

Barratt Metropolitan Limited Liability Partnership

**The London Borough of Barnet (West Hendon
Regeneration Area) Compulsory Purchase Order
(No. 3) 2018**

Proof of Evidence

Mr Nathan Smith

5 July 2019

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1. Introduction

Personal details

- 1.1 My name is Nathan Smith. I am the Developer's Senior Project Manager for the West Hendon regeneration project and have been in this role for 6 years. I am responsible on behalf of Barratt Metropolitan LLP for the delivery of the regeneration of West Hendon, including managing the Principal Development Agreement and stakeholder and community engagement.
- 1.2 I hold the following qualifications: BSc. (Hons) Leisure Property, MSc. Project Management (Major Construction Projects) and have been a member of the Royal Institution of Chartered Surveyors since 2011.
- 1.3 I have 6 years' experience in delivering regeneration schemes with Barratt and I work solely on the delivery of the West Hendon regeneration.
- 1.4 Prior to joining Barratt in 2013 I spent 4 years employed by The Abbeyfield Society delivering a variety of older persons accommodation across the south of England, and 6 years with Home Group and Affinity Sutton working on 2 major regeneration schemes (Dollis Valley, L.B. Barnet and Rayners Lane, L.B. Harrow) as well as undertaking various other work within their respective Development Departments on the financial appraisal of new schemes, securing new business, and managing new build housing contracts.

Role in relation to Scheme

- 1.5 My responsibility in regard to the Scheme covers:
- Managing the Principal Development Agreement, including the performance of the Developer's obligations under it.
 - Managing and delivering site assembly, including all third party negotiations, and community engagement and stakeholder management.
 - Drawing land down periodically from the Council to deliver future phases of West Hendon's regeneration.

- Reporting to the LLP's Board quarterly on contractual and financial matters, including delivery of specific planning obligations (such as the 2 new bridges).
- I also Chair the Construction Working Group where residents are invited to attend a monthly evening meeting to discuss construction-related matters arising at the time.

2. Scope of Evidence

2.1 In my evidence I will

- I. Describe the structure of the Developer and its arrangements with the Council
- II. Describe the experience of the Developer
- III. Describe the Scheme and the project phasing
- IV. Confirm the Developer's commitment to delivery
- V. Describe the changes in resident relations since the CPO 1 inquiry
- VI. Respond to objections relating to the areas covered within this evidence

3. The Developer

- 3.1 The Regeneration Project is being and will continue to be delivered by the Council's development partner, Barratt Metropolitan Limited Liability Partnership (the Developer), a consortium of Metropolitan Thames Valley and Barratt.
- 3.2 BDW Trading Ltd & Barratt Developments PLC (formerly known as Barratt Homes Ltd until 30 November 2007) trading as Barratt London ("Barratt") is one of the UK's leading house builders, building homes and new communities across the UK. It was established in 1958 and listed on the London Stock Exchange in 1968 and is a constituent of the FTSE 100 Index.
- 3.3 Barratt London is the business unit responsible for delivering Barratt's London schemes. It is the only national house builder with a major presence in the London market. Barratt London's development portfolio includes large regeneration schemes, high-rise residential towers and the conversion of redundant office buildings to provide high-quality residential accommodation, as well as small high-value niche developments. The portfolio includes both mixed use and residential led schemes.
- 3.4 Barratt has a broad range of regeneration experience and is used to working collaboratively with partners from both the public and private sectors. It has worked with successive government agencies and councils across London and the UK to transform derelict sites into quality homes and associated community facilities.
- 3.5 Barratt's recent experience includes working with the Council on delivering the Stonegrove estate regeneration providing 937 residential units, a church and a community centre. The Great West Quarter scheme involves 897 residential units, hotels, offices and retail space. In Bromley-by-Bow Barratt have also worked with the LDA on the redevelopment of St Andrews Hospital to deliver 964 new homes, a new health centre and community building. In Lewisham town centre, Barratt are building a new leisure centre for Lewisham Council together with 788 new homes. Other current developments include the delivery of 1,300 new homes in Hayes at the former Nestle Factory, 460 new homes in Harrow town centre, and 528 new homes in Hounslow town centre with 9,000 sqm of commercial space and a 10 screen cinema.

3.6 Barratt is committed to quality design and utilises award winning architects to create well-designed buildings that positively enhance the built environment. Barratt schemes have secured multiple awards including:

- In 2018 a Barratt employee won a National House Building Council Pride in the Job Award and a Seal of Excellence Award for their work at West Hendon.
- Hendon Waterside has won the National House Building Council Health and Safety award for best practice in the country under the supervision of our Project Manager Sury Patel.
- West Hendon also won the 2016 best Urban Regeneration Project awarded by Brick Development Association.
- In 2019 site managers working for Barratt won 84 awards for quality workmanship in the NHBC Pride in the Job Quality Awards. The Pride in the Job Awards are the industry's most prestigious national awards for building the best quality new homes in Britain.
- The Considerate Constructors Scheme (a non-profit making, independent organisation founded by the construction industry to improve its image) gives Certificates of Performance Beyond Compliance to companies whose performance is in excess of the compliance standards. The West Hendon scheme was awarded this Certificate in 2016, 2017, 2018 and 2019.
- In 2019, Barratt was confirmed as meriting the maximum five star official rating after new home buyers took part in the annual Home Builders Federation customer satisfaction survey. This is the tenth year running that Barratt has won a five star rating for customer satisfaction – the only major national housebuilder ever to do so. Over 90% of our customers would recommend us to their friends and family.

