

PERTH AND KINROSS COUNCIL

25 FEBRUARY 2015

**PUBLIC REALM ENHANCEMENTS –
MILL STREET, PERTH AND ASSOCIATED VENNELS
COMPULSORY PURCHASE ORDER****Report by Executive Director (Environment)**

This report seeks authority to acquire land and rights either by negotiation or Compulsory Purchase to facilitate the construction of Phases 1 and 2 of the project to undertake public realm enhancement works in Mill Street, and the associated Vennels, in Perth City Centre.

1. BACKGROUND / MAIN ISSUES**Background**

- 1.1 In June 2014 the Enterprise and Infrastructure Committee approved the undertaking of public realm enhancement works in Mill Street, Perth. Although the works will be designed in one phase, the construction works will be undertaken in three phases, with funding approved for Phases 1 and 2 and the implementation of Phase 3 subject to future budget approval (Report 14/237 refers). Report 14/237 also provides the background to the Scheme. The Scheme incorporates the following phases which are shown at Appendix 1:
1. Phase 1 - Additional Car Parking
 2. Phase 2 - Improvements in Mill Street, Skinnergate and Guard Vennel
 3. Phase 3 – External improvements at Perth Theatre (including Cutlog Vennel) and Mill Street
- 1.2 The enhancements are to be undertaken by the Council to improve amenity in Mill Street and enhance the prospects for commercial development, to increase pedestrian accessibility and to provide additional space for events, markets and outdoor eating and drinking.
- 1.3 The Scheme is supported by the Perth and Kinross Community Plan and the Council's Corporate Plan and the strategic objectives to promote a prosperous, inclusive and sustainable economy, and to create a safe and sustainable place for future generations. The Scheme is identified in the Corporate Plan as a means to meet these objectives.
- 1.4 Perth City Centre is an important sub-regional centre for retailing and the Local Development Plan (LDP), adopted in April 2014, seeks to protect and enhance its vitality and viability. The Scheme and its objectives are supported by the LDP. The south side of Mill Street has been identified as a site (Op4) for development which will improve or create the Mill Street frontage. This site forms part of the Scheme and is contained within the LDP Action Programme 2014-2016.

- 1.5 The Scheme is integral to the vision to develop the City of Perth as the most desirable place in Scotland in which to live, work, visit and invest as contained within the Council's Perth City Plan 2013-2023. Within the City Plan, Mill Street and the surrounding area are identified as a 'Cultural Quarter' where environmental improvements and investment in cultural facilities are identified.
- 1.6 A delivery framework for the Perth City Plan has been produced within which the Scheme is identified as a means to secure investment in Perth's public realm. The Scheme will also assist in the delivery of a vibrant, cultural City by contributing to the regeneration of the Perth City centre and redevelopment of Perth Theatre.
- 1.7 The redevelopment of the Theatre is an investment in key culture and leisure facilities to ensure their ongoing improvement and vitality. The design of the redevelopment is underway and it is estimated that following public consultation works will start on site in December 2015 and will take around eighteen months to complete. Although subject to future budget approval it is anticipated that Phase 3 of the public realm enhancement works will be undertaken to tie in with these works.
- 1.8 A key strand of the "Invest in Perth" marketing strategy will be the attraction of new retail, commercial businesses or housing into the city centre. The development sites currently available in Mill Street, along with the new improved space, will be marketed nationally and internationally to secure inward investment for city centre uses and events.

Existing Condition of Mill Street and the Vennels

- 1.9 At present Mill Street (with the exception of the area in front of the Concert Hall) provides a relatively poor standard of public realm that detracts from the shopping and visitor experience. The setting of the Concert Hall and the future redeveloped Perth Theatre is therefore poor. This is shown on the photographs at Appendix 2.
- 1.10 The original buildings on the south side of Mill Street were demolished to allow the expansion of High Street retail premises. What is now left is largely old and industrial in appearance. Currently, these buildings are used for storage or are large retail units which have their main entrance on the High Street. Since the Mill Street entrances to these retail units (e.g. Marks & Spencer, Boots) are back entrances, they are functional rather than attractive. The Banks building in particular is an eyesore and in poor condition and we are seeking to acquire this as per Plot 5 on the drawing at Appendix 4.
- 1.11 There is currently an issue in Mill Street with waste bin storage. Due to the lack of designated bin stores businesses and residents currently store their bins in the Vennels or other areas that are in view of residents and visitors. This is very untidy and gives a bad impression of the City centre.

