



Langarth Garden Village: Financial Viability

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(TP) PhD MRTPI MRICS

21 December 2023

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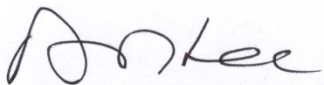
1 Qualifications and experience

- 1.1 I, Anthony David Lee BSc (Hons) MSc (Econ) MA (TP) PhD MRTPI MRICS confirm that:
- 1.2 I am a Senior Director and Head of UK Development Viability at BNP Paribas Real Estate, one of the UK's leading real estate consultancies with fifty regional offices in addition to its London offices.
- 1.3 I specialise in development viability focusing on its role in decision making on planning applications and for the purposes of testing emerging planning policies. I have advised a range of clients involved in development, including local planning authorities, developers, landowners and registered providers ('RPs') across England.
- 1.4 I have degrees in social policy and town planning, and a doctorate in housing policy.
- 1.5 I am a professional member of the Royal Institution of Chartered Surveyors ('RICS') and a professional member of the Royal Town Planning Institute. I am a RICS Registered Valuer. I specialise in the provision of appraisal and valuation advice in respect of residential and commercial development, with a particular focus on planning and viability.
- 1.6 I and my team are responsible for the delivery of appraisal and viability advice to local authorities, developers and landowners in connection with secured lending and viability assessments relating to Section 106 Agreements. I have advised over one hundred local authorities on Community Infrastructure Levy charging schedules and emerging Local Plan policies.
- 1.7 I was recently appointed as a single joint expert by Historic England, Tendring District Council and City & Country to advise on valuation matters relating to enabling development at St Osyth's Priory. I have provided expert valuation evidence at numerous planning inquiries and examinations in public including the Custom House Inquiry in 2022, the Bramshill Inquiry in December 2017; the Westferry Printworks Inquiry in August 2019; the Sandown Racecourse Inquiry in November 2020; and at the London Fire Brigade Headquarters call-in Inquiry in December 2020. I have also provided expert reports on secured lending valuations undertaken by other valuers, as well as expert determinations relating to valuation matters.

- 1.8 I was a member of the advisory panel drafting the Local Housing Delivery Group *'Viability Testing Local Plans: Advice for practitioners'* (June 2012). I was a member of the *'Developer Contributions Technical Expert Panel'* established by the (then) Ministry of Housing, Communities and Local Government to advise on the use of viability assessments in local plans and development management. This panel advised on the viability section of the 2019 Planning Practice Guidance. I am a member of the RICS Working Group responsible for drafting a third edition of the Guidance Note on *'Valuation of Land for Affordable Housing'*.

Declaration and Statement of Truth

- 1.9 I confirm that I have made clear which facts and matters referred to in this proof of evidence are within my knowledge and which are not. Those that are within my knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 1.10 I confirm that I am not instructed under any conditional or success-based fee arrangement.
- 1.11 I confirm that my evidence complies with the requirements of RICS – Royal Institution of Chartered Surveyors, as set down in the RICS practice statement *'Surveyors acting as expert witnesses'*.