Other awards include:

- Evening Standard 2019 Awards - Best Family Home Award and Architectural Merit Award
- Housebuilder 2018 Awards - Best Design Award

3.7 Metropolitan Thames Valley is the brand name for Thames Valley Housing (MVHT) which includes the subsidiary Metropolitan Housing Trust Limited (MHT). Metropolitan is a leading registered provider of integrated housing services, care & support and community regeneration. It manages nearly over 57,000 affordable homes for rent and sale to those with greatest housing need, along with a range of care and support

- services. Metropolitan Thames Valley is investing in the West Hendon Regeneration Project via its wholly owned subsidiary Metropolitan Living Limited. It has a development pipeline due to deliver 1,000 new homes a year from 2017.
- 3.8 Metropolitan Thames Valley provides a diverse range of service to over 71,000 customers across London, the western home counties, the East of England and the East Midlands. It is a member of the g15, which represents London's 15 largest housing associations. The g15 houses one in ten Londoners and builds a quarter of London's new homes.
- 3.9 The Developer's member organisations have significant track records of delivering similar large scale residential projects, and have teams of in house experts covering development, finance, project management and construction working on this project, as well as external consultants covering design, planning, community engagement and site assembly.
- 3.10 The Developer has already delivered the Pilot and Lakeside phases (which I shall refer to as phases 1 and 2 respectively in my evidence) together with phases 3a, b and c (851 new homes). Site clearance for phase 4 started in May 2019, involving the demolition of 155 empty dwellings. The Developer is due to secure the land required to build Phase 4 upon completion of demolition activities, in line with the terms of the Principal Development Agreement. Accordingly, the Developer is well placed to continue and is committed to deliver and complete the whole of the West Hendon Regeneration Project through the construction and delivery of phases 5 and 6.

4. Arrangements between the Developer and the Council

Scheme Background

- 4.1 The Decent Homes Programme outlined in the evidence of Mr Shipway at paragraph 3.11 required local authorities to ensure that their housing stock offers residents the opportunity of a decent home and promotes social cohesion, well-being and self-dependence.
- 4.2 The Council identified the homes within the Estate as failing to meet those requirements, and after consideration of various options decided that proposals to regenerate the Estate (with a new local town square, improved transport links and improvements to the area surrounding the Welsh Harp Reservoir SSSI) would be the best way to achieve the delivery of those requirements.
- 4.3 In 2002, following a competitive tendering exercise advertised in the Official Journal of the European Community in November 2001, the Council selected the West Hendon Consortium (Metropolitan Housing Trust, Lovell Partnerships and Bellhouse Joseph) as its development partner to undertake regeneration proposals for West Hendon.
- 4.4 On 31 May 2005, the Council approved a decision authorising Barratt Homes Limited as a development partner (replacing Lovell Partnerships and Bellhouse Joseph) alongside Metropolitan Housing Trust to form Barratt Metropolitan LLP.
- 4.5 The Council and the Developer entered into a Principal Development Agreement dated 11 August 2006 ("the PDA"). In 2006 the PDA secured an initial investment of approximately £450 million. This commitment has increased as the project has progressed.

The 2008 Permission

- 4.6 On 20 March 2008, the Council granted planning permission (planning ref: W13230A/07) for a standalone 'Pilot Phase 1' as part of the regeneration proposals. Outline planning permission (planning ref: W13987/04) for the comprehensive

regeneration of the Estate was granted on 1 July 2008 ("the 2008 Permission"), with reserved matters approval (planning ref: H/04103/08) for Phase 2 known as 'Lakeside' granted on 22 December 2008. 194 residential units have been completed pursuant to those permissions.

- 4.7 Whilst both the Council and the Developer remained committed to delivering the aims of the Regeneration Project, the changing economic climate was starting to impact on the proposals. The Developer also further considered the practicalities of delivering the development as approved under the 2008 Permission, which highlighted difficulties in decanting and re-providing homes within the scheme phasing. A number of market-focused and construction deliverability factors led to the Developer and the Council agreeing that further development under the 2008 Permission was not possible.