- 1.12 There are a number of small areas of land on the south side of Mill Street which are privately owned and fall within the extents of the Scheme. These areas are not well maintained and boundaries are unclear. In some cases, it has not been possible to determine ownership beyond all doubt and so the Council cannot be certain that all the land and rights which are required to deliver the Scheme can be acquired by negotiation and there is a risk of “gaps” in title which could lead to delay and/or increased expense in delivery of the Scheme. It is critical that the full extent of these areas and all private rights in and over them are acquired to ensure that the Scheme can be delivered in full, and that barriers to future development are removed.
- 1.13 The existing Vennels (with the exception of Skinnergate) are unattractive. The surfaces are uneven, creating puddles, and the surface materials are not uniform. They are poorly lit and therefore their use is limited in evenings.

Benefits of Scheme

- 1.14 There are significant benefits arising from the proposed regeneration of Mill Street and these are summarised below:
- The visual attractiveness of Mill Street will be improved, increasing the likelihood of development and private sector investment.
 - Improving the public realm will enhance the attractiveness of Perth City centre and is likely to encourage visitors to stay longer and make more use of the local shops, restaurants, coffee shops etc.
 - The Scheme will eliminate a fragmented approach by acquiring all pockets of land, safeguarding them for future development and avoid the risk of future development being prevented because agreement of all owners of land and rights cannot be obtained.
 - The Scheme will unlock land for potential development. It is anticipated that any development will be small to medium and is likely to be aimed at providing facilities to cater for leisure and retail.
 - The Scheme will build upon the recent investment in the Concert Hall, the forthcoming Perth Theatre development and the recent private sector investment at the Premier Inn and Gillies. Boots also plan to undertake investment works to their store in the near future, and the Watsons building is currently for sale.
 - The setting of both the Concert Hall and the redeveloped Perth Theatre will be significantly improved and will create a ‘Cultural Quarter’ within the City centre. This will provide a high quality, social destination for visitors and residents.
 - The Scheme will include both functional and aesthetic lighting which will promote the historic context of Mill Street and highlight the links to the High Street. This will assist the evening and night economy by creating a safer environment and more striking area.
 - The Scheme, through the implementation of a shared space will generate a sense of place and enhance Mill Street. This is in line with the Scottish Government Designing Streets Policy which places emphasis on ‘place and movement’, with place coming first and pedestrian movement given priority over vehicle movement.

- Improvements to the Vennels will improve the links between Mill Street and High Street, and encourage greater use.
- By investing in high quality public realm along Mill Street, the Council is demonstrating confidence in Perth as a destination for visitors, businesses and investment, in line with the Perth City Plan.

2. PROPOSALS

Public Realm Enhancements

- 2.1 The Scheme consists of the provision of a safer, high quality environment for pedestrians in Mill Street, Perth. This will be achieved by replacing the existing traditional road and footway layout with a shared space which will be constructed using a mixture of natural stone paving, high quality concrete paving and asphalt road pavement. The Scheme incorporates improvements to Skinnergate and Guard and Cutlog Vennels which link Mill Street with the recently improved High Street, and will include the re-establishment of Burts Close. The Scheme also involves the construction of a car park on the site of the existing Banks building which is a potential long term development site. The most recent design proposal is shown at Appendix 3.
- 2.2 The proposed palette of materials has been selected to complement those currently in place at the Concert Hall and along the High Street. Black granite paving is proposed for the existing footway areas adjacent to the Premier Inn and in the plaza area in front of the Concert Hall. Black linear concrete paving has been selected for the remainder of the existing footway areas to complement the granite paving. A light grey coloured asphalt material is proposed in the existing carriageway area to complement the paving materials proposed.
- 2.3 The Scheme includes an extension of the area outside the Concert Hall and Premier Inn for the occupation of food and drink use, as well as for public events such as the Winter Festival.
- 2.4 Grey and red concrete paving is proposed within the Vennels to reflect the colours used in the High Street and to provide a contrast against the black paving proposed in Mill Street. This will highlight the Vennels and the link they provide between Mill Street and the High Street. The paving used in the Vennels has been continued across the Mill Street to provide informal crossing points within the shared space. The existing Zebra crossing will be removed.
- 2.5 The proposals also rationalise the car parking provision along Mill Street by redeveloping and extending the existing Council owned and operated car park, currently providing 10 parking spaces, and replacing it with an improved facility of approximately 35 spaces. The existing waiting restrictions along the street will be reviewed. It is proposed to prohibit parking on Mill Street and traffic signing will be put in place to dispense with the need for double yellow lines.

