

# BRIEFING PAPER

## INVESTMENT PURCHASES TO SECURE KEY ASSETS IN NEW GEORGE STREET AND WESTERN APPROACH FOR WIDER WEST END REGENERATION.

JANUARY 2025

### 1. EXECUTIVE SUMMARY

The Council owns the freehold title of much of the City Centre estate but where redevelopment is being contemplated a process of land assembly is required to give direct control of these assets and this includes the acquisition of headleases and underleases.

Policy PLY6 and PLY7 of the Joint Local Plan set out the ambition to transform Plymouth City Centre. With the redevelopment of Colin Campbell Court being identified as one of six priority interventions “capable of delivering landmark projects which can introduce new land uses, change perceptions of the City Centre and act as a catalyst for further regeneration.”

The Council has now identified a number of “off-market” opportunities to acquire key assets to support the regeneration plans in this area.

The purchase of these properties will provide the Council with control over key areas required to deliver the objectives of the Joint Local Plan, add weight to the case for external project funding, mitigate additional legal and compensation costs downstream and prevent further encumbrance from future lettings or sales that do not accord with the wider West End development programme.

### 2. BACKGROUND

The process of land assembly has already started and in November 2022 the Council acquired the long lease of a number of retail units in Raleigh Street and New George Street and the leases of these properties have now been regeared to enable future redevelopment. Several properties were also acquired along Western Approach to facilitate the development of a new health facility and in June 2024 construction commenced on a new Community Diagnostics Centre.

Redevelopment of Colin Campbell Court delivers key objectives of the Joint Local Plan intensifying use of the city centre, delivering new housing and changing perceptions of the City Centre, as well as delivering an economic impact and long term direct financial gain to the Council in the form of additional Council tax and business rates.

### 3. PROPOSED CHANGES AND REASONS

There is marriage value in merging the Council’s freehold and leasehold interests. In taking direct control of the occupational interest the Council can actively manage the tenancies and new lettings to increase flexibility and reduce compensation liability. This investment case is relatively straightforward as the majority of these properties are all let and income producing.

### 4. ALTERNATIVE OPTIONS

#### Do Nothing

In the ‘Do Nothing’ Option, the Council continues to receive modest ground rent of £7,500 per annum. However, if these properties cannot be acquired and redeveloped this would represent a major impediment to the regeneration of the area and the delivery of related JLP policies. This option does not achieve the strategic objectives of the Council and JLP.

**Defer Acquisitions**

Deferring the acquisitions would result in no up-front cost at this time. However, on balance there is a risk that the cost of acquisitions would increase as a result of new lettings or additional fees, in the event that it becomes necessary to acquire the properties through Compulsory Purchase.

**5. FINANCIAL IMPLICATIONS AND RISK**

The total costs of acquiring the headleases is estimated at £2.033m.

The acquisition will be funded through Service borrowing and after deductions for financing costs the properties generate a small annual surplus of £3,195 which will be used to finance additional borrowing to create a reserve to cover compensations payments related to negotiations to bring the occupation tenancies to an end

**6. TIMESCALES**

The majority of acquisitions are due to complete in 2025.