme;
- the giving of an undertaking in respect of the affordable housing forming part of the Scheme;
- an update on progress towards making the proposed Compulsory Purchase Order and confirmation of the Council’s commitment to make that Order; and
- the authorisation of the Housing Director, in consultation with the Housing Portfolio Holder and Head of Democratic and Legal Services, to seek possession of Housing Revenue Account (HRA) properties when required for the Scheme.

The regeneration of Sheerwater will enable the Council to achieve its long standing ambition to address the inequalities of health, income and amenity of the area.

Recommendations

The Council is requested to:

RESOLVE That

- (i) the Loan Finance for the delivery of the Sheerwater Regeneration scheme, as summarised below, be approved;

	Facility £m	Term	Type	Rate	Arrangement fee
Thameswey Developments Ltd (during construction)	115	Up to 5 years	Maturity	relevant PWLB rate	No
Thameswey Housing Ltd (until construction complete)	290	Up to 5 years	Maturity	relevant PWLB rate	No
Thameswey Housing Ltd Operational	290	50 years	Annuity	relevant PWLB rate	No
Thameswey Housing Ltd Revolving Loan facility	116	Up to 30 years	Maturity	relevant PWLB rate	No
Thameswey Energy Ltd	5.25	20 years	Annuity	relevant PWLB rate	No

- (ii) following consideration of the matters contained in this report relating to the proposed compulsory purchase order:-
- (a) Council re-affirms its commitment to using its compulsory purchase powers as set out in Section 226(1)(a) of the Town and Country Planning Act 1990 to compulsorily purchase the Order Land, and
- (b) authority is delegated to the Head of Democratic and Legal Services to settle the final form and content of the Order and all associated documentation so that a final decision on the making of the Order can be made at the Council meeting on 2 April 2020.

- (iii) authority is delegated to the Director of Housing, in consultation with the Portfolio Holder for Housing and the Head of Democratic and Legal Services to seek, at the appropriate time, possession (under the Housing Act 1985) of Housing Revenue Account (HRA) properties within the Sheerwater Regeneration Area.

The Council has the authority to determine the recommendations set out above.

Background Papers: None.

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Date Published: 7 February 2020

1.0 Introduction

- 1.1 Council has previously agreed to proceed with the Sheerwater Regeneration Scheme and appointed Thamesway Developments Limited as its developer.
- 1.2 The construction of the new leisure facilities at Bishop David Brown School started in July 2019. The first phase of the residential development (purple phase), comprising 92 residential properties (46 affordable), started in August 2019.
- 1.3 This report deals with four matters, i.e.
 - the funding of the remainder of the Scheme.
 - the Executive Undertaking for the affordable housing forming part of the Scheme.
 - confirmation of the Council's commitment to make the proposed compulsory purchase order.
 - ensuring that the Council can obtain possession of Housing Revenue Account (HRA) properties when they are required for the Scheme.

2.0 Funding

Financial Modelling

- 2.1 During 2017 the Council engaged EY to build a financial model for the Sheerwater project. The model incorporated functionality to assess changes in both Thamesway Developments Ltd (TDL) and Thamesway Housing Ltd (THL). The key variables in the model are the total development costs, timing of works and market sales values for TDL, and the rental levels, inflation and interest rates for THL.
- 2.2 The model has been updated by Thamesway as the project has progressed and now reflects the latest proposals, costs and assumptions. It covers 60 years from 2018 to 2078, with construction forecast to be completed in 2025/26, and THL managing the rental properties as they are completed, through to 2078.
- 2.3 The Council has already approved release of funding for:
 - Acquisition of properties (£37m at 31 January 2020)
 - £5m to work up final proposals and planning permission (2017/18)
 - £26m for leisure facilities at Bishop David Brown School site (April 2018)
 - £48.4m for Purple phase (April 2019)

Thamesway are now seeking approval for the remaining project loan facility.

- 2.4 Over time the regeneration project has developed with an improved design and outcomes for the Council, however the financial position has become more challenging. This has been due to increases in the costs estimates, assumed property market inflation to date not being realised and interest rate increases due to the government 1% increase in PWLB rates from October 2019.
- 2.5 It has become clear that following these changes the project cannot afford to make all the contributions towards the Council costs which had previously been assumed and it will be necessary to vary these expectations in order that the project can proceed.

