



**LONDON BOROUGH OF BARNET (WEST HENDON
REGENERATION AREA) COMPULSORY PURCHASE
ORDER No 1 2014**

Proof of Evidence

Daniel Knowles LLB PG Dip MRICS

Director of Sawyer Fielding Limited

Public Inquiry commencement date: 20th January 2015

PLANNING INSPECTORATE REF: [APP/NPCU/CPO/N5090/74016]

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DANIEL KNOWLES PROOF OF EVIDENCE

1. INTRODUCTION

- 1.1. My name is Daniel Arron Knowles. I am a member of the Royal Institution of Chartered Surveyors and the Compulsory Purchase Association. I have been valuing property since 2005 and I hold the position of Director for Sawyer Fielding Ltd. My sole area of work since 2008 has been Compulsory Purchase, predominantly in respect of residential estate renewal programmes. I have worked on behalf of acquiring authorities, developers and claimants.
- 1.2. Sawyer Fielding Ltd comprises of two fee earning members of staff and a further occasional consultant. We specialise purely in Compulsory Purchase with 99% of our current client base being residential property owners.
- 1.3. In March 2014, I began working on behalf of a number of leaseholders on the West Hendon estate. The majority of the instructions I have across the estate began in the months March 2014 through to June 2014.
- 1.4. My proof addresses the following matters:
 - Private treaty negotiations to date
 - The approach to negotiations
 - Progress of negotiations
 - Timing of first offer
 - Identity of the buyer
 - The potential for relocation
 - Table 2 interests
 - Consultation
 - Grounds of objections submitted and responses
 - Impact of existing construction works

2. PRIVATE TREATY NEGOTIATIONS TO DATE

- 26 of my instructing clients are in Table 1 of the Compulsory Purchase Order with a further 12 in Table 2 of the Order
- Negotiations have taken place for each of the 26 who have received offers

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- No offers have been made on the 12 and insufficient information has been provided for claims to be made. I shall provide further detail on this later in my evidence
- Negotiations have taken place to protect my clients' positions for in the event that the Order is confirmed

3. THE APPROACH TO NEGOTIATIONS

- The Statement of Evidence from Paul Watling states in section 4.9 that valuations are assessed in a 'no scheme scenario,' this being the correct interpretation of the Compulsory Purchase Code
- However, the majority of evidence the acquiring authority have provided in negotiations is blighted housing stock on regeneration sites, much of which is a few years old
- There is more than sufficient evidence available from recent sales on similar concrete constructed flats and maisonettes on nearby estates which are not blighted
- This difference in approach has led to differences in opinion of Market Value
- It is of course not for this Inquiry to assess the values as there is separate recourse for that in the event Compulsory Purchase powers are gained and used, with agreement still not being reached
- However, in Appendix 6 of Paul Watling's evidence, he refers on a number of occasions to a recent property sale for £135K, albeit mistakenly referring to it as Marriotts Close rather than 58 Marsh Drive. I would not wish this Inquiry's judgement to be clouded by this reference to evidence which ostensibly suggests that leaseholders are being unreasonable. This sale is a heavily blighted property advertised as cash buy only, which only two months prior the vendor rejected three cash offers far in excess of the sum disclosed to the land registry
- In Paul Watling's evidence at section 4.11, he suggests that hourly rates have been agreed with leaseholders' agents. I confirm this to be the case for my firm. However, agreement is not reached on an artificial cap to fees. The current caps of £2400 and £2600 (+VAT where applicable) are at approximately half of the level for an average fee published in the West Hendon Residents Regeneration Group. The highlighted section in Appendix 1 references this. Most if not all Surveyors have continued to represent clients in the hope that reasonable fees can be agreed, to allow us to discharge our duties and be paid for them.