- 2.6 Various landscaping improvements are proposed including new seating, cycle stands and trees. The street furniture will be concentrated within a strip of light grey paving on the south side of the existing carriageway. This is to provide some delineation between the 'pedestrian' area and the 'vehicular' area which will aid pedestrians with a visual impairment. It is also proposed to identify areas for screened bin storage.

Future Development

- 2.7 In addition to delivering improvements to the public realm, the Scheme is intended to secure land in the City centre for future development. It is anticipated that future development will also enhance the appearance of the City centre and will offer the potential for additional leisure and retail activity. The area of land marked as Plot 5 on the plan annexed has been identified as a site for improvement/redevelopment. Discussions with the current owners of this building have taken place, and having taken advice from the District Valuer, officers are concerned that the asking price is not in line with current market conditions and is likely to prove to be a disincentive from them to sell and improvement/redevelopment of the site. The building in question occupies a key site in the Mill Street area of the City centre and, if unimproved, will continue to detract substantially from the amenity of the area, particularly post improvement. Officers have had extensive discussions with the owners of the site but have been unable to agree a price that they can recommend to the Council as representing value for money. There are no current third party proposals for the redevelopment of this site. For these reasons intervention on the part of the Council is considered necessary to secure the early redevelopment of the site and to safeguard the amenity of the City centre. The financial interests of the landowners are adequately protected by the compensation code.
- 2.8 Negotiations with the owners will continue and if terms can be agreed, there will be no requirement to conclude the acquisition of this site compulsorily. It is therefore recommended that negotiations are pursued in tandem with the CPO process in order that the redevelopment of the site might be achieved within a timescale that reflects the aspirations that are set out in the Perth City Plan.

Land Purchase

- 2.9 The extent of land required for the Scheme has been identified and is shown on Drawing RI/MILL/LAND/001 at Appendix 4 of this report.
- 2.10 Discussions with a view to purchasing the land by agreement have commenced with landowners, their agents and the tenants which occupy premises. Many of these have been positive, with the businesses acknowledging the benefits the Scheme will bring to the City centre. However, given the number of landowners affected, and the fact that in some locations it has not been possible to determine ownership beyond all doubt which means that the Council cannot be certain that all the land and rights which are required to deliver the Scheme can be acquired by negotiation without the risk

of “gaps” in title, it is proposed to promote a Compulsory Purchase Order (CPO) in parallel. Scottish Government Guidance (Circular 6/2011) endorses this approach and negotiations with landowners and tenants will continue to ensure that all reasonable endeavours are made to purchase the land by agreement within a reasonable timescale.

- 2.11 It is considered that it would be reasonable and proportionate to acquire the land/property by compulsory purchase in the event that negotiations for voluntary sale cannot be concluded with all the landowners within a reasonable timescale. The land which is required as part of the regeneration of Mill Street is owned by a number of different parties, which reduces the chances of reaching voluntary agreements for the whole site. Acquiring the whole site by means of a CPO will also help ensure that there are no gaps in title affecting the Council’s ownership of the land required.
- 2.12 There are compelling arguments for undertaking the regeneration of Mill Street and it is considered that, on balance, the public interest outweighs that of the individual landowners involved. It is acknowledged that these landowners will be deprived of their land but they will receive appropriate compensation. District Valuer Services (part of the Valuation Office Agency) have been appointed to provide valuation advice and to assist in the negotiating of the land/property purchase. In the meantime Brodies Solicitors have been instructed to provide expert legal advice and support with the Scheme.
- 2.13 The CPO will be promoted under Section 189(1) of the Town and Country Planning (Scotland) Act 1997 which empowers the Council, subject to authorisation by the Scottish Ministers, to acquire compulsorily any land in their area which:
- (a) is suitable for and is required in order to secure the carrying out of development, redevelopment or improvement;
 - (b) is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.