Financial Assumptions

- 2.6 The project had originally included a refund to the Council for the £3.8m underwrite of New Vision Homes costs when Thamesway took over the project. This was funded by the HIP reserve in 2017/18. It was also proposed that there would be a £8m contribution towards the leisure facilities at the Sportsbox, related to the relocation of the Athletics track. The Council would also be reimbursed the £2.1m costs of removing the overhead power line in Sheerwater which was completed in 2017/18. Both the sports facilities and the power line have been funded by borrowing pending the receipt of contributions.
- 2.7 Whilst it is accepted that the Council will not be able to recover these costs previously expended in the short to medium term, it is proposed that mechanisms be put in place for the contributions to be made from the project in future when the finances allow.
- 2.8 In March 2012 the government required the Council's Housing Revenue Account (HRA) to pay £98m to buy out of the Housing funding arrangements which were in place at the time. This was known as 'self-financing' and the debt calculation was supported by a debt allocation for each property in the HRA. It has been agreed that the project should compensate the HRA for the debt relating to the properties that are part of the regeneration area. The value of the debt for these properties in 2012 was £8m. The model assumes this will be paid to the HRA as the properties are taken for the project.
- 2.9 The current model is based on the following key assumptions:

Inflation	3% on development costs, sales prices and rent levels
Value engineering	2.6% applied on development costs to all phases except Leisure Centre and Purple
Interest Rates	2.79% Short term maturity rate during construction, 3.57% Long term annuity rate on completion 3.42% Revolving loan facility No margin to WBC No arrangement fees
Grant income	£9.384m from Homes England towards the leisure centre
Sales & Marketing fees	1%
THL Operating costs	Management Fees 6% Void 1% Minor Refurbishment £1000 per property per annum start in year one Major Refurbishment £10,000 per property every 10 years, commencing after 20 years

- 2.10 In total the project is forecast to cost £492m. The majority of this is the construction cost, £412m, which has been estimated by Synergy (Construction and Property Consultants). A breakdown of this cost is provided in Appendix 1. £70m is land acquisition, £8m project costs and £2m sales and marketing costs.
- 2.11 Earlier versions of the financial modelling assumed that all of the market properties would be sold to subsidise the affordable housing and to enable the repayment of a proportion of the debt associated with the development. It was always envisaged that if market conditions

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were not favourable, Thameswey could hold some of these properties for rent at market rents. The housing market has not seen prices increase over the last 3 years as the model had forecast. It is therefore now assumed that 40% of the market provision will be property for rent. This will continue to be reviewed throughout the project as an upward movement in the market could mean that it is possible to sell a higher proportion. The property numbers for rent and sale are shown in Appendix 1.

- 2.12 Unlike the typical THL funding approach, where loans are interest only for 25 years, the Sheerwater model assumes that debt will be repaid on an annuity basis from the start. This places greater pressure on the cashflows as the affordable rents are not sufficient to cover the full financing costs for some time. The model assumes that a revolving loan facility operates to provide funds for THL to make these repayments.

Model outputs

- 2.13 Based on the assumptions above, the model shows debt of £314m on completion of the construction works. The project peak debt is £347m in September 2046, 21 years after the project is completed. This comprises an outstanding balance on the 50 year annuity of £236m and £111m revolving loan facility reflecting the need to provide further funding to support the rental levels in these years. The revolving loan facility increases to a peak of £115m in 2055, however from 2046 onwards the net debt (loans less cash balances) reduces. The revolving loan is no longer needed from 2069. THL net debt becomes positive in 2073, 47 years post completion. The closing cash balance in 2078 is £177m. A summary of the debt profile with graphs showing the balances is included in Appendix 1.
- 2.14 On completion of the construction phase THL acquires the final rental properties from TDL. The model shows a balance of £4.6m cash held within TDL on completion of construction in 2025/26. Peak debt in TDL is £115m based on current construction and sales profiles.
- 2.15 Thameswey Energy Limited (TEL) will acquire the Energy Station within the development. This is estimated to cost TDL £5m and it is proposed that TEL would pay a 5% premium, a total cost of £5.25m.
- 2.16 The Thameswey group therefore requires the following loan facilities to complete the project.