The Scheme & the PDA

- 4.8 In consultation with the Council, the Developer prepared revised Masterplan proposals, and from autumn 2011 the Council and the Developer held pre-application discussions to revise the Masterplan with a view to securing a suitable and viable development proposal for the Estate and wider West Hendon area. The Developer subsequently submitted the part-detailed part-outline planning application ref: H/01054/13 ("**CDB.01**") for the Scheme in March 2013.
- 4.9 On 19 November 2013, the Council and Developer entered into an agreement pursuant to section 106 of the Town and Country Planning Act 1990 (the "s106 Agreement" "**CDB.36**"), in respect of the Scheme. Planning Permission for the Scheme ("the 2013 permission") was granted on 20 November 2013 ("**CDB.37**").
- 4.10 The PDA was varied on 5 February 2014 to reflect the revised masterplan for the Scheme and changes to its commercial aspects. The Council and Developer also entered into a CPO Indemnity Agreement ("CPOIA") on 5 February 2014, under which the Developer undertook to indemnify the Council in respect of costs incurred in promoting, making and securing the compulsory acquisition of the Order Land and the compensation payments arising from those acquisitions.

- 4.11 The CPOIA also requires the Developer to indemnify the Council in respect of costs related to the making and promotion of additional Orders, again including land acquisition costs, required to deliver the Scheme.
- 4.12 The PDA sets out the arrangements between the Council and the Developer in relation to the Scheme, including respective responsibilities, notifications and approvals, land transfers and financial arrangements. The evidence of Mr Bailey at section 5 provides further information about this.
- 4.13 The PDA contains a number of overarching pre-conditions relating to the Scheme overall, such as the receipt of planning permission. Following satisfaction of these pre-conditions, the PDA was deemed unconditional in July 2014. The Scheme is now subject only to individual phase conditions.
- 4.14 The Regeneration Project is divided into a number of phases for the purposes of decanting, construction and delivery. In addition, for the purpose of land transfers from the Council to the Developer, the PDA adopts these phases which are linked to the planning permission for the Scheme (**CDB.37**). Land for each phase can be drawn down by the Developer serving a notice on the Council, but the Developer is only able to serve the notice when specified phase conditions have been satisfied.
- 4.15 Phase conditions include matters such as infrastructure, planning, design and other approvals. Responsibility for satisfying the conditions is divided up between the Developer and the Council.
- 4.16 The conditions also include a 'viability test' which requires an assessment of the viability of the subject phase to be undertaken, and an agreed level of return to be demonstrated before the phase commences. The Developer can opt to waive this viability test and deliver a phase even if the PDA viability test is not met.
- 4.17 Whilst the Scheme is divided into phases for the purposes of planning and delivery as set out above, the Developer's principal concern is to ensure that the Scheme as a whole produces a sufficient return on its investment, which it does. The Developer has taken forward phase 3 and is commencing construction of Phase 4 despite this phase alone not meeting the PDA viability test.
- 4.18 Because it is necessary to rehouse existing residents prior to undertaking new development the majority of social and affordable housing was provided in early

project phases. Consequently the majority of housing required to meet wider market demand is delivered towards the end of the project. Therefore the profit from the final phases of the scheme provides the Developer with the necessary commercial incentive to undertake the early phases. This is common practice with regeneration projects of this nature.

- 4.19 For the Developer, the critical consideration is that later phases of the Scheme (that is, after phase 4) will bring higher levels of return, thereby making the Scheme viable overall. Having already delivered phases 1 and 2 and most of phase 3, the Developer is committed to proceeding to complete and deliver the entire Scheme as there is a very significant commercial incentive to it to do so. If the final phases did not provide the opportunity for the developer to realise a commercial return on its investment, there would have been little or no commercial incentive for it to undertake the early phases or complete the phases it is currently delivering. This is a common approach in delivering regeneration projects of this nature.
- 4.20 To date the Developer has secured detailed planning consent for all phases of the development.
- 4.21 Phase preconditions in the PDA are set out at Appendix 1. These conditions also require vacant possession of the land to enable it to be available for construction. Whilst the Council and Developer remain committed to assembling the site by agreement, the Order is necessary to ensure this condition is met within a reasonable timescale.
- 4.22 It remains necessary for the Council and Developer to agree certain details such as the detailed project programme and overage. Similar matters have previously been agreed to enable the delivery of all preceding phases. Consequently I see no reason why these details should not be agreed for the remainder of the scheme.
- 4.23 The phase conditions are designed to ensure that delivery of any phase does not commence until the necessary background work is complete and required consents are in place. This is to ensure that there remains no impediment to delivery once construction of each phase commences.
- 4.24 The Developer is confident that satisfying the phase conditions in the PDA presents no impediment to completing phase 5 & 6. Further details are set out at para 7.29

onwards. The Developer and Council have already satisfied comparable conditions relating to the phases which are complete and those parts of phase 4 presently under construction/site preparation.