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4. PROGRESS OF NEGOTIATIONS

- As of the date of this evidence, I am aware that none of the 34 leaseholders on the estate have agreed terms. 32 of them have between them appointed 5 different Surveyors. A further 2 are unrepresented
- I am in regular contact with the other four Surveyors and one of the two unrepresented leaseholders and am of the opinion that we are not currently close to reaching agreement

5. TIMING OF FIRST OFFER

- The first offer from the acquiring authority was dated 4th June and was delivered by post, directly to leaseholders. I was not provided with a copy until weeks later despite the Council's agent being aware of my appointment
- The Council have advised that by the end of May, they had inspected 85% of the properties, clearly enough that negotiations could have started earlier.
- The first offers landed on doorsteps on the same day that the Initial Compulsory Purchase Order was served. The Compulsory Purchase Order was later withdrawn and reissued, following an administrative error by London Borough of Barnet
- The response letters to objections from the council state that "significant efforts have been made to conduct pre CPO negotiations." The timescale involved cannot possibly have allowed 'significant efforts' to have been made.
- All offer levels were dependent on the number of bedrooms. No allowance was made for property condition or location within the CPO area. In the case of 16 Tyrrel Way, the property has been mistakenly classed as a 2 bedroom maisonette both in the first offer and in subsequent ones. This has still not been corrected
- The timing of the opening offer being (in most cases) within an hour or two of the CPO being made and it not being provided to the appointed representative, removed the potential to negotiate in advance of the Compulsory Purchase Order

6. IDENTITY OF THE BUYER

- Section 3.1 of Paul Watling's summary statement of evidence refers to Capita as the buyer of the properties in Table 1 on behalf of London Borough of Barnet
- I had previously been informed by Rosie Moore of Capita that the buyer would be London Borough of Barnet

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- In the event that Capita buy any of the non resident owned properties (7 out of my 26 clients in this phase of regeneration, the other 19 being owner occupiers), Capital Gains tax rollover relief will not be available. This is only available where the buyer is the Council and under specific circumstances which can be met
- This would give an onerous liability on those leaseholders, mostly in the tens of thousands of pounds which would be difficult to mitigate and may not be compensatable under the Compensation code
- Due to the Christmas/New Year period, at the time of writing this I have been unable to clarify with Capita whether there has been a change of buyer or whether this is simply a turn of phrase suggesting a different buyer than is actually the case

7. POTENTIAL FOR RELOCATION

- It is well established that the interference with private rights needs to be balanced against the potential public benefit
- There are a large number of estate renewal schemes taking place, both within the London Borough of Barnet and nearby. Within the borough, there are schemes at West Hendon, Stonegrove & Spur Road, Dollis Valley and Whitefields for Brent Cross
- Removal of the lowest cost housing makes it all the more important to provide realistic provisions for relocation. Failing this, communities are broken up and dispersed, often outside London
- The option of shared equity has been the big selling point for a number of years to illustrate how the acquiring authority can protect leaseholders
- According to a spreadsheet provided by Capita, there are 19 home owners who are entitled to shared equity in Table 1
- Home owners who bought after 2003 are not entitled. For example, Jason Waters of 52 Franklin House who has owned and lived in his flat for over 10 years (bought in July 2007) is not entitled
- Non resident owners are not entitled to shared equity. A few of these previously lived in the properties and were unable to sell, unless at blighted value due to the regeneration scheme
- For the 19 owners who are entitled to shared equity, only 10 properties have been made available. The split of these (as below) is not reflective of what will be required.

Number of bedrooms	Available	Entitled
1 bedroom properties	4	1
2 bedroom properties	5	18
3 bedroom properties	1	0