	Facility £m	Term	Type	Rate	Arrangement fee
Thameswey Developments Ltd (during construction)	115	Up to 5 years	Maturity	relevant PWLB rate	No
Thameswey Housing Ltd (until construction complete)	290	Up to 5 years	Maturity	relevant PWLB rate	No
Thameswey Housing Ltd Operational	290	50 years	Annuity	relevant PWLB rate	No
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- 2.17 The facilities shown above are for the whole Sheerwater project. Any loans already drawn down under existing facilities will be allocated against these new totals. It is proposed that rates previously agreed and arrangement fees paid will be retained, however for new drawdowns the new arrangements will apply. No arrangement fees have been paid for the Purple phase or acquisitions.
- 2.18 Any properties outside of the development area but acquired by Thameswey to facilitate the relocation of Sheerwater residents are not included in the above loan facilities or project costs. These will be funded through the existing Thameswey Housing Loan facilities.
- 2.19 Some long term loans have been taken by Thameswey for the Purple phase while long term interest rates have been attractive. It is proposed that Thameswey be allowed the flexibility

to choose to continue to take long term annuity loans during the construction period. This would be utilising the THL Operational facility for TDL, and the loans would transfer from TDL to THL on completion. This provides the flexibility to achieve the optimal rates available while funds are drawn during the construction.

- 2.20 In addition to the closing cash balances, Thameswey Housing Ltd will own the freehold properties. Assuming a 3% increase in property values per annum, applied to the 2020 price base, the 246 market rental properties would be worth approximately £470m by 2078. Including the social and affordable rented properties, the open market valuation of all the residential assets would be £1,141m. The asset values have not been considered in evaluating the project.

Sensitivity analysis

- 2.21 The model is shown to work in the base case as illustrated by the outputs above, however it requires ongoing financial support for many years and remains sensitive to changes in the underlying assumptions. Relatively small changes in interest rates and inflation assumptions affect the time taken for income generated to cover the financing costs (period of increasing revolving loan) and for the debt to be repaid (date of positive cash balance).
- 2.22 Current interest rates, together with the latest forecasts from Link (the Council's treasury management advisors), are shown in Appendix 1. These are currently within the Sheerwater model assumptions, but the forecast increases rates over the construction period and at the end would exceed the assumed rate. Interest rates applicable into the future are difficult to forecast and the project would remain exposed to borrowing rates while the revolving loan facility applies.
- 2.23 The assumed rental increases, at 3%, are in line with current Thameswey policy. After a period of rental reductions imposed by the government, HRA rents are now increasing at CPI + 1%. For April 2020 this equates to an increase of 2.7%, however, the government target for CPI is 2%, which would result in an increase at the assumed rate. Historically CPI has increased by 2.38% on average over the last 10 years.
- 2.24 Annual average 3% house price increases are considered reasonable although it is expected that there will be years when this is significantly higher or lower, including reductions in value.
- 2.25 High level sensitivity analysis is shown in Appendix 1 and demonstrates that a 0.5% increase in interest rates or a 0.5% reduction in rental inflation could result in closing negative cash balance (debt outstanding) in THL of £142-185m. There are associated increases in the peak debt as the revolving loan would also be increasing for a longer period. Compounding both increased interest rates and reduced inflation results in closing debt of £527m at the end of the model, with debt still increasing. This analysis does not take any account of the asset valuation at 2078 which, as set out in paragraph 2020 above, could be in total circa £1.1bn.
- 2.26 Given the sensitivity of the model, and the long term nature of the assumptions, it is proposed that further work be undertaken to improve the financial position providing more scope for negative pressures to be contained. The Council will request that the government award a 'project rate' PWLB which would reduce interest rates by up to 1.4% on the current published rate. Further work will be undertaken to try to secure additional contributions to the scheme which would reduce the long term debt to be financed by THL. There will be continual review of the project proposals and phasing to ensure the programme achieves the best value.
- 2.27 The next key decision point for Thameswey is on completion of the tender exercise for the next programmed phases. A summary delivery timetable together with other scheme details

was included in the presentation to Members which is attached at Appendix 4. Once tenders are received there will be more certainty on a proportion of the construction costs, and an indication of the accuracy of current estimates. It is forecast that the cost incurred in getting to this next stage is approximately £7m.