5. Scheme description

- 5.1 The Order will facilitate the completion of the Regeneration Project. The Project Synopsis at section 2 describes the Scheme more fully and the need to complete delivery of the masterplan.
- 5.2 Information about the phased delivery of the Regeneration Project is considered further at section 6 of this evidence. The Order will enable the completion of the Regeneration Project by securing the assembly of the land required to build phases 5 & 6. Completion of phases 5 & 6 is fundamental to the completion of the whole Scheme as it will link the phases which are already completed or under construction into the wider area. It will also provide new infrastructure which is vital to the delivery of the wider regeneration of the West Hendon area.
- 5.3 Phases 5 & 6 fall within the north-west area of the Regeneration Project and will create a new sense of place through completion of the reconfigured York Park and linking phase 1 & 2 to phase 3, the preceding phases and the wider area. The transformation created by phases 5 and 6 will complete the reintegration of the estate with the local area and provides an impetus for the overall regeneration of West Hendon.
- 5.4 Without the completion of all of the phases of the Scheme, the wider benefits of the comprehensive regeneration will not be realised and instead a pocket of time expired 1960's housing would remain isolated within a part delivered masterplan. The evidence of Ms Blackman at section 3 demonstrates that the market alone could not assemble the necessary land interests required to complete phase 5 & 6, and therefore compulsory purchase is the only means to complete the Regeneration Project.
- 5.5 The extent of the land and new rights required for phases 5 & 6 included within the Order has been a product of careful consideration by the Council, the Developer and both parties' professional teams.

5.6 Plan 14 within the Book of Plans shows the 2013 Permission boundary dashed green, phase 5 and 6 boundary edged blue, and the Orders land shaded pink (land to be acquired) and shaded blue (new rights). Miss Blackman's evidence at section 3 demonstrates that for the Scheme to be delivered as a whole, and as anticipated in the 2013 Permission, all interests and new rights identified in the Order Land are required to facilitate its implementation.

6. Scheme Phasing

- 6.1 The Scheme is permitted by a hybrid planning permission (**CB.37**) and now has full planning permission following the discharge of all reserved matters. It will be delivered by a phased programme of demolition and redevelopment. The Regeneration Project is to be delivered in 6 phases. Phases 1 and 2 consisted of the Pilot and Lakeside aspects of the 2008 Permission with the current Scheme delivering phase 3 to 6.
- 6.2 As part of the planning permission for the Scheme granted on 20 November 2013 (**CDB.37**), a phasing strategy (**CDB.13**) for delivery was agreed. Given the large and complex nature of the Scheme the indicated dates may change as the Scheme progresses and the table below sets out the current phasing programme.

Phase	Construction commenced / due to commence	Completed / due to complete
Pilot/phase 1	March 2011	December 2011
Lakeside/phase 2	June 2010	July 2013
3a	January 2014	June 2016
3b	June 2016	April 2019
3c	November 2016	June 2018
4	May 2019	December 2022
5 & 6	September 2022	August 2027

- 6.3 Vacant possession of the land required to enable the delivery of phases 1, 2 and 3a has been achieved without the need to exercise compulsory purchase powers. Further details are set out in paragraph 7.2 of the Project Synopsis Information. In order to deliver phases 3b-4 and the major highway works it was necessary to secure 3 CPO's (CPOs 1, 2 and 2a), all of which have been confirmed, providing site assembly

- certainty. A further CPO (CPO3) is required to assemble the land required for the remaining phases 5 & 6.
- 6.4 The phasing strategy was based on the key policy objectives of the Council. The phasing strategy (**CDB.13**) has been designed to ensure the majority of the social housing is re-provided within the first 3 phases. These phases also include the delivery of infrastructure such as the combined heat and power plant, Cool Oak Lane Bridge and the re-provision of York Park. These will be completed prior to commencement of Phase 5 and 6, for which this Order is required.
- 6.5 Phases 4, 5 & 6 provide the majority of the private housing within the Scheme. As previously mentioned, the delivery of these later phases is vital in commercial terms to the delivery of the whole Scheme as these will provide the Developer with a sufficient return on the investment previously made in phases 1, 2, and 3. In addition, it is envisaged by the Developer that the value of the private housing and commercial units within these later phases will benefit from the wider uplift in property values resulting from the regeneration. It is clear, therefore, that the Developer has a very significant commercial incentive to complete phase 3, phase 4 (including the major highway works) and then the remainder of the Regeneration Project.
- 6.6 Phases 5 & 6 also include the provision of open space, a new pedestrian and cycle link over the Silk Stream as well as delivering the land necessary to build a new school.

7. The Developer's commitment to delivery

- 7.1 The Developer is committed to delivering the Scheme. I set out below a number of areas of work required to deliver the scheme, and demonstrate how the Developer is ensuring delivery.

Planning

- 7.2 Detailed planning permission has been granted for all remaining phases of the Scheme. The planning permission for the Scheme has been implemented by the Developer and the Developer is satisfied that the Scheme is deliverable through to completion.