Other Considerations

Other Orders/Consents

- 2.14 As part of the Scheme it is anticipated that the following Orders will require to be promoted:
- The existing waiting restrictions in Mill Street will need to be revised and this will require the variation of the existing Traffic Regulation Order for Perth City Centre in terms of the Road Traffic Regulation Act 1984.
 - The proposed works include changes to the existing Council car parks (Mill Street East and Mill Street West). It will therefore be necessary to vary the Traffic Regulation Order for Off-Street Car Parks in terms of the Road Traffic Regulation Act 1984.

- 2.15 The majority of works will be undertaken on existing public roads and footways. The areas of private land which will be acquired, or adopted by agreement with the Council, and where improvement works will be undertaken, will be added to the List of Public Roads in accordance with Section 16 of the Roads (Scotland) Act 1984 by the Council, as Roads Authority.

Planning Application

- 2.16 The improvement works comprise permitted development Class 31 (Roads Authority) of The Town and Country Planning (General Permitted Development) (Scotland) Amendment Order 2011. This class is not included in the Article 4 Direction for Perth Central Conservation Area (which restricts certain permitted development rights). The street furniture comes under Class 30 of the same Order and therefore a Planning Application is required for this aspect of the Scheme. It is proposed to lodge the Planning Application in March 2015. It is reasonably anticipated that planning permission for the Scheme will be granted.

Programme

- 2.17 The detailed design for the Scheme is currently being progressed, and once the CPO is made (March 2015) it will be submitted to the Scottish Ministers for consideration. If no objections are received, or objections are received and later resolved and withdrawn, the Scottish Ministers decide whether to confirm or refuse to confirm the CPO. The timescale from promoting the CPO to vesting of the land in this instance could take around 11 months.
- 2.18 If objections are received and are not withdrawn the Scottish Ministers will arrange to hold an Inquiry. Should this be the case, it could take around 17 months from the making of the CPO for the acquisition of the land to be completed. Timescales could be shorter or longer depending on circumstances.
- 2.19 The current programme is for the works to start on site in February 2016 with a construction period of 6-8 months. Given the level of support for the Scheme expressed by the existing businesses and landowners to date, it is envisaged that it may be possible to acquire the key areas of land required for the Scheme by agreement. Failing this it may be necessary to adjust the programme for the works or undertake the construction of Phases 1 and 2 of the Scheme in two separate contracts.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report sets out the CPO land that is required for the improvement and redevelopment of the Mill Street area and why it is necessary to improve and redevelop the area in the interests of the proper planning of the City of Perth.

- 3.2 The works are essential to the vision of the Perth City Plan to develop the City of Perth as the most desirable place in Scotland in which to live, work, visit and invest. The proposals are supported by the Council's LDP and Corporate Plan.
- 3.3 Of significant consideration to the success of the Scheme is the land and property owned by third parties within the boundary of the proposed area for improvements. In order to undertake the works and for the future development potential to be realised, it is essential to acquire the land within the extent of the Scheme. Negotiations with the affected landowners and tenants are underway. However, for the reasons set out in this report it is proposed to promote a CPO to run in parallel in case some of the land cannot be purchased by agreement and to avoid the Council being forced to pay a premium over market value.
- 3.4 In order to ensure that the programme can be met it is recommended that the CPO process is commenced as soon as possible.
- 3.5 The Council is therefore asked to:
1. Agree to the purchase of land and rights required for the Scheme referred to in this Report by negotiation with affected land owners.
 2. Instruct the Head of Legal Services to initiate and if necessary complete the statutory procedures to acquire the land and rights by compulsory purchase in parallel with the negotiated process.
 3. Authorise the promotion of the Mill Street, Perth Compulsory Purchase Order 2014 to acquire the land shown on the Drawing RI/MILL/LAND/001 annexed to this report.