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- My own research suggests that the majority of owner occupiers see shared equity as their only viable option at present. None of these are willing to downsize. Owners are likely to engage far more in considering shared equity properties if and when negotiations progress for the sale of their properties
- Of the 5 two bedroom properties available, only three are affordable based on the most recent offers and the 50% minimum requirement. Of these three, only two are affordable if the purchaser also wants a car parking space based on Metropolitan's estimated cost of £13,000. Appendix 2 provides details of what has been made available by Metropolitan
- This potentially leaves up to 19 owners competing for 2 properties
- There is no guarantee of a car parking space being made available
- No clarification has been provided on whether the car parking spaces can be added to the purchase price for the shared equity property or whether they have to be purchased separately. If the latter, mortgage finance is unlikely to be available which will leave some leaseholders unable to buy unless they agree not to be able to use a car
- The addition of the service charge and ground rent for the shared equity properties are circa 3 times what charges incurred by leaseholders for the majority of recent years have been. This leaves it unaffordable for many leaseholders. With the acquiring authority insisting that both the sale price and loss compensation are invested into shared equity for those taking it, they have removed the potential for a reserve for leaseholders to pay the far higher annual charges
- The standing charge for the utility provision which is payable by leaseholders is £380, some 3-4 times what most already pay
- Metropolitan have advised leaseholders there will be subsidised service charges. This is both in Appendix 2 and also in previous pledges from the initial consultation. However, to this date, there is no detail on how much the service charge subsidy will be or how long it will be provided for. Clarification on this was most recently requested by e-mail to Metropolitan's Ned Baker on 29th November 2014. No reply has been received
- As it stands now, if the regeneration goes ahead, the vast majority of the leaseholders are likely to be unable to buy a shared equity property and similarly unable to afford to buy a similar property within a large radius of the West Hendon estate

8. TABLE 2 INTERESTS

- 12 of my clients (each one objected) have an interest in table 2 of the Compulsory Purchase Order. These are properties at Tyrrel Way 33 onwards
- Their properties are all phased for demolition in a future phase of regeneration
- In this Compulsory Purchase Order, they are to lose "rights of access" benefitting their properties

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- To understand how they are implicated, it is reasonable to expect London Borough of Barnet to explain what rights of access will be lost, when, for how long and what mitigation works will be required
- I have requested details of the rights of access losses by e-mail to Capita on 16th July, 25th July, 30th Oct, 31st Oct and also by letter's dated 14th July and 23rd July
- Until a letter dated 18th November from Rosie Moore, the only replies I received to my questions about what the impacts would be were that Capita were of the opinion that no compensatable loss would be incurred
- On 18th November, I received a letter from Rosie Moore advising that timescales and access diversions are not yet known and will not be until a construction plan has been prepared following planning permission being granted for phases 3b and 3c
- Given that this has not yet happened and that no indication has been provided to me of when it is likely to happen, I suggest it would be improper to grant Compulsory Purchase powers where there is no clarity of what the full extent of powers are actually required

9. CONSULTATION

- It is accepted that in regeneration schemes, the standard of requirements for public consultation is set quite low
- However on this scheme, the consultation has set such a low standard, I believe it should hold very little weight and should be classed as insufficient
- The Statement of Reasons suggests that the major consultation (a 'yes' or 'no' vote for regeneration) was carried out by an Independent company in 2002
- Leaseholder testimony and evidence supplied by Andrew Dismore, then MP for the area and now London Assembly Member suggests that to the contrary, the consultation was largely carried out by Metropolitan with support from an Independent company
- The 2002 consultation ballot was also based:
 - on a proposed scheme less than half the size of what is now proposed
 - without Barratt Homes who are the major partner in Barratt Metropolitan
 - on a large number of pledges that are far more attractive than what is currently available including (see Appendix 3):
 - Houses and Maisonettes will be built (no longer the case)
 - Guarantee that every owner occupier and tenant will be offered a new home on the estate (no longer the case)
 - a choice of Landlord (Metropolitan or London Borough of Barnet – no longer the case)
 - all existing residents having opportunity to move to their new home within 5 years of the first property being built (no longer the case)
 - objectors in the final phases will wait far longer and would live in very close proximity to construction work for a considerably longer period

