

28<sup>th</sup> October 2009

Our Ref: CC/JK

Simon Ellis  
Principal Planning Officer, Planning Control  
North Hertfordshire District Council  
Council Offices  
Gernon Road  
Letchworth  
Herts  
SG6 3JF

Dear Sirs

### **CPO - The Wynd, Letchworth Garden City**

I write to confirm that, having considered a full report on this matter from our Director of Property, Marilyn Hands, the Board of Management of the Foundation has unanimously resolved that it is fully committed to the delivery of The Wynd scheme and supports the promotion of the CPO by North Hertfordshire District Council.

As you are aware, the Foundation is an Industrial & Provident Society with charitable objects. One of its primary objects is the strategic management of its 5,500 acre property estate in Letchworth Garden City and, in that regard, a priority is the regeneration of Letchworth Town Centre. The redevelopment of The Wynd forms an important element of this strategy, as set out in the Foundation's Town Centre Revitalisation Plan launched in 2005.

The Foundation's charitable objectives mean that, unlike any other developer, it is focused entirely on its Estate in Letchworth Garden City and not development proposals or land interests in any other location. In addition, its charitable status means that it is able to take a long-term view on the benefits and viability of development proposals for the Town Centre as a whole, rather than focusing solely on the short-term profitability of an individual development proposal.

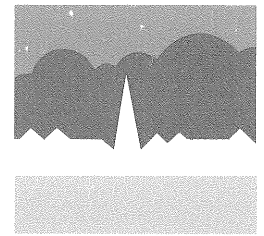
The Foundation is the freehold owner of The Wynd and has obtained planning permission for its redevelopment. It is currently seeking to acquire all of the outstanding interests in The Wynd, by agreement, to enable the redevelopment proposals to be undertaken. The Foundation has requested that the Council considers making a CPO for The Wynd to facilitate the acquisition of all outstanding interests, if agreement cannot be reached with all landowners.

I can further confirm to the Council that the Foundation will deliver the scheme within a reasonable period, following the confirmation of the CPO, with an intended start date on site of early 2011, providing the following pre-conditions are satisfied:

- The Foundation secures an anchor tenant.
- The Foundation is able to acquire all of the interests in the CPO.
- The Foundation is satisfied that the project provides a sound investment in meeting its objectives in the town as a whole.

#### Anchor Tenant

The Foundation has instructed King Sturge and Discovery Properties to commence marketing The Wynd to potential anchor tenants. Expressions of interest have been obtained from a number of the UK leading retail operators, with discussions progressing. Under the marketing programme, we will hope to be in a position to announce Heads of Terms have been agreed early in the New Year. In order to progress discussions, we need to be able to show, not only that we have the planning consent in place, but we also have the ability and support to deliver the scheme.



**LETCHWORTH  
GARDEN CITY  
HERITAGE  
FOUNDATION**

*proud past, bright future*

COLIN CHATFIELD  
Chairman



Registered Office: Letchworth Garden City Heritage Foundation  
Suite 401, The Spirella Building, Bridge Road, Letchworth Garden City, Hertfordshire SG6 4ET  
Tel: 01462 476007 Fax: 01462 476050 Email: info@lgchf.com Internet: www.lgchf.com

Letchworth Garden City Heritage Foundation is an Industrial and Provident Society with charitable status, Registered No 28211R

### Acquisition of Outstanding Interests

The Foundation's land assembly continues to progress well. Of the original 96 interests identified in the Wynd area, we have agreed or completed terms with 88 of the rack rented tenants and ground lease holders. In addition, we are currently finalising heads of terms with 2 tenants and are in advanced discussions with 4 tenants. There are only 2 of the original retailers remaining in the Wynd who require relocation and, despite numerous attempts to engage them in discussions on potential relocation options, they have proved to be reluctant to do so.

### Sound Investment

Over the past two years the Foundation has been working closely with the Retail Group who have undertaken a detailed analysis of the Letchworth retail market in the context of the retail offer in the sub-region. Their findings have helped shape, and continue to feed into, the vision and a robust action plan for future lettings.

As part of the financial testing, we continue to track the market to be ready to commence development, currently projected for early 2011 when it is expected that the market will have shown signs of recovery.

Property forecasts from King Sturge (compiled using the most up-to-date projections from the respected econometric forecaster Experian Business Strategies) strongly support the proposed timeframe of instigation in 2011 and delivery in 2013. The retail rental market is facing two more years of rental decline, only returning to a neutral/growth position from 2012. Commencement of construction in 2011 will facilitate opening in 2013, to coincide with a more robust and sustainable rental growth environment.