Author(s)

Name	Designation	Contact Details
Jillian Ferguson	Roads Infrastructure Manager	jillianferguson@pkc.gov.uk , 01738 477291

Approved

Name	Designation	Date
Jim Valentine	Executive Director (Environment)	16 February 2015

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The project supports the Community Plan Vision of a confident and ambitious Perth and Kinross, to which everyone can contribute and in which all can share. Specifically, the Scheme encourages sustainable economic growth, and creates a safe and sustainable place for future generations.
- 1.2 The Scheme supports the following Outcomes:
- (i) Thriving, expanding economy
 - (ii) Employment opportunities for all
 - (iii) Attracting, welcoming environment
 - (iv) Resilient, responsible and safe communities

Corporate Plan

- 1.3 The Council's Corporate Plan 2013-2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:
- (i) Giving every child the best start in life;
 - (ii) Developing educated, responsible and informed citizens;

- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.4 The project will support the Corporate Plan's objectives to promote a prosperous, inclusive and sustainable economy and to create a safe and sustainable place for future generations. This will be achieved by:

(iii) Promoting a prosperous, inclusive and sustainable economy:

- Improving the attractiveness of Mill Street and unlocking land for potential development will increase the likelihood of development and private sector investment.
- Improving Mill Street will enhance the attractiveness of Mill Street and is likely to encourage visitors to stay longer and make more use of the local shops, restaurants, coffee shops etc.
- Mill Street, and its setting next to the Concert Hall and redeveloped Perth Theatre, will become a 'Cultural Quarter, providing a high quality, social destination for visitors and residents'.

(v) Creating a safe and sustainable place for future generations:

- The inclusion of both functional and aesthetic lighting which will promote the historic context of Mill Street, and assist the evening and night economy by creating a safer environment and more striking area.
- The implementation of a shared space, will provide a safer environment for pedestrians.
- Improvements to the vennels will improve the links between Mill Street and High Street, and encourage greater use.

2. Resource Implications

Financial

2.1 A budget of £1,279,000 is allocated for the implementation of Phases 1 and 2 of the public realm works, within the current approved Capital Budget.

2.2 Additionally, funding of £385,400 for the purchase of the Banks building and construction of a car park has been allocated within the Parking Account.

Workforce

2.3 The CPO process will be undertaken by the Roads Infrastructure Team and Legal Services, with support from the Estates Team and Brodies, Solicitors.

Asset Management (land, property, IT)

2.4 Future maintenance will be prioritised within the budgets available.

3. Assessments

Equality Impact Assessment

- 3.1 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) using The Integrated Appraisal Toolkit and have been assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.2 The proposals have been considered under the Environmental Assessment (Scotland) Act 2005 using The Integrated Appraisal Toolkit and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.3 The proposals have been considered under the provisions of the Local Government in Scotland Act 2003 and Climate Change Act using The Integrated Appraisal Toolkit. The proposals will not have a direct impact on sustainable development or climate change.
- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions. This report however seeks to identify the capital funding taking forward a proposal which is a key action from the Proposed LDP. There is a statutory duty of the Council to ensure that the LDP contributed towards sustainable development accordingly no further assessment is required.

Legal and Governance

- 3.5 The Council's Enterprise and Infrastructure Committee approved the undertaking of public realm enhancement works in Mill Street, Perth in June 2014 (Report 14/237 refers).
- 3.6 The CPO will be promoted in accordance with the relevant legislation and guidance.
- 3.7 A Project Board has been established and will oversee the delivery and governance of the project. Membership includes the Heads of Legal and Finance.

Risk

- 3.8 A Risk Register/Log is in place for the project. The Board examines all issues in relation to risk through this.

4. Consultation

Internal

- 4.1 The Heads of Legal Services and Finance have been consulted in the preparation of this report.

External

- 4.2 Positive discussions with all shops and businesses directly affected by the Scheme have taken place, and will continue throughout the detail design and construction.
- 4.3 Meetings have taken place with all landowners, or their agents, whose land is affected by the Scheme as per the contents of this report. Meetings with the design team to discuss the proposals in detail are planned.
- 4.4 The project is contained within the Perth City Plan which was developed through extensive consultation.

