

## Cavendish Square – a failed “regeneration”

Cavendish Square was a typical 1960's concrete built shopping centre. It wasn't very pretty but it was a focal point of the local area with a good range of shops, a Cafe, and was frequented by the local community. The “regeneration” of the Square was described by the Council as “a fantastic project to transform Cavendish Square”. It would “revamp community facilities creating a fantastic place to live, play and shop”. Yet more than 2 years after the shops were opened the Square looked like it had a derelict building site attached to it. The base of the old Co-op building remained, decaying concrete and bricks, flooding when it rained, dirty and dusty when dry, covered in litter. It dragged the whole environment down. At the same time the Reuben George Hall was boarded up, adding to the derelict picture. (see <http://cavisquare.wordpress.com/2010/11/16/what-they-promised-and-what-we-got/> )

The culmination of the “regeneration”, Phase 3, was to be the building of new shop units on the old Co-op site, and the roofing and gating of the Square, to enclose it in the evening. But Phase 3 has thus far not happened since the developer Leehampton has been unable to sell (unbuilt) units on the old Co-op site. Whilst the economic downturn certainly had an impact on this, the Council has been negligent in the way it managed the project. In addition by giving away publicly owned land to the developer the Council has created problems which the local community is still struggling to overcome. The privatisation of public space has proved to be disastrous.

Leehampton currently owns the old Co-op site which after some effort we have managed to get tarmacked, although we had to use some of the money meant for building the roof. This has improved the environment as has the reopening of the Reuben George as Council offices. However, Leehampton has sold off the shops to a Real Estate Investment Trust which goes under the unlikely name of NOS2 Limited, a subsidiary of “the local shopping reit” PLC (see <http://www.localshoppingreit.co.uk> ). A REIT is a vehicle for avoiding Corporation Tax. As well as owning the shops NOS2 owns the path adjacent to them, and the main floor of the Square. So it is responsible for the broken and crumbling paving slabs which have occurred. Initially we had an argument between Leehampton and the agent for the REIT about who was responsible for the land. Eventually the agent accepted that the land was owned by the REIT. Yet despite being informed of broken and loose paving stones on July 25<sup>th</sup>, as I write this still nothing has been done to rectify what is a straight forward health and safety, and environmental issue. It does not very regularly clean the Square of litter either.

We have an additional problem. Since the intention was to roof the Square there was no drainage built into it. As a consequence persistent rain creates flooding.

To understand how this situation came about let's look at some of the history. In the run up to the work the Council produced a Cavendish Square Regeneration Newsletter. The last of them was in December 2008. There you can read that when the old Co-op shop and the Cock Robin pub were demolished the site would be “covered in tarmac and left open”.

## Regeneration Board

When we had a meeting with Councillor Brian Mattack and a couple of Council officers I raised this with them. However, they could not give me an answer as to why this public commitment had been given. Had there been an agreement with Leehampton, or was it some 'gentleman's handshake'? Why would this be published in the Newsletter if there was no agreement? I decided to have a look at the Regeneration Board minutes to see whether there was any trace of an agreement to tarmac the site. Bassam, then the Cafe tenant, had told me that it was in the minutes. What I found there raised questions about the failure of Council officer to hold the developer to its commitments.

The minutes and "Regeneration Project Highlight Reports" are instructive. The minutes of 19<sup>th</sup> May 2008 tell us that:

"JC and CG are meeting with the developer on 20<sup>th</sup> May 2008 to discuss the situation as there are no pre-lets on the units. The *likelihood* is that that the Phase 3 – current Co-op shop – will be *demolished, cleared and tarmac laid*. The developer would then return in 2009 to commence building." (My emphasis here and hereafter.)

So at this stage it was just a *likelihood*.

Move on to June 24<sup>th</sup> and we read this:

"Phase 3 building – broad ranging discussions are still ongoing with the developer about the future of Phase 3 and the current financial market. Phase 3 has still not reached the 75% pre-let threshold and will not be developed for the moment. Discussions are still ongoing with the developer as to how the site will be treated. *The roof will be put on and the side wall built to enclose the mall, until Phase 3 development starts.*"

We will come on to that last sentence in a moment. It appears to be another commitment not carried out.