- 2.28 It is proposed that Thameswey report the results of the next tender exercise, together with an updated model and assumptions prior to acceptance of tenders. This will provide an opportunity to take stock and ensure there has been no negative impact on the modelling and to take a view on future trends. It may be that further adjustments then need to be taken to the base proposals which could include review of starting rental levels for affordable properties, amending the proportion of market sales and rentals or considering amendments to the scope of works.

3.0 Executive Undertakings

- 3.1 The Sheerwater Regeneration Scheme has, through its development, been the subject of three planning permissions. The first permission (PLAN/2015/1260) was obtained by New Vision Homes. The two most recent permissions (PLAN/2018/0337 and PLAN/2018/0374) were obtained by Thameswey Developments Limited, and were granted in 2019. The permissions were the subject of Section 106 Agreements (Thameswey) and Executive Undertakings (Council, as landowner).
- 3.2 The evolution and improvement of the Sheerwater Regeneration Scheme has resulted in there being some minor discrepancies between the various Section 106 Agreements and Executive Undertakings insofar as the affordable housing is concerned.
- 3.3 The number of properties rented at “Kingsmoor Park”/social rent levels will be the same as existed before the regeneration (the previous social rented properties comprised Council secure tenancies and Registered Provider tenancies). There will also be additional properties let at affordable rents.
- 3.4 It would be beneficial for the Section 106 Agreements and Executive Undertakings to be “tidied-up”. The LPA is being requested to agree appropriate amendments to ensure that they correctly reflect the affordable housing included in the Scheme. It is anticipated that the proposed amendments will be considered at the Planning Committee on 25 February 2020. To provide the assurance the Planning Committee will require, Council (as landowner) will need to provide a formal undertaking in respect of the affordable housing, i.e. confirming that it will be provided. The wording of the undertaking is currently being discussed with the local planning authority. This will be the subject of a supplementary report to Council, which will be circulated before its meeting on 13 February 2020.

4.0 Compulsory Purchase

- 4.1 The Head of Democratic and Legal Services has instructed Davitt Jones Bould (“DJB”), solicitors with expertise in compulsory purchase matters, to act for the Council in preparing and progressing the proposed compulsory purchase order. DJB have prepared the addendum attached to this report (Appendix 2). This addendum contains DJB’s comments and advice on the proposed compulsory purchase order (“Order”).
- 4.2 This report (which term includes the addendum) updates the Council on progress made with regard to the regeneration of Sheerwater and outlines proposals for a mixed use regeneration scheme (“the Scheme”). The purpose of the report is to enable the Council to consider the use of compulsory purchase powers and whether or not there is a compelling case in the public interest for doing so. On the basis of the analysis set out in this report, it is recommended that, subject to the matters identified as requiring further action, the Council re-affirms its commitment to making an Order to facilitate the carrying out of the Scheme.

- 4.3 The extent of the interests and rights in land proposed to be acquired are set out in this report as the Order Land, shown on the Order Map, a copy of which is attached to this report (Appendix 3).

This report sets out the background to and need for the Scheme and explains the relevant powers of the Council to acquire the Order Land compulsorily. It also sets out the relevant factors for the Council's consideration in determining whether or not to exercise compulsory purchase powers, including the Scheme's adherence to planning policy, prospects for delivery and, with the financial report contained earlier in this report, its financial viability and deliverability. This report also includes matters for consideration in relation to the Council's Public Sector Equality Duty and the implications for the Human Rights of those who might be affected by the Order (see sections 6.9 - 6.20 below)

- 4.4 Significant progress has been made in purchasing the 120 residential properties forming part of the Order Land. As at 31 January 2020, only 6 homeowners had failed to engage with the Council. The Council has made it clear that the enhanced terms in the Sheerwater Community Charter apply to negotiated acquisitions agreed before the Order is made. Upon making the Order, negotiations for further voluntary acquisitions will be based on the statutory regime for determining compensation.
- 4.5 From a procedural point of view, Council should formally resolve to make the Order after the Planning Committee has considered the proposed clarification of the affordable housing provision referred to in section 3 of this report. This should be at the Planning Committee on 25 February 2020. A short report will, therefore, be brought to Council on 2 April 2020. This will update the Council on any material changes since this (February) report to Council, and contain the formal resolution for the Order.