Site Assembly

- 7.3 The Developer assembled the land interests needed to complete phases 1 & 2 without the need for compulsory purchase and has completed 194 residential units.
- 7.4 The Developer assembled the site required for phase 3a by agreement utilising land purchased from Catalyst and land owned by the Council together with land formerly part of the Highway. The Developer also acquired by agreement a number of interests and temporary consents required during construction, such as over sailing rights.
- 7.5 In addition to acquiring the interests within phases 1 & 2 by agreement, Metropolitan acquired 28 leasehold Estate residential units and 2 multi-unit properties on the Broadway (comprising 16 residential and commercial units) over the period 2004-2008.
- 7.6 To secure vacant possession of phase 3b and 3c it was necessary to make a CPO. However, 33 out of 34 long leasehold interests within the Estate properties were acquired by agreement with the Council only needing to exercise its powers of compulsory purchase in respect of one long leasehold interest.
- 7.7 CPOs 2 and 2a enable site assembly for the delivery of the major highway works and phase 4. As part of the CPO2 process, an agreement to acquire by private treaty negotiations was reached on all 34 long leasehold interests. Conveyancing by private

- treaty was not completed prior to the date when possession was required for 5 of the properties and so acquisition was completed via the vesting of the properties.
- 7.8 For CPO2a, statutory powers are currently being exercised. Three interests have vested with compensation likely to be agreed. Notices have been served on the remaining freehold and long leasehold interests, apart from one freehold interest, where notices will be served shortly.
- 7.9 To secure the land and interests required to construct phases 5 & 6 and complete the masterplan, it is necessary to make a CPO to ensure these are acquired in time to meet the development timetable.
- 7.10 Details of the negotiations undertaken to date to acquire by agreement the interests required for phases 5 & 6 are given in the evidence of Ms Blackman at section 7 and Appendix 1.
- 7.11 Of the 48 estate properties within the Order Land, 10 have been acquired, and heads of terms have been agreed with a further 11.

Sales progress

- 7.12 The Developer and their appointed architect have wide experience in delivering housing, and have designed the number and type of units within the scheme to accord with market demand.
- 7.13 As of April 2019 all units within phases 1, 2, 3a, 3c have been sold by the Developer with the exception of 208 affordable social rented units retained by Metropolitan. 95% of units in Phase 3b have been sold off plan with the remainder expected to be sold shortly. The units having been retained by Metropolitan are all occupied by secure tenants who were relocated from parts of the Estate which have been or will shortly be demolished.
- 7.14 98 of the private units in phases 1 & 2 (approximately 65%) were sold to residents already residing in Barnet. The provision of market and affordable housing for local families demonstrates the provision of social and wellbeing benefits for the Borough. 81% of purchasers across phase 3 were bought by people already living in London, with 20% of buyers moving from within Barnet.

7.15 The Developer is confident that there will be significant market demand for the units proposed within phases 5 and 6.

Resources

7.16 The Regeneration Project is being and will continue to be financed by the Developer. The Developer will achieve a sufficient commercial return on its investment from the sale of the private residential units, as well as the commercial units, by the end of the Project. Through the negotiation and completion of the PDA the Developer has demonstrated its ability to finance the Scheme. The Council has confirmed that it is satisfied that the Developer is able to finance the delivery of the Scheme (paragraph 5.6 of Mr Bailey's evidence), and the Developer remains committed to doing so.

7.17 Government Guidance from February 2018 (**CDC.03**) sets out the requirement for acquiring authorities to demonstrate resources necessary both to acquire land and implement the scheme underlying the Order. I now explain how this requirement is met in the present case.

7.18 Metropolitan Thames Valley (MVHT) continues investing in the West Hendon project via its wholly owned subsidiary Metropolitan Living Limited (MLL), the latter being the company that as part of its activities has formed the joint venture with Barratt. MLL is funded by MVHT using a formalised on-lend facility whereby the parent company secures finance against its social housing portfolio and on-lends a regulated amount to its subsidiary. Metropolitan also has access to a variety of other sources of funding (including the GLA, Homes England, bank loans and the bond and capital markets), and its funding requirements are reviewed by the Board on a regular basis (based on the group business plan) to ensure that sufficient secured facilities are in place to meet all known and projected funding requirements.

7.19 I can confirm that Barratt have the necessary resources in place to enable completion of the Scheme. In June 2013 Barratt Developments PLC undertook a refinancing package. Through this package, committed borrowing facilities were achieved on attractive terms over a period of up to eight years.