Anthony Lee

21 December 2023

2 Scope of evidence

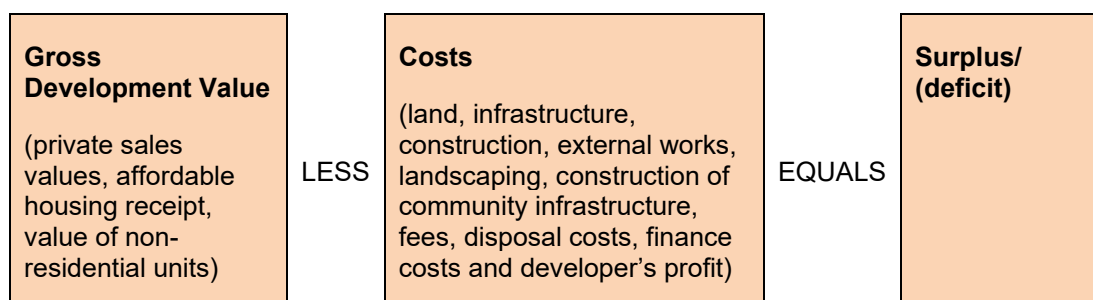
Background

- 2.1 On 3 November 2022, Cornwall Council made the Cornwall Council (Langarth Garden Village, Threemilestone) Compulsory Purchase Order 2022 ('CPO').
- 2.2 The Council is promoting the CPO to facilitate the implementation of a comprehensive residential-led mixed-use development ('the Proposed Development') comprising a phased development of:
- Up to 3,550 residential units (35% of which are to be affordable)
 - 200 extra care units
 - 50 units of student/health worker accommodation
 - Five local centres (comprising local retail, offices, restaurants, cafes, health and community facilities)
 - A local health centre
 - A blue light centre for emergency services
 - Up to two primary schools
 - Business and commercial floorspace
 - Brewery / public house
 - Associated open space, including suitable alternative natural greenspace
 - Community farm / allotments
 - Public realm
 - Renewable energy provision and energy centre
 - Park and ride extension
 - New central access road with cycle lanes together with utilities supplies
 - Access junction arrangements onto the A390
 - New junctions to quiet lanes and associated earth works and retaining and boundary features (known as the Northern Access Road).
- 2.3 The Proposed Development is to be brought forward by a special purpose vehicle in the form of a delivery company, Langarth Garden Village LLP ('the LLP'), which is wholly owned by Cornwall Council. The LLP intends to take the role of master developer, involving the delivery of infrastructure and site servicing. It will then dispose of serviced land parcels to housebuilders and delivery partners, who will deliver the housing and related developments.
- 2.4 My evidence tests the ability of the Proposed Development to comply with the

requirements of paragraph 106 of ‘*Guidance on Compulsory purchase process and the Crichel Down Rules*’ (Ministry of Housing, Communities and Local Government, 2019). This paragraph indicates that inspectors should consider “*the potential viability of the scheme for which the land is being acquired*” in deciding whether or not to confirm a CPO.

- 2.5 The LLP has provided access to all the relevant documents and financial appraisals and I have reviewed these. I have arrived at my own independent opinion of the viability of the Proposed Development having regard to this material, alongside my experience of appraising other similar developments and my own research.
- 2.6 I have set up my own appraisal model of the Proposed Development in order to assist me in arriving at my independent opinion on scheme viability. This model is structured as a discounted cashflow model created using Microsoft Excel. The model is set up with land acquisition costs and target developers’ return as inputs. The output of the model is a surplus or deficit, arrived at as follows:

