



Land acquisition, property compensation and the London Resort Premium

For more information about the project and our proposals, please visit www.londonresort.info

London Resort Company Holdings (LRCH) is proposing to develop a world-class, next generation entertainment resort known as the 'London Resort', on the banks of the River Thames.

This document outlines LRCH's approach to land acquisition, the London Resort Premium, the statutory Compulsory Acquisition process and the entitlement to compensation which may arise should we use Compulsory Acquisition powers once they are available.

About the Project

The proposed location for the London Resort is the Swanscombe Peninsula, near the banks of the River Thames in north Kent, with supporting transport facilities on the northern side of the river in Tilbury, Thurrock.

The Resort will comprise of themed rides and attractions across two theme parks, with a range of hotels, entertainment, retail and dining, both inside and outside the park gates. The project includes a new access road from the A2 to keep Resort traffic separate to local traffic, and supporting transport infrastructure.

The planning process

The project is classified as a Nationally Significant Infrastructure Project (NSIP) under the Planning Act 2008. As such, LRCH is required to make an application for a Development Consent Order (DCO) to obtain planning permission to construct and operate the scheme.

We are currently in the pre-application stage of the process. We intend to submit our planning application by the end of 2020 and, provided it is granted, construction would begin in early 2022, and the Resort would open in 2024. The key stages of the DCO process are outlined in this document.

Compulsory Acquisition and Compensation

The planning application will address all the works necessary for the Resort. In addition, the DCO will include powers to allow LRCH to compulsorily acquire the land and interests in land that are needed to construct and operate the Resort. It will also include powers to extinguish private rights, take temporary possession of land, undertake safeguarding works to buildings and survey and investigate land.

If your land is subject to Compulsory Acquisition powers (i.e. within the Order Limits boundary) then you may be entitled to compensation. In limited circumstances there may be a claim even where no land is taken from you.

LRCH wishes to do what it reasonably can to reduce the extent to which it will need to use Compulsory Acquisition powers and is therefore seeking to negotiate to acquire the land and interests in land that it needs and to agree terms for compensation, on a voluntary basis.

LRCH is already in discussion with a number of those likely to be affected, and their advisers, with a view to agreeing fair and reasonable terms. We are keen to speak to anyone who considers that they may be entitled to compensation in the event that the DCO is granted, with a view to agreeing fair and reasonable terms prior to resorting to Compulsory Acquisition powers.

Below and on the next page is a broad overview of entitlement to compensation under the Compulsory Acquisition system and how it is applied in various circumstances.

Compensation when land is taken

Compensation in this case is based on the principle that overall you should be no worse off after the compulsory acquisition than you were before, and similarly you should be no better off.

Compensation can be claimed under the following categories:

- The value of the land taken. This is valued on the basis of its open market value, ignoring the effects of the proposed scheme under the DCO. It is valued by reference to recent comparable transactions and having made adjustments for differences in size, location and any other relevant factors.
- Compensation is also paid for 'severance and injurious affection', i.e. any proven reduction in the open market value of land you retain when only part of your land holding is acquired.
- Compensation for 'disturbance' is payable in respect of costs/losses incurred due to you being disturbed from your occupation of the property. In most cases this is only available to occupiers of a property although it can be payable for the reimbursement of reinvestment costs such as stamp duty etc. for investment owners.

Compensation where no land is taken

A right to compensation may also arise in limited circumstances where no land is taken but when statutory powers are exercised. Compensation may be payable for a reduction in the value of your land caused by the execution (i.e. the construction) of the Resort and/or a reduction in the value of your land caused by the subsequent use of the Resort.

Compensation for the adverse effects of the Proposed Development

The Resort may cause inconvenience and discomfort to people living in the area. This may be intense enough to entitle you to apply for mitigation measures to help reduce the impact of development works, e.g. noise insulation works for residential properties in the area.

Professional advice and fees

If you think that any of the above circumstances may apply to you or your property, we encourage you to seek independent, professional advice from Compulsory Acquisition specialists who are also experienced in the DCO process as soon as possible to agree terms with you ahead of the statutory process.

As no Compulsory Acquisition powers yet exist there is no entitlement to the reimbursement of adviser fees. However, we strongly recommend you to instruct your chosen adviser to contact us to seek agreement up front on what fees can be reimbursed and when.

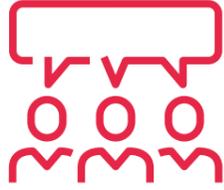
What happens after the DCO application is submitted?



1 Acceptance

The acceptance stage begins when a developer submits a formal application for development consent to the Planning Inspectorate. There follows a period of up to 28 days (excluding the date of receipt of the application) for the Planning Inspectorate to decide whether or not the application meets the standards required to be formally accepted for examination.

28 Days



2 Pre-examination

At this stage, the public will be able to register with the Planning Inspectorate and provide a summary of their views of the application in writing. At pre-examination stage, everyone who has registered and made a relevant representation will be invited to attend a preliminary meeting run and chaired by an Inspector. This stage of the process takes approximately three months from the developer's formal notification and publicity of an accepted application.

Approx 3 Months



3 Examination

The Planning Inspectorate has six months to carry out the examination. During this stage, people who have registered to have their say are invited to provide more details of their views in writing. Careful consideration is given by the examining Inspectors to all the important and relevant matters, including the representations of all interested parties, any evidence submitted and answers provided to questions set out in writing and explained at hearings.

6 Months



4 Decision

The Planning Inspectorate must prepare a report on the application to the Secretary of State, including a recommendation, within three months after the end of the six month examination period. The Secretary of State then has a further three months to make the decision (in accordance with the statutory tests) on whether to grant or refuse development consent.