7.20 In December 2016 Barratt Developments PLC further strengthened its balance sheet capacity by amending and extending our existing committed revolving credit facility, removing the £150m stepdown in facility size previously due in December 2017 and

- extending our £700m facility to December 2021. As part of its ongoing financial and business management, Barratt will review its funding requirements on a regular basis, and ensure its funding arrangements are extended and renewed well in advance of the current end-point of December 2021. This approach is common practice within the property development industry.
- 7.21 The Developer has calculated the likely project costs together with an appropriate contingency and these costs have been included in the business plans of the Developer's constituent companies to ensure that there is sufficient finance available to deliver the Scheme.
- 7.22 In assessing the viability of the Scheme the Developer has taken professional advice from its team and has taken account of all the likely costs associated with securing and acquiring land through Compulsory Purchase. The Developer has also considered the costs and implications of Blight and Purchase notices and has demonstrated to the Council that resources are available to acquire properties subject to Purchase or Blight notices if required. The Developer has already acquired a number of properties within phases 5 & 6 as outlined in paragraph 7.11 of this evidence.
- 7.23 The Developer is currently due to start phase 4, having funded all associated site assembly and compulsory purchase costs. Although Phase 3 and Phase 4 did not meet the phase financial viability test within the PDA, the Developer is confident that the Regeneration Project will be viable overall and has therefore waived the viability pre-condition for Phase 3 and Phase 4, and is continuing to deliver the Scheme.
- 7.24 Phase 5 and Phase 6 meet the PDA agreed return.
- 7.25 The PDA requires the Developer to deliver the phase 4 before delivering later phases of the Scheme. Consequently the Developer cannot deliver subsequent phases 5 & 6 until construction of phase 4 is completed. Phase 4 also provides a significant amount of the new housing to enable residents to move from the land within the Order.
- 7.26 Based on the funding arrangements set out above, I confirm that funding in the form of Barratt internal resources, the Barratt revolving credit facility set out at para 7.20 above, and debt funding from MLL secured on the social housing owned by MHT, are all available to enable delivery of phases 5 & 6.

- 7.27 As set out previously at para 6.5 above there is a very significant commercial and financial incentive for the Developer to complete the Scheme. Consequently the Developer is committed to the completion of phases 5 & 6 if the Order is confirmed.
- 7.28 In considering factors affecting the deliverability of a project underlying a compulsory purchase order, Paragraph 14 of the 2018 Government Guidance (**CDC.03**) does not require the project to be financially viable in itself, but does (at least by implication) require an acquiring authority to demonstrate that the project is likely to be delivered within a reasonable timescale. The Developer has obtained the reserved matters approval for phases 5 & 6 and has worked with the Council to discharge the PDA conditions relevant to these phases. I have demonstrated in my evidence that the Developer has the financial and professional resources to build out phases 5 & 6, therefore I am confident the project will be delivered.
- 7.29 The Developer has a broad range of regeneration experience and is used to working collaboratively with partners from both the public and private sectors. Examples of this are set out in paragraph 3.5 of my evidence. The Developer is fully committed to the delivery of the whole of the West Hendon regeneration Scheme and has sufficient funding to ensure its delivery.
- 7.30 At IR 609 (**CDA.19**) the Inspector in CPO1 concluded that whilst individual phases of the Scheme might not be viable, the financial benefits to the Developer arise from later phases. She recognised this as a significant incentive for the work on phase 3b & 3c to be completed promptly. The same incentive applies to phase 4, 5 and 6 which the Developer wishes to deliver in a timely manner.

PDA Preconditions

- 7.31 The Developer is satisfied that meeting the outstanding preconditions does not constitute an impediment to delivering this or later phases of the Scheme. Furthermore the Developer has now discharged all reserved matters and secured full planning permission.
- 7.32 I set out at Appendix 1 a summary of the phase 4 pre-conditions, and my view on how they will be satisfied. If any pre-condition is not likely to be satisfied, I set out whether it can be waived by the Developer or the Council, and how likely this would be to happen.

7.33 We have either satisfied all pre-conditions in relation to the previous and current phases, or agreed that they will be waived, and intend to follow a similar process for Phase 5 and 6. I therefore do not foresee difficulties in satisfying the Phase 5 and 6 pre-conditions.

Other consents

7.34 Stopping up orders required to enable the construction of phase 3a, 3b, 3c and 4 have already been secured. Further highways orders will be required in Phases 5 and 6 of the Scheme to enable the diversion and modification of highway rights once such rights are no longer required and the residents are rehoused. These orders will be made and secured in a timely manner in advance of being required, they will be promoted separately from this Order as similarly occurred with CPO1. Due to the decant strategy and phased delivery structure it was necessary to develop a programme for bringing forward the necessary highway orders which fits within the construction programme and also ensures all existing and new properties retain access at all times. This phased delivery means that a number of interim access solutions have been and will be provided before the final street layout shown on the masterplan is completed in the phases 5 & 6 the scheme. Only during the final phases of the scheme will it be possible to realise the street layout outlined in the masterplan.

8. Resident relations since the 2014 CPO inquiry

8.1 Since the close of the 2014 CPO inquiry, relations with affected residents have significantly improved. This has been one of my priorities, and together with the Council, we have implemented a number of changes in the project team and policies which have been favourably received by affected residents.

8.2 These are outlined at paragraph 6.7 of Mr Bailey's evidence. I summarise here my personal experience of these improvements.