Figure 2.6.1: Appraisal model structure

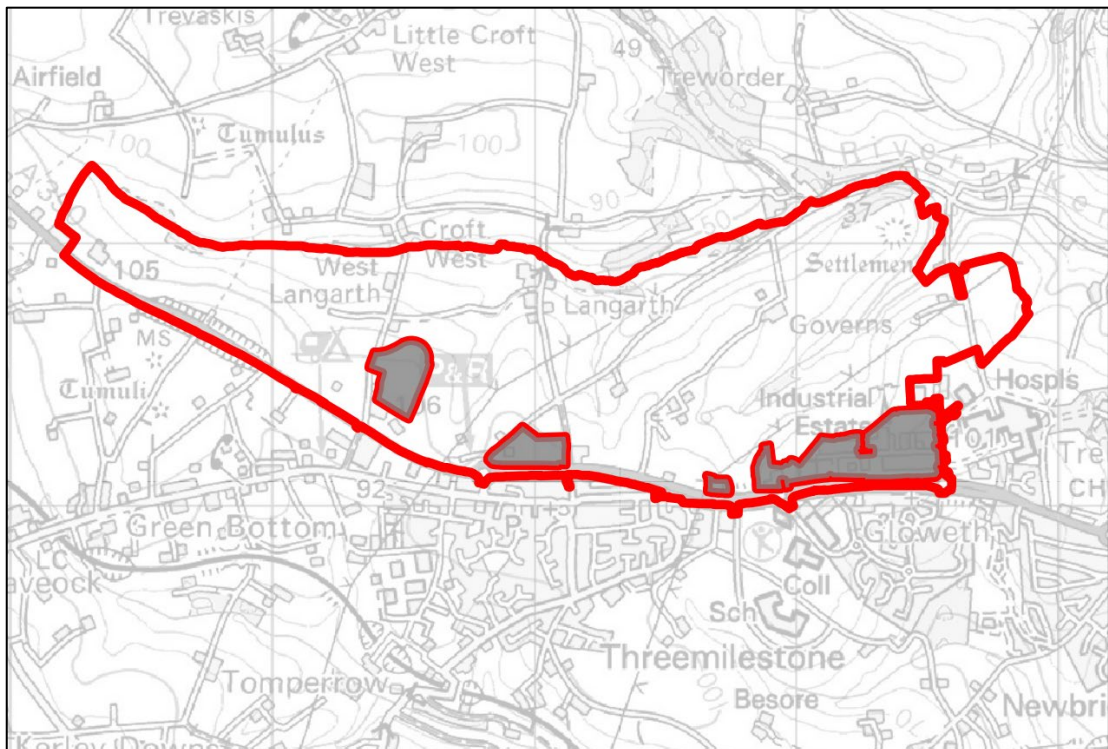


- 2.7 The model is structured to be ‘Applicant neutral’ and does not reflect the particular structure envisaged by the Council and the LLP, reflecting the fact that planning permission runs with the land. This also reflects the requirements of the Planning Practice Guidance (‘PPG’) on viability. In addition, the model is structured assuming a single delivery vehicle (i.e. the same developer is responsible for delivering servicing and infrastructure, as well as constructing and selling the housing and non-residential floorspace). This has no material impact on the outcome of the assessment, other than providing a more transparent appraisal which addresses all of the costs and receipts associated with the Proposed Development in a single model.

3 The Site and the Proposed Development

- 3.1 The Site extends to approximately 245 hectares and is predominantly undeveloped, greenfield land, currently used for agricultural purposes. It comprises 55 separate agricultural fields with hedgerows at the boundaries. There are a number of buildings associated with agricultural use and a small number of residential dwellings. In addition, the Site accommodates the Langarth Park and Ride which provides 1,209 car parking spaces and links to coach services into Truro City Centre.
- 3.2 The Site's eastern boundary is located circa 3 kilometres from Truro City Centre. It is bordered to the south by the A390, a dual carriageway separating the Site from Threemilestone. To the south east, the Site is bordered by Treliske Industrial Estate and by Royal Cornwall Hospital Trust site and Truro Golf Club to the east.

Figure 3.2: Location plan



- 3.3 On 5 April 2022, the Council granted planning permission (part outline and part detailed) for the following:

“A. A full planning application for construction of the Northern Access Road and associated access junction arrangements onto the A390, new junctions to the quiet lanes and associated infrastructure and earthworks and retaining and boundary

features;

B. An outline planning application with all matters reserved to create a mixed use, landscape-led community comprising a phased development of up to 3550 dwellings plus 200 extra care units and 50 units of student/health worker accommodation, including affordable housing; five local centres comprising local retail (E), offices (E), restaurants and cafes (E), drinking establishments (sui generis), hot food takeaway (sui generis), health and community facilities (F1 and E), a local care health centre (E), a blue light centre for emergency services (sui generis), up to two primary schools (F1), business and commercial floorspace (E), brewery / public house (sui generis) and associated areas of open space to include a suitable alternative natural greenspace as a strategic open space a community farm/allotments, public realm, renewable energy provision and energy centre, park and ride extension (of up to 600 spaces or 2.73 ha), cycle lanes, connections with the existing highway network including crossings of the A390, quiet lanes, drainage and associated infrastructure, including the demolition of buildings and structures, site clearance and associated earthworks.

- 3.4 The LLP has subsequently submitted applications for discharge of planning conditions and reserved matters, as well as applications for non-material amendments.

4 CPO and planning guidance

National planning policy and guidance

- 4.1 The National Planning Policy Framework ('NPPF'), as published in December 2023, indicates at paragraph 58 that *"where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force..."*.
- 4.2 The Planning Practice Guidance ('PPG') on viability (2019) sets out the Government's requirements for assessing the viability of developments for the purposes of establishing the ability of developments to meet planning policy requirements.
- 4.3 The PPG addresses viability in plan making and decision taking. For the purposes of the Inquiry, the sections of the PPG on decision taking are particularly relevant.
- 4.4 Paragraph 010 of the PPG notes that *'viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'*. The PPG identifies how key inputs into an appraisal (value, costs, developer's return and land value) should be established.
- 4.5 Paragraph 013 of the PPG addresses how applicants and planning authorities should establish land value for a viability assessment. The PPG indicates that a 'Benchmark Land Value' should be established on the basis of the existing use value of the land, plus a premium for the landowner, which should reflect the minimum return at which a reasonable landowner would be willing to sell their land.