6 Months



5 Post-decision

Once a decision has been issued by the Secretary of State, there is a six week period in which the decision may be challenged in the High Court. This process of legal challenge is known as Judicial Review.

6 Weeks

How are my rights affected by negotiating with LRCH at this stage?

Your rights are not affected. Negotiating with LRCH at this stage would be without prejudice to anyone's ability to make representations to the Planning Inspectorate in due course, in the event that terms are not agreed.



THE LONDON RESORT PREMIUM 30% capped at £500,000

LRCH recognises that claimants may find it difficult to secure alternative accommodation both in the locality and also at similar entry level (rent / value) and is therefore prepared to make an enhanced proposal to qualifying claimants.

LRCH's proposal is based on the valuation principles set out by compulsory acquisition - in addition to Market Value and Disturbance, LRCH is proposing to replace basic loss (7.5% capped at £75,000) and occupier's loss (2.5% capped at £25,000) with The London Resort Premium of 30% of the claim, capped at £500,000 for each claim.

Hypothetical Case Study: Smudgeprint

Smudgeprint Ltd is a printing company on the Northfleet Estate occupying a 500 sq. m industrial unit. The client base is predominantly local but the company was recently appointed as the sole printer for 'outers' for Gnow-it, a prepared-food catering company; this new contract is worth £100,000 p.a. in terms of net profit to Smudgeprint.

Gnow-It operates on a 'just-in-time' basis where its requirements are emailed to Smudgeprint 48 hours before delivery is required. Smudgeprint will incur contractual penalties if delivery is not made on time and does not have space to build up any

stock of 'outers'. Smudgeprint has two Heidelberg printing presses. The printing presses will be down for two days whilst they are moved from Northfleet to Smudgeprint's new factory.

The Northfleet property is alarmed (both for fire and intruders) and networked for data and telephone. It has offices and shower / WC facilities which are of permanent construction and is also fitted out with two dark rooms, a chemical store and staff mess room. The property Smudgeprint is moving to is a modern, steel frame 'shed' construction building with no offices, toilets etc installed. Smudgeprint will have to install everything it requires.

Smudgeprint has been approached by London Resort Company Holdings ('LRCH'). In order to deliver the Resort, LRCH needs to acquire interests in the land owned and occupied by Smudgeprint and its neighbours.

LRCH is committed to compensate both owners and occupiers of land that needs to be purchased in order to deliver the Resort. LRCH has also committed to cover the reasonable costs for claimants such as Smudgeprint in obtaining professional advice from Chartered Surveyors with demonstrable experience in dealing with Compulsory Acquisition matters.

Worked example illustrating how the Premium would be applied for Smudgeprint.

Item	Description	Cost (£)	Compensation Code	Shortfall	Comment
1	Legal costs of new lease etc	7,500	7,500		
2	Stamp Duty on purchase of Newworks	7,500	7,500		
3	Commercial agent's fee – finding/negotiating lease of new property	12,500	12,500		
4	New landlord's legal fees	5,000	5000		
5	Provision of internal three phase electrics, distribution boards etc to presses	10,000	10,000		
6	Provision of additional power sockets for normal power consumption	5,000		5000	Value for money
7	Reconfiguration of lighting system around presses	3,000	3000		
8	Provision of partitioned offices	25,000		25,000	Value for money
9	Provision of dark rooms	5,000	5000		
10	Provision of constructing chemical store in stand alone building in yard	5,000	5000		
11	Provision of showers/WC	1,500	750	750	Value for money
12	Provision of staff mess room	500	500		
13	Provision of foundations for presses	9,000	9000		
14	Arrangement fee for short term loan for fit out costs	250	250		
15	Cost of interest on fit out loan	2,500	2500		
16	Removal and re-erection Dexion type racking (£1,500) + purchase of additional racking to facilitate move to new property (£500).	2,000	2000		Racking cannot be moved until empty
17	General removal costs; two estimates - £3,000 and £4,000	3,000	3,000		
18	Removal and re-installation of two presses; two estimates – Heidelberg £10,000, Lift 'n Drop £3,000	10,000	10,000		Heidelberg guarantee that presses will work once moved
19	New fire and intruder alarm system	2,500	2,500		
20	New data network to provide 10 computer terminals	2,500	2,500		
21	Printing of replacements (to equivalent number at date of move) ie brochures, business cards etc	12,500	12,500		
22	Double overheads – one months' rent, insurance, business rates of new property during fit out	20,000	20,000		
23	Staff/Directors time incurred in the move	10,000	10,000		Evidence of loss
24	Loss of profit during press down-time whilst reinstallation takes place	5,000	5,000		
25	Surveyors fees for compensation advice	5,000	5,000		Fee basis agreed at outset
26	Loss of profit due to extra rent payable £6,000 pa x 4yp	24,000		24,000	Value for money
27	Occupier's Loss @ 2.5% or £25/m2		12,500	-12,500	Assume 500m2
28	Total	195,750	153,500	42,250	SHORTFALL
29	LRCH Additional payment	30%	46,050		
30	GRAND TOTAL	195,750	199,550	3,800	SURPLUS

Further Information

For more information about the project, please visit the London Resort website:

www.londonresort.info

More information on Compulsory Acquisition can be found at:

<https://www.gov.uk/government/publications/planning-act-2008-procedures-for-the-compulsory-acquisition-of-land>

For more information on the Planning Process, please visit the Planning Inspectorate's website:

<https://infrastructure.planninginspectorate.gov.uk/application-process/the-process/>

Contact Us

LRCH welcomes contact from landowners and occupiers to discuss terms for acquisition by agreement.

If you would like a meeting to discuss your case please contact:

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For all other enquiries about the project or for further information:

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