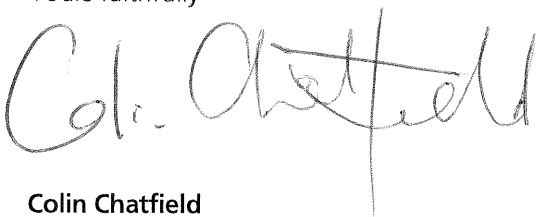
In addition to favourable macro-market conditions, the proposed timeframe also carries competitive advantages. Few other new developments, competitive or otherwise, will have the necessary funding and foresight to be able to open within this optimum window. We would refer you back to paragraph three above and the long-term investment decisions the Foundation is prepared to make.

Hence we have already commenced works on the Streetscene scheme, as we recognise that to protect Letchworth Garden City town centre, the works needed to be undertaken to improve the environment and hence stimulate the market. Coupled with this, King Sturge is providing regular market updates to track any changes in the market.

We have instructed King Sturge and Gooch Cunliffe Whale as our retail agents for the letting of retail space in the Wynd redevelopment.

I trust that this clarifies the Foundation's support for the delivery of this important regeneration scheme.

Yours faithfully

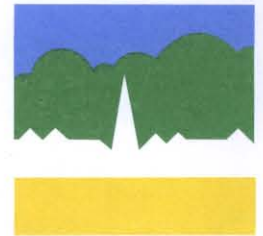


**Colin Chatfield**  
**Chairman**

25 February 2010

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Your Ref:

Simon Ellis  
Planning Control  
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MARILYN HANDS  
Director of Property

Dear Simon

**The Wynd CPO - Update on Scheme Delivery**

0710242811

This letter is in response to your request for an update on the delivery of the scheme, in order to report an update to Members at the Letchworth Area Committee.

As indicated in the Chairman's letter dated 28<sup>th</sup> October 2009, there are three pre-conditions concerning the timing of the delivery of the Wynd re-development scheme.

These are:

- 1) The Foundation secures an anchor tenant;
- 2) The Foundation is able to acquire all of the interests in the CPO; and
- 3) The Foundation is satisfied that the project provides a sound investment in meeting its objectives in the town as a whole.

The main focus for the Foundation, in terms of the delivery of the scheme has been on items 1 and 2, although the current and projected market conditions continue to be monitored.

In respect to the anchor tenant, as indicated in the supporting documentation appended to the Committee Report, the Foundation does have an indicative programme for the delivery of this essential element of the scheme. Discussions by the Foundation's appointed developer and commercial property agents continue with potential anchor store operators and there is confirmed interest.

Details of these discussions are clearly highly sensitive and therefore providing further information could prejudice securing an appropriate tenant.

The Foundation's advisors have indicated that discussions with other retailers would be premature at this stage and should not commence until further progress has been made in securing the anchor tenant and the scheme is closer to implementation.

An important element of the scheme is the residential component of the development. As with the smaller retail units, detailed discussions with potential residential developers would be premature. However, there has been interest expressed and from initial discussions the Foundation is confident that a suitable residential partner can be found.



COUNCIL (8.4.10)

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Furthermore, planning permission has been granted for the off site affordable housing, although a further detailed planning application has been submitted for amendments to this scheme. The Foundation has commenced the process of securing a RSL partner to deliver this scheme, which is envisaged will take place in advance of the Wynd development.

The main progress in respect to the delivery of the scheme has been in the implementation of the Foundation's Relocation Strategy. This has resulted in practically all of the businesses securing agreements with the Foundation, as set out in the supporting information accompanying the Committee report. This has taken a significant time resource in order to achieve the current position, which is hoped will continue to advance.

In addition to landlord and tenant issues, the Foundation has also undertaken a number of preparatory works, such as the removal of some of the buildings in the Wynd and some of the rear elements of buildings in Leys Avenue, required as part of this re-development. This has enabled these premises to be refurbished and available for re-use far earlier than would be the case if this was undertaken as part of the overall Wynd scheme.

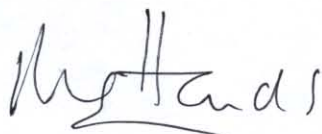
Therefore, the progress on the delivery of the Wynd is summarised as:

- Anchor tenant discussions proceeding, indicative programme formulated;
- Interest expressed by residential developers;
- Relocation strategy leading to practically all of the businesses having new premises or reaching agreement with the Foundation;
- Off site affordable housing planning permission granted, significant progress in finding an appropriate RSL partner;
- A number of preparatory projects undertaken, such as demolition of some of the buildings to be removed in the Wynd and rear areas of properties affected in Leys Avenue, to ensure they are back in use as soon as possible.

As such, we consider that significant progress on the delivery of the Wynd scheme has been made by the Foundation. These actions will be assisted by progress towards the completion of the CPO, which provides greater surety in the Foundation's discussions and negotiations.

I trust that this information is of assistance.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'M. Hands', written in dark ink.

Marilyn Hands  
Director of Property