

GRANGE FARM ESTATE CPO

THE ACQUIRING AUTHORITY'S NOTE ON PARA 106 OF THE MHCLG GUIDANCE

(in response to Inspector's email of 23.06.21)

1. This note addresses the Inspector's request for a short statement giving specific consideration to the matters in paragraph 106 of the MHCLG Guidance. Each factor in paragraph 106 is taken in turn. Reference is also made to paragraph 104, which is in the same part of the Guidance.

Compliance with the planning framework¹

2. The Guidance advises that proposals for land assembly should be set within a clear strategic framework, and that it is relevant to consider "whether the purpose for which the land is being acquired fits in with the adopted plan for the area"². The Guidance refers to "the purpose for which the land is being acquired", rather than confining itself to the specific planning permission or detailed development proposal, though the particular planning proposal relied upon by the authority is obviously relevant. The Guidance also asks whether there is a planning impediment to the scheme.³
3. On this aspect, the Acquiring Authority draws attention to:
 - a. The fact that permission has been granted for the scheme, and Phase 1 funded and implemented.
 - b. Mr. Sayers's evidence at section 3 looking at policy circumstances at the time permission was granted. Note in particular:
 - i. Para 3.3: there was overall compliance with the development plan;
 - ii. Para 3.13, referencing Policy CS3(J) of the Core Strategy [CDB.9, p.51] which expressly supports "proposals which achieve physical renewal and estate regeneration objectives at Grange Farm";
 - iii. Para 3.68, referencing the Officer Report for the planning application [CDB.2.1]. The Officer Report is detailed and thorough. Note paras 8.33 and 8.37 (the principle of development complies with policy); 9.27 (intentions of mayoral affordable housing policy met) and 9.30 (emerging London Plan policy met); 10.13 (quantum and mix of housing complies with policy); extensive consideration of residential quality, amenity and character and appearance (discussed in sections 11 to 13 of the report); 14.21 and

¹ Tier 2, para 104 and 106.

² Tier 2, para 104 and 106.

³ Tier 2, para 104.

14.42 (external appearance, design and landscaping policies met); 15.13-15.14 (open space and play space); 16.13 (flooding and water management); 17.4 (carbon dioxide savings marginally below London Plan target – 35% vs 40% below building regulations); section 18 para 1.4 (thermal performance) and 1.11 (green infrastructure); 20.14 (acceptable in terms of biodiversity); 23.36 (accord with policies on transport and accessibility).

- c. While phase 1 is already under construction, phases 2 and 3 which are in outline and will be the subject of reserved matters applications. These applications will inevitably have regard to up-to-date policy within the parameters set by the outline permission.
- d. To assist the Inspector, Mr. Sayers will provide an update table cross-referencing policies in the London Plan 2021, prior to the start of the inquiry.

The contribution of the purpose of the acquisition to the economic, social or environmental wellbeing of the area⁴

- 4. The economic, social and environmental wellbeing benefits of the Scheme are summarised at:
 - a. Section 5 of Mr. Sayers's evidence;
 - b. Section 9 of the Statement of Case.
- 5. They are also evident from the policy compliance shown by the scheme.

Whether the purpose of the acquisition could be achieved by any other means, including alternative proposals of others⁵

- 6. The purpose of the acquisition is to facilitate comprehensive regeneration of the Grange Farm Estate. This necessarily requires land assembly. There are no alternative proposals to achieve this. Note too:
 - a. Statement of Case, section 2: the condition of the estate, and feasibility studies and consideration of options for estate regeneration starting in 2014, including community engagement (see also CDB.6, the Statement of Community Engagement);
 - b. Problems with existing Resiform buildings: Mrs Hannington's proof, paras 6.1-6.6; Statement of Case paras 3.11-3.13.

⁴ Tier 2, para 106.

⁵ Tier 2, para 106.

- c. Efforts to acquire land by agreement and support given to that end: Statement of Case paras 11.16-11.18 and 15.4; Mrs. Hannington's evidence at paras 3.17-3.19; CD D5 (Resident's Charter, noting app 3 which has the leaseholder and freeholder equity schemes).

Sources and timing of funding and resource implications⁶

7. Sources and timing of funding are relevant, together with consideration of the levels of certainty around the financial viability of the scheme.⁷ Absolute certainty is not required, but where uncertainty exists, the Authority should provide an indication of how potential funding shortfalls are to be met.⁸ The Guidance states that "A general indication of funding intentions, and of any commitment from third parties, will usually suffice" and the overall test is whether "there is a reasonable prospect that the scheme will proceed."⁹
8. In the evidence, note the Statement of Case, section 7, and Mrs. Hannington's evidence, section 9. This identifies existing, and expected sources and amounts of public funding provision for the affordable housing element, and how it is to be applied to each phase of the scheme. The affordable housing in Phase 1 has been successfully funded in a similar manner to what is envisaged for the later phases.
9. The robustness Council's HRA Business Plan is regularly reviewed with the support of external advisors. However, the Acquiring Authority cannot provide the details of the business model as this has been treated as exempt information for publication purposes when put before Cabinet and it is not produced in evidence. There is a combination of funding including the land value, the HIF grant, recycled RTB receipts and other HRA resources to fund the replacement affordable housing. The private sale homes will deliver a profit for the developer partner and a subsidy towards the affordable homes. The assessments completed by the Acquiring Authority's consultants demonstrate the scheme is viable and that the net cost of the affordable housing is affordable to the Council.
10. The deliverability of the scheme has not only been assessed internally by the Council, but also by external bodies. For example, securing of £10 million HIF grant required MHCLG and the GLA to assess, and be satisfied with, the viability and deliverability of the scheme, without which the funds would not have been advanced.

⁶ Tier 1, para 14.

⁷ Tier 2, para 106.

⁸ Tier 1, para 14 a).

⁹ Tier 2, para 106.

11. Moreover, as part of the planning process to determine the level of affordable housing to be delivered in the scheme a viability assessment was provided. This was reviewed and accepted as part of the GLA sign-off to the planning application.
12. The Council has demonstrated its commitment to delivery of the regeneration and is already on site with Phase 1 which will deliver a wholly affordable scheme of 89 homes.
13. There is a strategy in place to deliver the later phases and this will be put forward for Cabinet overview and approval in July 2021. Mary Hannington also refers to the expectation that the Council will start the procurement process for a development partner in September 2021 (para 2.4 of her proof). There has been market testing to assess the commercial attractiveness of the scheme to established developers with an appropriate track record. She will give oral evidence to update the inquiry on recent progress made by the Council. The Council is confident that it will secure a delivery partner with a proven track record of major housing-led regeneration schemes, including schemes involving joint working with the public sector in London. Evidence will be given on the expected timing of Cabinet decisions. For reasons that will be understood, precise details remain confidential.

24.06.21