5. Communication

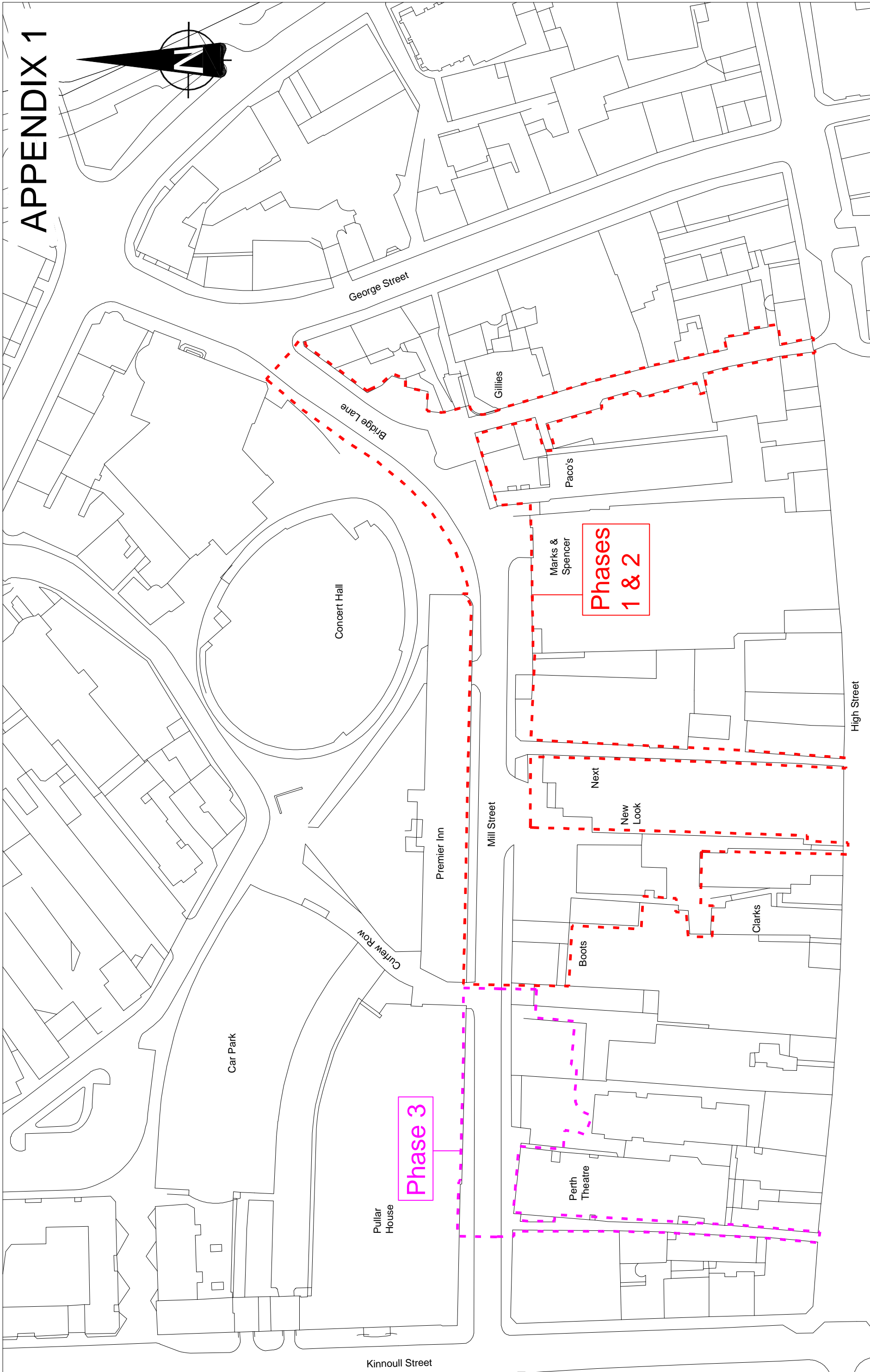
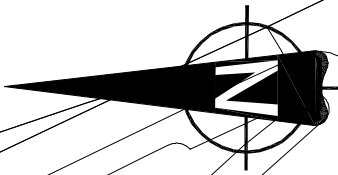
- 5.1 A Communications Plan for the Scheme is in place and has been endorsed by the Corporate Communications Manager.
- 5.2 The detailed design proposals will be displayed and discussed with Elected Members. Following this, a drop in session for members of the public and City centre businesses is planned for late February 2015.