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- a re-housing strategy that enables owners to move just once (no longer the case)
 - most owners taking shared equity would need to be temporarily decanted beforehand
 - subsidised service charges for the new homes (12 years on and the detail of this is still not know – it has been requested without reply)
 - construction of a health club (no longer being provided)
 - owner occupiers would have the right to a tenancy if they did not want to or were unable to buy (no longer being provided)
 - owner occupiers would have the right to a home swap to remain on the estate (earlier statements on shared equity is all that is available and is clearly insufficient for the likely demands)
 - an employment and training agency to be set up to help train local residents for up to 20,000 local non construction jobs (no longer being provided)
 - local residents to receive priority in construction jobs for the estate (I am not aware of any construction workers living on the estate and this appears to no longer be provided)
 - owner occupiers to have the right to transfer their equity into a newbuild property. This is the case on another Barnet regeneration scheme (Dollis Valley) but is not the case at West Hendon, unless owners also then transfer their homeloss payment and meet a minimum equity stake. Neither requirement exists on the Dollis Valley estate
 - nobody would need to live on a higher floor than they currently do if they move into shared equity (no longer the case)
- Only a very small number of residents appear to have actively taken part in consultation events over the last few years. The evidence from Andrew Dismore suggests that residents are unhappy about the changes. The negative publicity over the last few months on the estate (e.g. numerous protests, media articles and television coverage) show the strong public weight of opinion against regeneration of the area
 - The consultation ballot involved Ramsey Close which is no longer part of the regeneration proposals
 - With the ballot being 12 years old, lots of people will no doubt have moved to or from the estate and circumstances for those remaining may have changed. The results of the ballot are therefore highly unreliable in determining current opinions
 - Back in 2002, there were very few (if any) non secure tenants. As of April 2014, the number of non secure tenants stood at 221, 9 higher than the number of secure tenants. The voting pattern in 2002 and those who were entitled to vote bares very little resemblance to the likely result if the same ballot were to be held today. Appendix 4 provides further detail on the number of non secure tenants across both West Hendon and other estates within the borough. The other estates where there are non secure tenants are those which are themselves undergoing a regeneration process.

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10. GROUNDS OF OBJECTIONS SUBMITTED AND RESPONSES

- Appendix 5 contains the twelve main issues which clients of mine within the Compulsory Purchase Order based their objections on
- Appendix 6 contains the eight main issues clients of mine in future phases of the same regeneration scheme but not included in the Compulsory Purchase order based their objections on
- The breakdown of who objected on what followed discussions with individual leaseholders on who wanted to object and what their particular concerns were
- The Council's responses provided to the objections have largely not addressed the specific concerns
- For example:
 - The communal open space is described as "redefined." The plans however suggest the removal of large commonly used areas such as York Memorial Park and the replacement of them with far smaller areas which are less usable
 - The responses have suggested that York Memorial Park was in existence prior to the Luftwaffe bombing, as York Park. That is not questioned. Its status as an important Memorial to those who died has not been responded to, other than suggesting the name does not include the word memorial. However, consultation documents published by Metropolitan from approximately a decade ago do refer to it as a Memorial Park
 - The Council have suggested that the bomb fell outside of the red line area, which residents have contested. Appendix 7 shows a photograph of the damage caused by the bomb on the old housing and road system prior to construction of the properties within the red line area. With the West Hendon Broadway towards the top of the picture and damage immediately south of that, the photograph clearly shows the damage was caused within the red line area.
 - The broken pledges in the consultation have not been replied to
 - The suggestion that Metropolitan were involved with the allegedly independent ballot has not been replied to
 - The suggestion that engagement has been continuous is a red herring. Effective consultation is where residents' opinions are listened to and changes to the regeneration are made as a result. The evidence provided by Adam Langleban will provide further detail on what the results of this engagement have been
 - The response to whether funding is in place for the potential blight notices that could be provided merely states how the scheme is being funded. It makes no reference to budgets required or contingency funds
 - The Council have suggested that the 2012-2013 figures showing secondary school capacity within 3 miles would allow an extra 3225 pupils. However, with an increase in density of circa 1500 properties and nearby developments also having large increases (e.g. a MOPAC site in Colindale having a net increase of circa 2000 homes), this capacity is likely to be taken up elsewhere

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-The Council have suggested that there will be an “improved balance of tenure mix.” However the portion of social housing will greatly fall in the new development. As of April 2014, there were 221 non secure tenants living on the estate, many of whom had lived on there for up to ten years. They are as much a part of the community as leaseholders and secure tenants. However, many are being relocated from one regeneration estate to another. Given that there are a few regeneration estates within the borough, there will come a time where there is nowhere to put these tenants.