- *Following the move of secure tenants within phase 3b to new homes residents have gained an appreciation of the benefits provided by the scheme. This has been demonstrated by the overwhelmingly positive response to a satisfaction survey undertaken by decanted residents in 2015. Furthermore no secure tenants in Phase 4 have objected to the proposed move to a new home.*
- *It is evident when I walk around the estate, visiting residents and speaking with resident groups and local businesses, that there has been a marked improvement in overall relations between the Development Partners and the community since 2014/15. The overall sentiment of relations amongst the Partnership Board is now positive and forward looking and makes for much more productive meetings amongst the team.*
- *In addition, the large number of people who have moved into new homes since the public inquiry for CPO1 has encouraged a more positive attitude in the existing secure tenants and leaseholders, who have had the opportunity to visit friends and neighbours who have moved into new accommodation.*

8.3 The Developer and Council are committed to maintaining and improving good relations with affected parties. The Developer is working to bring real benefits to residents from the Scheme, and ensuring wherever reasonably possible that the impact of the scheme on those affected is mitigated.

8.4 Barratt has also supported a number of initiatives to support the regeneration area as set out below.

- *Barrat has provided funds to support the consultation for the West Hendon regeneration strategy*

- *The preparation of a Neighbourhood Investment Strategy was funded by BMLLP*
- *The Council has provided seed funding for a number of small initiatives in support of The West Hendon Broadway Regeneration strategy. Development of the the strategy was funded by BMLLP.*

9. Responses to Objections

- 9.1 The Secretary of State has received three objections against the confirmation of the Order (CDA.03).
- 9.2 I refer below to the grounds raised in the objections relating to my evidence.

Objection 1 - Petition Objection submitted by Jasmin Parsons (Plot 18)

- 9.3 An Objection dated 12 November 2018 (submitted by email on 7 January 2019) has been submitted by Jasmin Parsons. This includes a petition which has been signed by 24 residents who are included in CPO3, 8 residents still living in properties included in CPO2, 12 residents living in the new development and a further 20 people living in the surrounding area. My response to the grounds raised, which are relevant to my evidence, is as follows:

Poor management of construction

- 9.4 The objection states that the construction of the development has been poorly managed which has had a detrimental impact on West Hendon residents and put lives at risk
- 9.5 This issue was also raised in objections made against CPO1 and CPO2. The Developer has worked hard to ensure that all construction activities comply with all Health and Safety requirements. The development is being and will continue to be undertaken in compliance with the Construction (Design and Management) Regulations, Health and Safety at Work Act and the Control of Substances Hazardous to Health Regulations. The Scheme is also registered under the Considerate Constructors Scheme, which promotes good working practices on construction sites. Residents are informed when activities such as demolition are planned. Information is provided relating to the works programme, safety measures to be adopted and the impact the works may have on neighbouring properties.
- 9.6 Prior to development of a phase being commenced, a site wide framework Construction Environmental Plan (CEMP) (**CDB.28**) has to be submitted and approved by the Council. This covers a range of matters including restrictions on working hours.

The developer is also required to provide a Construction Method Statement (CMS) for each phase which must be approved by the Council prior to construction commencing. The CMS must include details of how the principles of the CEMP will be met during construction.

- 9.7 If residents have concerns they can contact the site manager directly, the developer's communication consultant "Hard Hat" or the Council's enforcement team.
- 9.8 A Construction Working Group has been set up to allow residents to raise any concerns and to ensure these are resolved. To date 4 issues have been raised and resolved.
- 9.9 The project has and will continue to be well-managed as demonstrated by the number of awards given to the project as set out in paragraph 3.6 and that procedures have been put in place to ensure that any issues arising are dealt with promptly.

No compensation for Disruption

- 9.10 The objection states that no discussions have been held on the compensation that residents on and surrounding the estate should have received to compensate for the disruption and upheaval that has been caused.
- 9.11 All residents affected by the Scheme are entitled to statutory compensation for acquisition of their interest, or being displaced as part of the Scheme. In addition, the Council and the Developer have implemented an enhanced resident rehousing offer, as set out in Appendix 2.
- 9.12 The Developer has agreed a Construction Management Plan with the planning authority as set out in paragraph 9.6 above, and this is the process by which impact of construction on existing residents and the surrounding area is managed.
- 9.13 Neither the Council nor the Developer consider it necessary or appropriate for further compensation to be paid to existing residents in relation to the Scheme.

Concerns on quality of new properties

9.14 The objection states that residents who were moved in the early phases reported repair issues and these same repair issues have incurred in the later phases.

9.15 As with any new development there have been some minor problems with individual properties and these have been dealt with by the Developer as and when they have arisen. There is no evidence of any long term issues with the new buildings.

9.16 The Scheme has won a number of national awards which are set out below. These awards show that the Developer has achieved good practice in the management of the construction of the development, which refutes the claim that the estate has been poorly managed. Awards such as the NHBC Seal of Excellence are only awarded to developments which have been built to a high standard. The first residents were moved in 2016 and the Scheme was awarded this award in 2018 which demonstrates the Scheme has been built to a high standard with no long term repair issues.