CPO guidance

- 4.6 The Ministry of Housing, Communities and Local Government's 'Guidance on Compulsory purchase process and The Crichel Down Rules' (2019) indicates that inspectors should consider the financial viability of the scheme for which land is to

be acquired through a compulsory purchase.

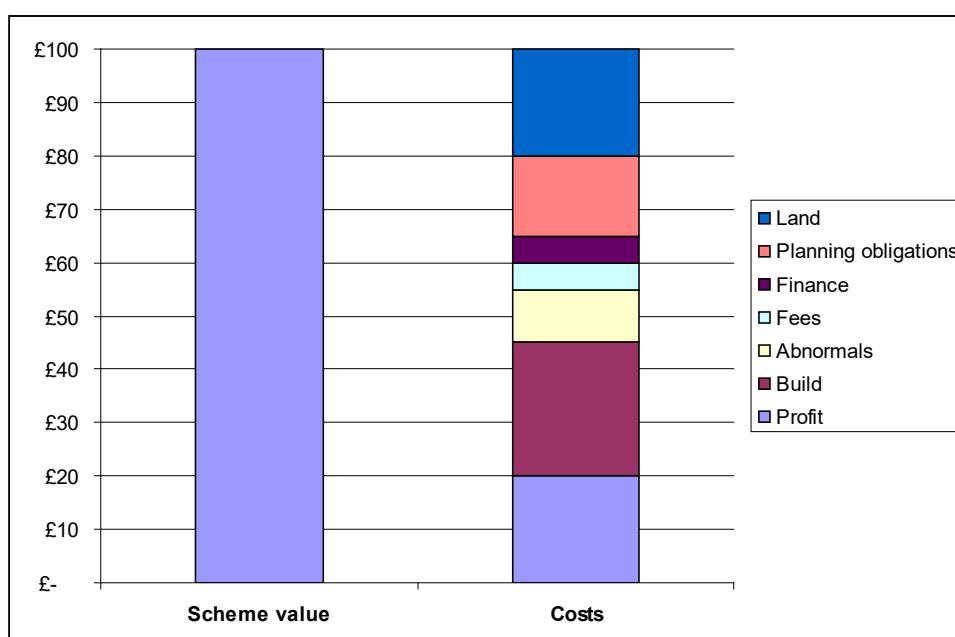
- 4.7 Paragraph 106 of the guidance indicates that one of the factors that the Secretary of State will take into account in deciding whether to confirm a CPO is the potential financial viability of the scheme for which the land is to be acquired. This could be limited to a general indication of funding intentions and commitments from third parties. The guidance indicates that *“the greater the uncertainty about the financial viability of the scheme, however, the more compelling the other grounds for undertaking the compulsory purchase will need to be”*.
- 4.8 The guidance does not define ‘financial viability’ but it is reasonable to assume that this is broadly in line with the approach indicated for financial viability in planning, as outlined in paragraphs 4.1 to 4.5.
- 4.9 The Inspector’s decision on the proposed CPO at Barking Vicarage Field and surrounding land¹ (reference APP/PCU/CPOP/Z5060/3278231, attached as Appendix 1) provides an indication of the methodology that acquiring authorities can adopt to demonstrate financial viability of schemes when information is considered to be commercially sensitive and confidential. Paragraph 145 of the Inspector’s decision letter indicates that the Acquiring Authority in that case could have adopted *“a ‘data-room’ exercise, carried out by an independent expert under a non-disclosure agreement...this would have reviewed the appraisal and provided an independent review that the scheme was viable”*. The approach I have adopted is broadly the same as that indicated by the Inspector in the Barking Vicarage Road inquiry.

¹ As background, the proposed scheme at Barking had in 2016 been subject to a financial viability assessment for the purposes of determining the percentage of affordable housing to be provided. This assessment concluded that the proposed scheme was unviable and significant growth in values would be required for the deficit to be addressed. The Acquiring Authority did not provide any updated assessment of viability to the CPO inquiry for reasons of “commercial confidentiality”.