5.0 Housing Revenue Account (HRA) Properties

- 5.1 The Council's Sheerwater Housing Team was established in 2017 and provides dedicated staff to support residents with the re-housing process. Officers have been engaging with tenants at the earliest opportunity to assess their respective needs for new accommodation. At the time of writing this report, the Team has engaged with 298 secure tenants. There are currently 28 households who have not yet responded to contact.
- 5.2 Based on the individual discussions, 71% of tenants want to leave Sheerwater with the other 29% looking to remain and wait for the new properties. In 2017, there were 326 remaining secure tenants, of which 159 have now moved out of Sheerwater on a voluntary basis.
- 5.3 Where possible, the Council intends to continue to work with secure tenants to agree a suitable move. However, where this is not possible the Council reserves the right to seek possession through the legal process, in which case the criteria for re-housing will be as defined by legislation and not as defined in the Sheerwater Community Charter. Legal action to gain possession of tenanted properties will be a last resort.
- 5.4 The Council has powers under the Housing Act 1985 to seek possession of a property that is earmarked for redevelopment. Schedule 2 of the Housing Act 1985 contains a number of grounds on which the Council may seek possession of a secure tenancy. These include where the Council intends to demolish and/or redevelop a property within a reasonable time and suitable alternative accommodation is available.
- 5.5 To ensure the successful delivery of the regeneration scheme, Notices of Seeking Possession will be served on all secure tenants within a phase or across the whole regeneration area. This will not require a secure tenant to move immediately, but is a safeguard to ensure that the re-housing programme is not disrupted where agreement cannot be reached.

- 5.6 In the unfortunate circumstances that the Council is unable to reach agreement with a secure tenant, the Council may apply to the court for a possession order the Housing Act 1985. This report seeks delegated authority for the Director of Housing, in consultation with the Portfolio Holder for Housing and the Head of Democratic and Legal Services, to proceed with possession proceedings under the Housing Act 1985 at the appropriate time.
- 5.7 It is anticipated that Notices of Seeking Possession will be served approximately 12 months' before the Council requires possession to commence the redevelopment.

6.0 Implications

Financial

- 6.1 Implications of loss of contribution in the short/medium/long term.
- 6.2 The Council has incurred costs to date on the NVH Underwrite, Pylons, and provision of alternative athletics facilities at the Sportsbox. There was an expectation that these costs would be recovered from the Sheerwater regeneration project. Whilst there is no immediate impact as the costs have already been incurred, and financing costs are already being covered, there will be an impact on medium term forecasts. The £3.8m NVH underwrite, was funded by the HIP reserve which will have less resources available to invest in other projects if it is not recovered. The Medium Term Financial Strategy (MTFS) assumed a reduction in financing costs of £370k relating to the contribution for the Sportsbox. No adjustment had been assumed for the recovery of the Pylons. No margin from loans for Sheerwater had been assumed in the MTFS.
- 6.3 With the base assumptions as set out in this report, the financial modelling shows that the Sheerwater project can generate sufficient income over the long term to repay the construction debt and provide the proposed sub-market rentals. Thameswey would also be left with a substantial asset base which, due to budgeted maintenance during the period, should have continued useful life beyond 2078.
- 6.4 Until tenders are received for the various phases of works, there remains uncertainties around the total construction costs. Variations in interest rates and inflation also could result in an increased peak debt and longer time required to repay the borrowing. With the revolving loan facility required for 30 years in the base scenario there remains an exposure to interest rate fluctuations over this period.
- 6.5 It is proposed that work continues to provide further financial flexibility within the model and that Thameswey report back to the Council prior to accepting the tenders for the next phases.
- 6.6 The Council can approve the funding facilities requested in accordance with the arrangements in this report.

Human Resource/Training and Development

- 6.7 None, directly arising from this report.

Community Safety

- 6.8 None, directly arising from this report.

Risk Management

- 6.9 As set out in this report.

Sustainability

- 6.10 None, directly arising from this report.