11. IMPACT OF EXISTING CONSTRUCTION WORKS

- Construction appears to be at an advanced stage on a site which has an entrance next to 1-16 Tyrrel Way
- I regularly hear concerns from leaseholders about the effect of construction works in close proximity to them
- Those at 1-16 Tyrrel Way in particular regularly complain that construction goes on for longer than the 8am-6pm allotted time that the developer advises should be the case
- Those at 1-16 Tyrrel Way in particular regularly complain that the number of lorries entering the site creates significant dust and vibration
- Those at 1-16 Tyrrel Way in particular regularly complain that they are repeatedly washing their windows due to the dust created and lack of mitigation works carried out by the developer
- Those at 1-16 Tyrrel Way in particular regularly complain about the effect of the construction works on their health
- Though those at 1-16 Tyrrel Way are most affected by the construction, the impact across the estate is still felt
- Those in table 2 of the Compulsory Purchase Order face construction works neighbouring their homes with party wall provision to be made for the demolition of 1-32 Tyrrel Way
- I receive regular complaints from leaseholders that they struggle to park on the estate during construction hours because the construction workers are using their parking spaces. With the increased densities proposed, this is likely to become more problematic
- 3 Tyrrel Way provides an illustration of the commercial nature in which leaseholders have been dealt with, to the expense of what would be equitable
- 3 Tyrrel Way is owned by Adelaide Adams, an 85 year old leaseholder client of mine
- Adelaide suffers from heart and lung conditions, more particularly IHD CCF (Congestive Cardiac Failure caused by Ischaemic Heart Disease) and COPD (Chronic obstructive pulmonary disease)
- Adelaide’s GP, Dr S Samuel of Hillview Surgery, wrote on 24th May 2014 that the construction works have “aggravated both her heart and lung conditions,

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it's imperative her medical conditions should take priority and she be rehoused ASAP”

- Put simply, the construction works are contributing significantly to the deterioration of an 85 year old lady's physical health. She is rarely able to leave her home due to the impact of the construction works on her life-limiting conditions
- The letter from the GP (Appendix 8) was provided to the developer and a meeting to discuss it took place on 20th June 2014. This meeting was attended by the owner, her daughter, her carer, myself, Devra Kay (her local councillor) and representatives of Barratt Homes and Capita (for the Council)
- I requested in the meeting that Adelaide be re-housed at Barratt Homes' expense for such period until agreement can be reached on the sale of her property and sale then concluded. I further requested an undertaking that Adelaide would still be classed as an owner occupier for the purposes of the compensation due to her and any entitlement to shared equity
- On 10th July, I received an e-mail from Barratt Homes advising that no help would be supported as Barratt Homes were of the impression that the offer to purchase the property was sufficient
- Whilst negotiations have since progressed to higher figures, no agreements have yet been reached. Adelaide's health continues to deteriorate and she has regular inpatient admissions to hospital as a result of her medical conditions

12. DECLARATION

- I confirm that the instructions I have from my clients relate both to dealing with Objections and negotiations for the sale of their properties
- I confirm that I understand and have complied with my duty to the Public Inquiry as an expert witness and that I am aware that this overrides any duty to my clients
- I confirm that the information I have relied on is accurate to the best of my knowledge and where it is anecdotal, I have stated it as such
- I confirm that the evidence I have provided is accurate to the best of my knowledge

Signed

Dan Knowles LLB PG Dip MRICS

Dated 30th December 2014

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LIST OF APPENDICES

1. Minutes of West Hendon Resident Regeneration Group Annual General Meeting, dated 1st April 2014
2. West Hendon shared equity – available properties as of 19th November 2014, list provided by Metropolitan Housing Trust Ltd
3. Various pledges provided in consultation/regeneration newsletters from Metropolitan Housing Trust Ltd around the time of the 2002 ballot.
4. Response from Barnet Homes to Freedom of Information Request dated 31st October 2014. Response shows number of secure and insecure tenants by Council estate year by year since 2006
5. Template letter showing all twelve grounds of objection split between different objectors in Table 1 and Table 2 of the Compulsory Purchase Order
6. Template letter showing all eight grounds of objection for clients in Warner Close and Marsh Drive
7. Photograph showing the damage caused by a Luftwaffe bombing raid in which an area within the red line plan was destroyed on 13th February 1941
8. Letter from Dr Samuel at Hillview Surgery regarding Adelaide Adams of 3 Tyrrel Way

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