5 Appraisal Methodology

- 5.1 I have appraised the financial viability of the Proposed Development by setting up a bespoke discounted cashflow model using Microsoft Excel. Whilst I have used a bespoke appraisal model, it follows the general principles of many cashflow appraisal models used to appraise development opportunities.
- 5.2 This cash-flow approach allows the finance charges to be accurately calculated over the development period.
- 5.3 The difference between the total development value and total costs equates to either the profit (if the land cost has already been established) or the residual value. The model is set up to run over a development period from the date of the commencement of the project and is allowed to run until the project completion, when the development has been constructed and is occupied.
- 5.4 Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing and any commercial floorspace. The model then deducts the build costs, infrastructure costs, fees, interest, planning obligations and developer's profit. A 'residual' amount that is left after all these costs are deducted is the land value that the developer would pay to the landowner. This Residual Land Value ('RLV') is represented by the blue portion of the right hand bar in the diagram.

Figure 5.4.1: Inputs to a residual valuation



- 5.5 The RLV is normally a key variable in determining whether a scheme will proceed. If a proposal generates sufficient positive land value it will be implemented. If not, the proposal will not go ahead, unless there are alternative funding sources to bridge the 'gap'.
- 5.6 When running a development appraisal, it is necessary to identify the key variables – sales values, build costs etc – with some degree of accuracy in advance of implementation of a scheme. I consider below some key variables in more detail (please note that this is not an exhaustive list):
- Scheme value is normally assessed with reference to the value of existing nearby comparable premises (usually demonstrated through the completion of sales and / or letting transactions). Care must be taken to consider the rate at which the local market will be capable of absorbing the additional supply generated by the development proposals and whether this will impact upon achievable values.
 - Development costs are subject to national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. This might include site wide infrastructure costs where land has not previously been developed. Developers will also build in contingency allowances to mitigate the risk of unforeseen development costs being incurred.
 - Infrastructure costs will be linked to the specifics of the site and the development proposals and can therefore be more difficult to assess in advance.
 - Finance costs will be determined by the cost of securing finance (i.e. the interest rate and bank fees that are charged) and the phasing of costs and receipts across the development period. Where costs are incurred earlier in the development period, finance costs will be higher.
 - Developer's profit is closely correlated with risk. The greater the risk, the higher the profit level required by lenders. Typically, developers and banks are targeting 17.5% profit on GDV on a typical new build development scheme whilst riskier projects (such as those involving heritage assets or very complex structures) may require a higher rate of return.

Specifics of the Model

- 5.7 I have tested the viability of the Proposed Development on a fully policy compliant basis in terms of the percentage and tenure mix of affordable housing required by Policy 8 of the adopted Local Plan. Policy 10 makes provision for other options in regards to affordable housing (including a reduced provision and/or alternative tenure mixes) if viability evidence is submitted that *“the proposal cannot deliver the full quota of affordable housing without affecting the viability of the scheme to such an extent that it cannot proceed”*. It would therefore be possible to enhance the financial viability of the Proposed Development (if needed), either at the outset or at the submission of the various reserved matters applications over the development period. For the avoidance of doubt, my assessment reflects the full requirement of Policy 8.
- 5.8 Although the Proposed Development will be delivered by the Council, the LLP and a range of (as yet to be identified) housebuilders and delivery partners, I have appraised it assuming a single delivery model. In other words, the appraisal assumes that a single entity delivers the infrastructure and constructs and sells the houses. This approach has no material impact on the overall outcome but results in a simpler structure that can be more readily understood.
- 5.9 I have structured the model so that reasonable costs of purchasing the land (plus the Acquiring Authority’s full obligations in respect of statutory compensation) are included. In addition, the profit required by a reasonable developer is also incorporated as a development cost, as are the costs of planning requirements and obligations. The output of the Model is therefore a surplus or deficit. A zero surplus is a financially viable outcome, given that the returns required by a developer and landowners are already reflected as scheme costs.

Commentary on options for modelling and approach selected

- 5.10 There are a number of options (with various degrees of granularity) available for undertaking a development appraisal to assess the financial viability of a project of this scale at its current stage of development.
- 5.11 At one end of the range, there is a high level approach which seeks to provide a broad indication of the headline costs and values over the timescale of the project. At the other end is a detailed phase by phase model which makes specific assumptions and predictions as to what will be delivered and when over the life of

the project.