2. BACKGROUND PAPERS

Report to Enterprise and Infrastructure Committee 4 June 2014, Public Realm Enhancements, Mill Street and Associated Vennels, Perth (14/237)

3. APPENDICES

Appendix 1 – Mill Street, Perth Location and Phasing Plan
Appendix 2 – Photographs of Existing Situation
Appendix 3 – Mill Street, Perth – Design Proposals
Appendix 4 - Drawing RI/MILL/LAND/001 (land take required)



**Planning and Regeneration
Roads Infrastructure
Mill Street - Public Realm Improvements
Location & Phasing Plan**

Drawn by: RF Checked by: SM

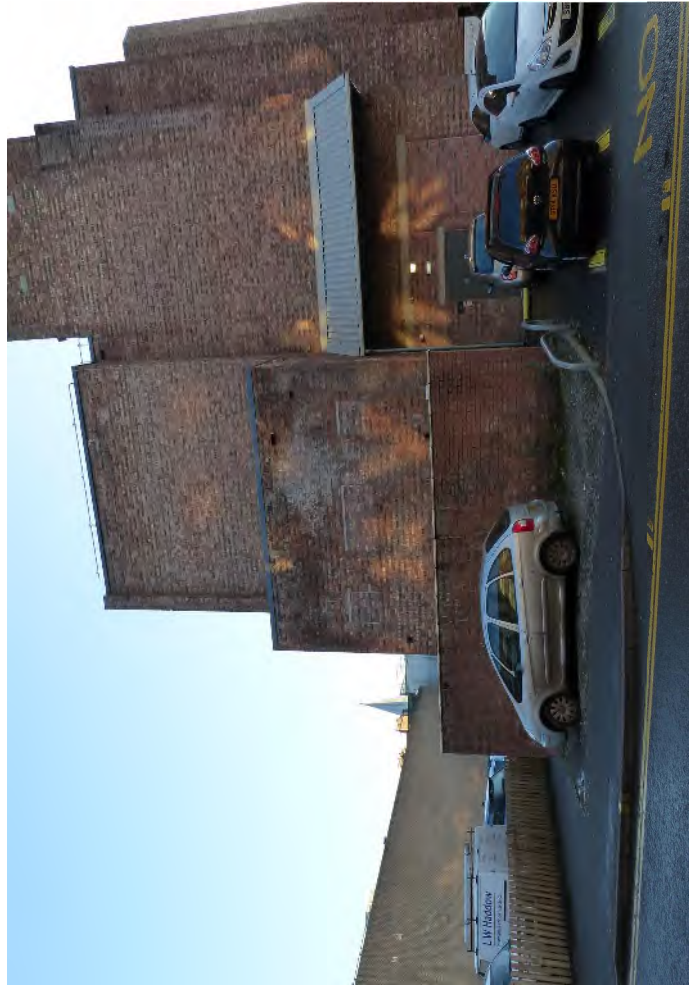
Approved by: JF