## Constructing a Mall and covered walkway

The demolition of the Co-op started on November 17<sup>th</sup> 2008, and the December Newsletter gave the expectation that the area would be covered in tarmac. On 11<sup>th</sup> December we find the Project Highlight Report saying:

"The Development agreement requires Phase 3 to have commenced within 6 months of the completion of Phase 2, August 08. The funding arrangement for Phase 3 is 75% pre-let, hence to be achieved by December 08/January 09. As the market has changed, there is a real possibility that these criterion will not be achieved. In the circumstances the developer is considering undertaking the Phase 3 demolition, the existing Co-op and the Cock Robin pub, and then (?) the site. If the pre-lets are not achieved Phase 3 would be delayed but *the developer would come back in January/February 09 and construct the Mall and covered walkway.*"

By January 22<sup>nd</sup> 2009 we read that the demolition is complete and the developer will “**patch with tarmac** any loose surfaces and remove the boarding and fencing so that a temporary car park can be created.”

The change from tarmacking the area to patch tarmacking, was not explained.

The following month, on February 24<sup>th</sup>, Carolanne Bond (a Forum representative on the Regeneration Project Board at the time) asked when Leehampton would be completing the covered Mall. The response from a Council officer was

“it had always been Leehampton's intention to complete the roof mall, **but a decision would be made once the interest on the retail units had been gauged. Leehampton must be given time to market the units.**”

Hold on there. What had happened between December 11<sup>th</sup> and February 24<sup>th</sup>? On the former date the officers categorically said that if Phase 3 was delayed then “**the developer would come back in January/February 09 and construct the Mall and covered walkway.**” Yet 2 months later the Board was told that this would not happen and poor old Leehampton must be given more time to market the units. As for the tarmac that appears to have been forgotten altogether.

Forward to March 27<sup>th</sup> 2009 and a Project Highlight Report (something of a misnomer) says that the “patching with tarmac of any loose surfaces will be undertaken so that a temporary car park can be created.”

(The old Co-op site was used as a temporary car park though you had to park on the decaying base of the old shop.) We then read:

“Jim Scott advised that he had a meeting on February 16<sup>th</sup> to discuss the marketing of Phase 3. As a result of the meeting his agents are stepping up their marketing campaign and are currently in the process of going back to a number of key parties who feel they would be particularly suitable for this space. His agents are endeavouring to secure pre-lets for around 70% of the total available space remaining and they do remain confident that this can be achieved. If this is the case then, of course, the covered mall would be integral to the construction of the Phase 3 shops. If they do not succeed in securing the necessary pre-lets, they are still trying to develop plans **to implement the covered way leaving the Phase 3 site for future development.**”

You have to wonder whether the 'confidence' of the agents was somewhat mythical and designed to delay spending any money before Phase 3 was begun. Even so this is another commitment (though by this stage they are “still trying to develop plans” rather than going to do it, as was reported on December 11<sup>th</sup> 2008.

On April 28<sup>th</sup> we read that:

“Councillor Childs has received a number of complaints from local residents about the

untidy condition of the Phase 3 area. ***Leehampton owns the area and are under no obligation to do anything with the condition of the area, if anything is done it will be a goodwill gesture on their behalf.***

A meeting eventually took place with Leehampton on June 23<sup>rd</sup>, and in a Project Highlight Report 3 days later we are told:

***“The current thinking is to cover the area between the Co-op and the George Hall Court, Library and Credit Union on the other side, with gated access at both ends.*** SBC will be undertaking some refurbishments of George Hall Court and the works will be co-ordinated. Due to difficult market conditions very little in progress, with lettings of Phase 3. In view of this thought is being given to 12 temporary car parking spaces for 2 years.”