- 5.12 A development of this scale has the potential to span multiple decades. The LLP's current programme envisages a programme of 25 years in 5 phases. The specific approach to the delivery of land uses, housing type, unit mix and infrastructure over the phases will be the product of an iterative process throughout the development period. Whilst this will be guided by overarching principles set out in the outline planning permission, it will also be dictated by various prevailing circumstances at the time, as reflected in future reserved matters applications.
- 5.13 The timing of the delivery of infrastructure (either physical construction or cash contributions) is linked to anticipated unit occupation.
- 5.14 Predicting the precise nature of the development which will provide circa 3,550 residential units, in detail, today, is overly speculative.
- 5.15 The most conservative approach is to undertake an appraisal which seeks to capture the overarching characteristics of the intended development and measure its viability. For the purposes of my viability testing, I have adopted a high level approach.
- 5.16 The Model therefore assumes a relatively flat line distribution of both costs and values over the assumed development period. Specific details of the timings assumed are set out later in my evidence.
- 5.17 The Model accounts for all revenue and costs for residential development explicitly. This is in contrast to a "master developer" model which assumes a land receipt for serviced land parcel of say 200 to 500 units (either including or net of Section 106 costs).
- 5.18 In addition to the residential accommodation, there is also a quantum of commercial development in the form of employment land and community centres which include retail, leisure and community uses. The precise nature of these elements is not known and they would potentially be delivered by specialist developers as opposed to housebuilders.
- 5.19 Based on high level appraisal modelling, the values generated by these uses are likely to cover the costs of construction but are unlikely to generate a significant land value. I have therefore assumed that these elements have a neutral impact in the appraisal.

- 5.20 The appraisal model assumes current day costs and values; however, I have also provided a sensitivity analysis which factors in growth on values and inflation on costs. This is not a forecast, but intended to show the impact of change on the outputs of the model.

6 Appraisal assumptions

Development programme

- 6.1 The LLP's development programme commenced in April 2020 and extends to March 2045, by which time all the infrastructure and housing construction is assumed to be complete. The LLP anticipates that the Proposed Development will be delivered in five phases between 2020 and 2045, as summarised in Table 6.1.1.

Table 6.1.1: Development phasing (residential units)

Plot reference	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Phase start	Apr 2020	Apr 2025	Apr 2030	Apr 2035	Apr 2040
Phase end	Mar 2025	Mar 2030	Mar 2035	Mar 2040	Mar 2045
A15	59				
A16	43				
A17	41				
B6	43				
B10	46				
B11	35				
A10		85			
A11		17			
A12		87			
A13		43			
A14		51			
B2		17			
B12 (all commercial)		0			
B14		55			
B15 (all commercial)		0			
B16 (all commercial)		0			
C11		50			
C14		100			
C15		32			
C16		44			
E1		37			
E2		54			
B3		25			
B4		67			
B5		48			
B7		56			
B8		31			
B9		99			

Plot reference	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
B13		48			
C1		45			
C4		66			
A1			24		
A2			53		
A3			25		
A4			61		
A5			122		
A6			64		
A7			47		
A8			29		
A9			66		
A13			53		
A14			59		
C2			52		
C3			6		
C5			75		
C10			181		
D1			14		
D6			99		
D9			53		
D10			73		
F1			22		
F2			86		
F6			45		
F7			50		
E3			23		
E4			25		
E5			56		
E6			39		
D1				14	
F3				46	
F4				30	
F5				44	
F8				28	
F9				76	
F13				53	
D3				48	
D4				78	
D5				68	

Plot reference	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
D12				40	
F14					35
F15					55
F16					73
D11					19
Totals	267	1157	1502	525	182

- 6.2 I have assumed that the Proposed Development is constructed over a 24 year period, with unit sales commencing 24 months after construction starts, with the final sales completing at the end of year 26.

Residential unit mix

- 6.3 The mix of housing will be determined at each reserved matters application and, at this stage, there is not a definitive unit mix. I have therefore assumed that the Proposed Development will provide a broad mix of units to meet local demand. The private housing unit mix I have applied is summarised in Table 6.3.1 and the affordable housing mixes are summarised in tables 6.3.2 and 6.3.3.