- NHBC safety award 2016
- NHBC Pride in the Job 2016
- NHBC seal of Excellence 2016
- Considerate constructor Beyond compliance 2016
- Considerate constructor Beyond compliance 2017
- NHBC Pride in the Job 2018
- NHBC seal of Excellence 2018
- Considerate Constructor Beyond Compliance 2018. This is a certificate that is awarded to sites that achieve a higher level of consideration beyond statutory requirements, to the neighbourhood, the workforce and the environment. This award demonstrates the site has been well managed.

Corruption and Bribery

- 9.17 The incidents referred to are historic, have been dealt with by the criminal justice system and have absolutely no relevance to whether this Order should be confirmed.

Objection 2 – Patricia Cooke (plot 29)

- 9.18 Ms Cooke submitted an objection dated 18 December 2018 setting out a number of grounds as below.

Houses not required for the Scheme

- 9.19 Ms Cooke states that the freehold houses are in good condition, and that acquisition of the houses is not required for the delivery of the Scheme.
- 9.20 The Council acknowledges that the houses are of standard construction, and do not suffer from the structural issues which are a result of the non-standard construction methods used for the blocks of flats within the Estate.
- 9.21 However, as set out in paragraph 2.3 of Mr Bailey's evidence, comprehensive redevelopment of the Estate and surrounding areas is required in order to deliver the Council's objectives for the Scheme.

The acquisition of these properties is necessary in order to construct the Scheme. If they were not acquired, Block D1, D2 and D3 of the Scheme (Book of Plans No. 7 plan) comprising of 105 units, of which 27 units are affordable, could not be built out. This would also include the loss of a children's play area and approximately 90 car spaces in the basement car park could also not be delivered. In addition, due to their close proximity to 1 to 10 Marriotts Close, it is likely that Block D4 (168 units) and D5 (129 units) would need to be reduced in height and potentially the location would need to be amended to avoid overbearing effects on the houses. The Scheme as permitted could therefore not be completed.

- 9.22 This would require the Masterplan to be revised and a new planning application to be submitted. Due to the uncertainty on the number of units that could be delivered in Phases 5 & 6 and therefore the financial return that would be obtained from these phases, it is likely that a moratorium would be placed on the continuance of Phase 4. Due to the reduced density caused by the retention of the houses, it is likely that the

return from the Scheme would be insufficient to provide the incentive for the Developer to continue with the Scheme. In the event the Scheme did continue, the level of affordable housing that could be delivered would be considerably reduced.

Freeholders do not benefit from the Shared Equity Scheme

- 9.23 Ms Cooke has raised concerns over the shared equity scheme, in particular that any freeholder taking up the shared equity offer would become a leaseholder rather than a freeholder.
- 9.24 The Mayor's estate renewal good practice guide (**CDC.080**) provides for shared equity schemes but does not require the dwellings offered to be of the same built form typology.
- 9.25 The shared equity offer provides an excellent option in addition to statutory compensation, allowing the resident owner to remain in home ownership on the estate. The alternative is to take the proceeds from the sale of the existing property and invest these in a freehold property elsewhere.
- 9.26 The Second Inspector concluded in IR:413 (**CDA.12**) that the take-up of shared equity supported the First Inspector's findings that the shared equity went beyond statutory requirements and shows that the well-being of residents was being taken seriously. The Secretary of State for CPO2 confirmed in DL:12 and 13 (**CDA.13**) that he agreed with the conclusions of the Inspector.
- 9.1 The Shared Equity properties currently identified within the Scheme will be flats within a block, not stand alone houses, and will be leasehold properties. However, in previous phases, the Developer has been able to agree some flexibility in changing allocations of units from private sale to shared equity in order to meet eligible residents' requirements. The Developer is prepared to consider similar flexibility in phases 5 & 6 for eligible residents and will consider making available houses as part of the shared equity scheme. In this case the property would be held freehold.

9.2 The service charge for new properties will be higher than that for existing properties on account of the provision of significantly more services. However, the service charge will be similar to comparable developments elsewhere. To assist with affordability concerns a subsidy scheme will provide a discount on service charge for those moving to shared equity properties. This discount will be provided for a period of 10 years with the greatest discount in the first 5 years, after which the subsidy will taper. Major works charges or repairs liabilities for freeholders will likely be significantly less for the new properties than for the existing ones if the Scheme did not proceed.

10. Conclusion

10.1 In my evidence I have:-

- Described the structure of the Developer and its arrangements with the Council
- Described the experience of the Developer
- Described the Scheme, project phasing and progress to date
- Confirmed the Developer's commitment to delivery, and demonstrated this through progress to date
- Set out the changes in resident relations since the CPO1 Inquiry
- Responded to objections relating to areas covered within this evidence.
- I do not consider that any of the objections raised provides justification for not confirming the CPO.