Equalities

- 6.11 The Council is required to comply with its Public Sector Equality Duty (as set out in Section 149 of the Equality Act 2010). In addition, the Council has had regard to relevant guidance in this regard. The decision to make the Order is one that this duty applies to and accordingly, the Council has commissioned the preparation of the EqIA to assess the potential impacts of the Scheme on groups with protected characteristics. This is set within the context of the Council's Priority Places Action Plan identifying the objective of delivering transformational change in Sheerwater as a Strategic Priority.
- 6.12 The EqIA contains a number of recommendations for the Council to adopt as the plans for, and delivery of, the Scheme progresses. These are set out in full within the EqIA. Accompanying the EqIA is a detailed Action Plan setting out recommendations from the EQulA in respect of specific "themes" and/or groups with protected characteristics and suggestions to mitigate any adverse impacts. The Council has put in place measures and strategies to implement this Action Plan and mitigate the impacts identified within it.
- 6.13 The EQulA and its accompanying Action Plan was presented to a meeting of the full Council on 5th April 2018 and to the Sheerwater Oversight Panel at its meeting on 27th June 2018. At both meetings the EQulA and Action Plan were endorsed, together with all of their recommendations.
- 6.14 The conclusions of the EqIA are set out in full within the EqIA, however, can be summarised as:-
- (a) The Scheme is considered overall to have a positive impact on the local population;
 - (b) Mechanisms built into the delivery of the Scheme mitigate the potential for negative impacts, particularly on low income groups;
 - (c) The provision of community recreation and leisure facilities at an early stage in the Scheme are considered positive in their impact on residents, providing tangible evidence of progress.
 - (d) The re-provision of open space will be positive in terms of its potential impact on the health and future wellbeing of residents.
 - (e) Proposals in respect of employment and training are considered to have the potential for positive impact.
 - (f) The consultation underpinning the Scheme has been extensive and intensive.
- 6.13 Consideration as to the Council's equality duty has formed an integral part of the evolution of the Scheme and Officers are satisfied that proportionate steps have been taken to comply with its duty in this regard.

Human Rights Act

- 6.14 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights. The parts of the Convention rights which should be considered in the course of the making of the Order and leading up to the confirmation of the Order Article 1 of the First Protocol and Articles 6 and 8 of the Convention.

6.15 Article 1 of the First Protocol of the Convention provides that:

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest.

If confirmed by the Secretary of State, the Order will affect the Article 1 rights of the present leaseholders/occupiers resident within the Order Land. However, there will be no violation of those rights where the steps taken are in the public interest and are lawful, as is required by Article 1 of the First Protocol (above) and Article 8 of the Convention (below).

6.16 Article 6 of the Convention provides that:-

In the determination of his civil rights and obligations.....everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.

The Order proposals have been extensively publicised and consultation has taken place with the communities that will be affected by the Order. All those affected by the Order will be notified of its making and have the opportunity to make objections to the Order and to be heard at a public inquiry before a decision is made on whether or not the Order should be confirmed by the Secretary of State. Those persons directly affected by the Order will also be entitled to compensation proportionate to any losses that they may incur as a result of any compulsory acquisition made pursuant to the Order.

6.17 Article 8 of the Convention provides that:

Everyone has the right to respect for his private and family life, his home and his correspondence.

There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedom of others.

Article 8(1) is a qualified right and interference with it may be justified in appropriate cases by reference to Article 8(2).

6.18 If made, the Order will be made pursuant to section 226(1)(a) of the 1990 Act which authorises the Council to acquire land compulsorily subject to procedures laid down in the 1981 Act. To justify interference with the above rights, the Council must consider that there is a compelling case in the public interest such that if the Order Land is acquired the public benefit will outweigh the private loss arising from that acquisition. Further, interference with Convention rights must be proportionate and justified in the public interest.

6.19 In preparing this Report, Officers have carefully considered the balance to be struck between individual rights and the wider public interest and consider that, to the extent that the Order would affect those individual rights, the proposed interference with them would be in accordance with the law, necessary in the public interest and proportionate. Appropriate compensation will be made available to those entitled to claim it under the relevant provisions of the statutory Compensation Code.

6.20 It is therefore considered that the Scheme and the Order will not unduly infringe the rights of individuals which are provided by the European Convention on Human Rights.

Safeguarding

6.21 None, directly arising from this report.

7.0 Conclusions

7.1 This report provides the Council with the ability to complete the authorisations for the implementation of the Sheerwater Regeneration project. There will still be much work to do in securing all the remaining property interests, relocating tenants, and securing contract prices within the budgets. Regular updates will be provided to the Project Board and, if necessary, Council should there be any significant variations from the delivery proposals set out in this report.

REPORT ENDS