Table 6.3.1: Residential unit mix – private housing

Unit type	Average unit size (square metres)	Number of units	Total Net Internal Area
1 bed flat	50	18	900
1 bed flat – extra care	55	65	3,575
2 bed flat	70	40	2,802
2 bed flat – extra care	75	65	4,875
2 bed house	85	500	42,500
3 bed house	120	750	90,000
4 bed house	140	750	105,000
5 bed house	170	250	42,500
Totals		2,438	296,698

Table 6.3.2: Residential unit mix – social rented housing

Unit type	Average unit size (square metres)	Number of units	Total Net Internal Area
1 bed flat	50	7	350
1 bed flat – extra care	55	35	1,925
2 bed flat	70	15	1,051
2 bed flat – extra care	75	35	2,625
2 bed house	85	188	15,980
3 bed house	96	283	27,168

Unit type	Average unit size (square metres)	Number of units	Total Net Internal Area
4 bed house	110	283	31,130
5 bed house	125	94	11,750
Keyworker flats	50	50	2,500
Totals		990	94,479

Table 6.3.3: Residential unit mix – shared ownership / First Homes

Unit type	Average unit size (square metres)	Number of units	Total Net Internal Area
1 bed flat	50	3	150
2 bed flat	70	6	420
2 bed house	85	81	6,885
3 bed house	96	121	11,616
4 bed house	110	121	13,310
5 bed house	125	40	5,000
Totals		372	37,381

Residential sales values

National economic and housing market context

- 6.4 The positive economic start to 2020 was curtailed by the outbreak of COVID-19, declared a global pandemic by the World Health Organisation in March 2020. The long term consequences of the virus continue to impact global financial markets and supply chains. The FTSE 100 initially fell from 6,474 points to 5,152 points between 9 to 19 March 2020, representing a fall of 20.42% - the largest fall since the 2008 financial crisis. The Bank of England ("BoE") responded to the COVID-19 outbreak by lowering the base rate to 0.25% and introducing financial arrangements to help bridge the downward economic pressure caused by COVID-19. These changes to the base rate have since been reversed as a result of factors discussed below.
- 6.5 The UK Government introduced a series of restrictive and economically disruptive measures to slow and mitigate the spread of COVID-19. The UK Government pledged a support package of £350bn to stabilise the economy during the shock caused by COVID-19. The Chancellor's Winter Economy Plan included a six-month Job Support Scheme, as well as other tax cuts and grants/loans to support businesses, including the furlough scheme which has since ended. Importantly for the housing market, a Stamp Duty holiday ran from June 2020 until the end of June 2021 tapering until September 2021. The successful vaccine production and subsequent rollout programme allowed for the full easing of restrictions within the UK, which has in turn led to a positive rebound in economic activity.

- 6.6 However, the rebound in economic activity has seen inflation rates increase above the BoE's inflation target of 2%, with inflation currently standing at 3.9% at the time of writing, having exceeded 10% earlier in 2023.
- 6.7 Despite the economic headwinds facing the UK, the housing market outperformed expectations in 2020, 2021 and 2022. According to the Office of National Statistics reporting on Land Registry Data ("ONS Data"), in 2020, house prices grew by 8.5% in 2020, 10.7% in 2021 and 6.9% in 2022.
- 6.8 However, in the first half of 2023, the annual rate of house price growth has fallen significantly largely (although not exclusively) as a result of the Government's September 'Fiscal Event' which saw unfunded cuts to taxes and a consequent fall in sterling and increase in bond yields. Nationwide's Chief Economist, Robert Gardener, commented in Nationwide's February 2023 House Price Index Report that "Annual house price growth slipped into negative territory for the first time since June 2020, with prices down 1.1% in February compared with the same month last year. Moreover, February saw a further monthly price fall (-0.5%) – the sixth in a row – which leaves prices 3.7% below their August peak (after taking account of seasonal effects). The recent run of weak house price data began with the financial market turbulence in response to the mini-Budget at the end of September last year. While financial market conditions normalised some time ago, housing market activity has remained subdued."
- 6.9 The appointment of a new Chancellor (and Prime Minister), who effectually reversed the majority of the proposals in the Mini Budget, has led to a degree of stability. However significant headwinds remain domestically and globally.
- 6.10 Both Nationwide and Halifax indicate that whilst the market remains resilient, house price growth is expected to continue to be somewhat muted as a result of continuing pressure on household budgets and the impact of higher interest rate rises. Robert Gardner (Nationwide) comments in March 2023 that *"It will be hard for the market to regain much momentum in the near term since consumer confidence remains weak and household budgets remain under pressure from high inflation. Housing affordability also remains stretched, where mortgage rates remain well above the lows prevailing at this point last year"*.
- 6.11 Halifax observe the resilience the UK housing market assisted in Q1 2023 by the easing of mortgage rates and increase in mortgage approvals. However Kim