Drawing Number: R/MILLST/LAND/002

Scale: NTS

© Crown Copyright. All rights reserved. 100016971 2014

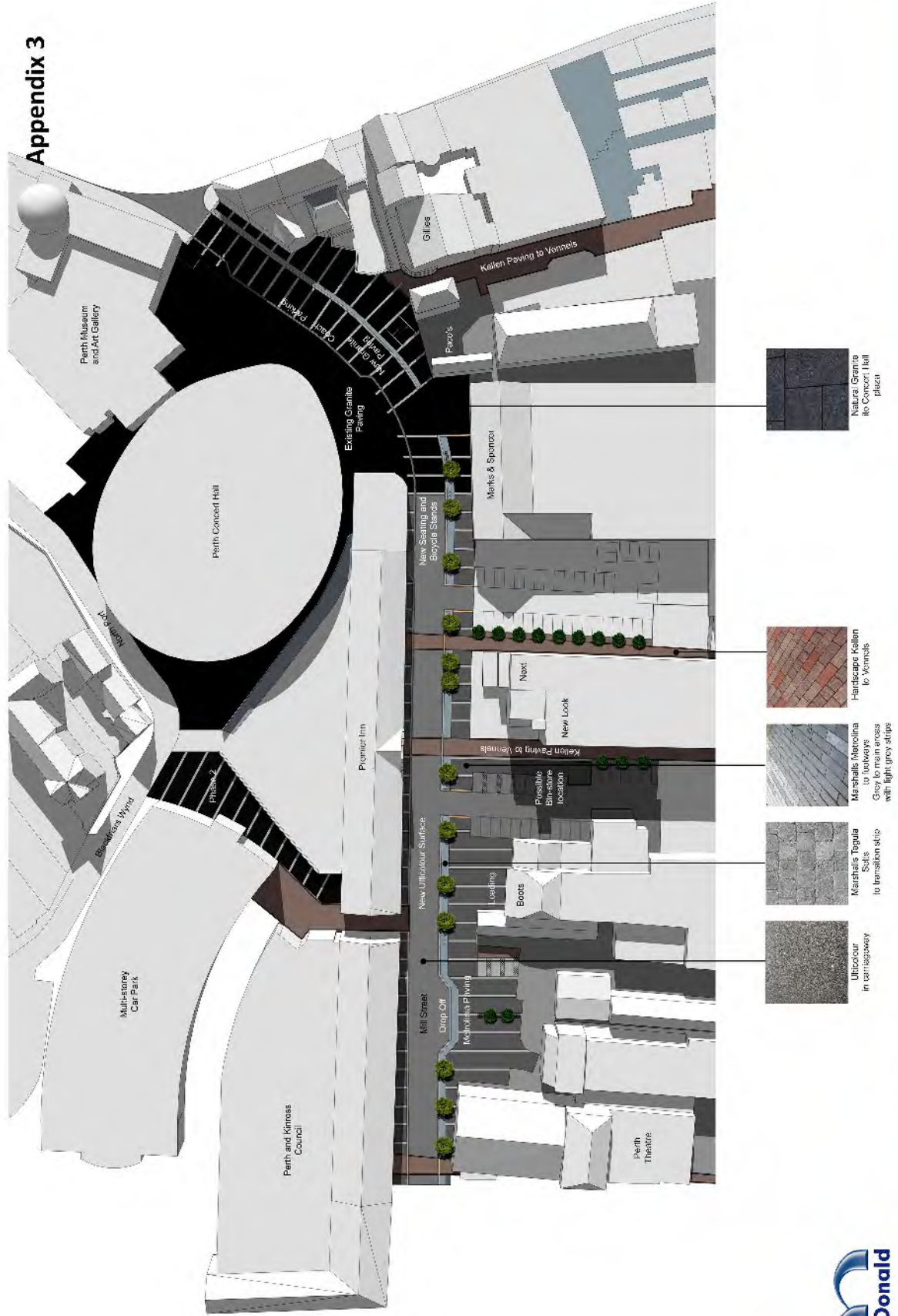
Appendix 2



Appendix 2

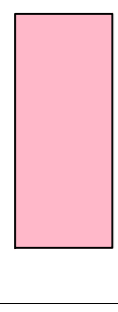


Appendix 3



Appendix 4

Key:



Land to be acquired



**PERTH &
KINROSS
COUNCIL**

Roads Infrastructure
PULLAR HOUSE, 35 KINNOLL STREET, PERTH, PH1 5GD
TEL (01738) 477391

PROJECT **Mill Street, Perth
Environmental Improvements**

TITLE **CPO Land
Mill Street
PERTH**

SCALE **1:500 @ A1**

DATE **Nov 14**

DRAWN **SM**

ALTH **ARF**

REV. **-**

DWG No. **R/MILL/LAND/001**