### **Badly managed**

From the extracts from these minutes and reports it is difficult to draw any other conclusion than the whole process has been badly managed by the Council. Look at the following time line:

- May 20<sup>th</sup> 2008 – the “likelihood” is that Co-op and Cock Robin will be “demolished, cleared and tarmac laid”.
- On June 24<sup>th</sup> 2008 we are told that “The roof will be put on and the side wall built to enclose the mall, until Phase 3 development starts”.
- On December 11<sup>th</sup> we were told “If the pre-lets are not achieved Phase 3 would be delayed but the developer would come back in January/February 09 and construct the Mall and covered walkway”.
- On January 22<sup>nd</sup> 2009 we are told that the developer will “patch with tarmac any loose surfaces and remove the boarding and fencing so that a temporary car park can be created.”
- On February 24<sup>th</sup> 2009, tarmacking (patched or otherwise) appears to have been forgotten and the construction of the Mall and covered walkway which was going to be done in January or February is awaiting the gauging of interest in the shop units.
- On March 27<sup>th</sup> the construction of the Mall and covered walkway which was going to be done *before* Phase 3 was started is now stated to be “integral to the construction of the Phase 3 shops”. If Phase 3 doesn't go ahead, then Leehampton who were previously going to construct the covered Mall are now said to be “trying to develop plans to implement the covered way leaving the Phase 3 site for future development.”
- On April 28<sup>th</sup> we are told that “Leehampton owns the area and are under no obligation to do anything with the condition of the area, if anything is done it will be a goodwill gesture on their behalf.”
- After a meeting with Leehampton on June 23<sup>rd</sup> we are told that “The current thinking is to cover the area between the Co-op and the George Hall Court, Library and Credit Union on the other side, with gated access at both ends.

SBC will be undertaking some refurbishments of George Hall Court and the works will be co-ordinated.”

So we have been told that the developer would variously, tarmac the old Co-op site, patch tarmac the site, build a roof and a side wall to enclose the Mall *until* Phase 3 develops, cover the area between the Co-op and the George Hall Court, Library and Credit Union on the other side. *Yet they failed to do a single one of these.*

Why did the Council not hold the developer to do anything of these promised things? Did they feel sorry for them because of the recession? By their negligence they allowed the developer to get away Scott-free (pun intended). Leehampton told us that they have lost £500,000, having to sell-off some of the shops to cut their losses. However, the local community nor the shop tenants, don't have much sympathy with them because they left the square in a parlous state. We know the recession was a fact, but as you can see from the various minutes Leehampton were going to do a number of things which they subsequently did not do. The responsibility was theirs and of course, the Council's. The Council is ultimately responsible for the situation we faced because they failed to hold Leehampton to account and tie them to what they appear to have agreed to do at various points.

To tell us that Leehampton own the Phase 3 land and that they didn't have to do anything to rectify the derelict site was an extraordinary expression of the failure of the Council in relation to the agreement and their responsibility to the people of the area. The condition in which Cavendish Square languished for so long made a mockery of the very idea of “regeneration”.

### **If you don't own it, you don't control it**

When the regeneration agreement was announced the Council told us that Cavendish Square would be “returned to its former glory”. In fact that was hyperbole. Cavendish Square was never very good looking, never mind ‘glorious’. But it was full of life and served as a hub of the community. Because of the ill management of the project the “regeneration” *worsened the situation to the detriment of local people*. There is a narrower range of shops, there is now no Cafe and some other units are empty. Despite our best efforts, the managing agent for the REIT unaccountably preferred empty shops which earn no money for the REIT rather than facilitating the Cafe being kept open. Worse still dealing with the REIT and their agent is proving very difficult. Cavendish Square is not very important to a company that owns over 600 sites.

This situation is the responsibility of the Council and it's idea of regeneration. It gave away publicly owned space to a developer, reducing it to a commodity which has been sold on at its convenience. Cavendish Square is a failed regeneration. It goes to prove that if you privatise publicly owned property, then you hand control over to people whose motivation is profit making and the local community has no control of the situation.

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