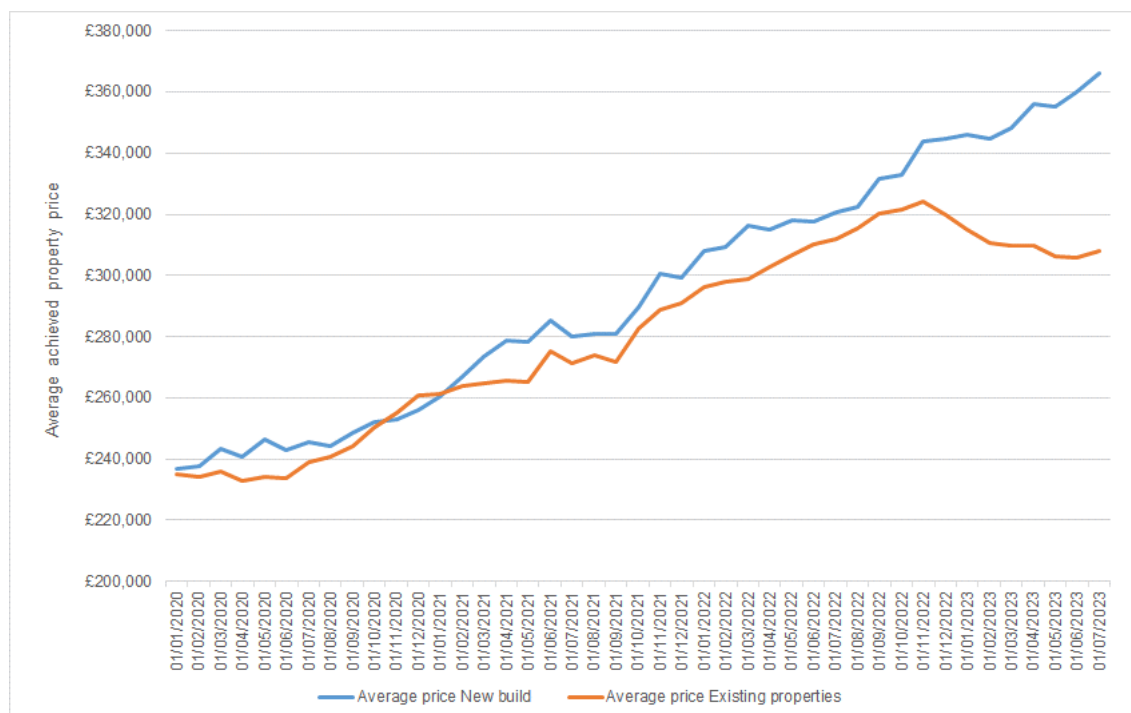
Kinnaird, Director of Mortgages also comments; *“Predicting exactly where house prices go next is more difficult. While the increased cost of living continues to put significant pressure on personal finances, the likely drop in energy prices – and inflation more generally – in the coming months should offer a little more headroom in household budgets. While the path for interest rates is uncertain, mortgage costs are unlikely to get significantly cheaper in the short-term and the performance of the housing market will continue to reflect these new norms of higher borrowing costs and lower demand. Therefore, we still expect to see a continued slowdown through this year”*.

- 6.12 In their April 2023 Housing Market Update, Savills reflect the weakening market is largely a consequence of the challenging mortgage environment leading to a softening of demand in contrast to supply. They do also note that demand is recovering reflected by an increase in mortgage approvals (albeit still below pre covid levels).
- 6.13 On a broader economic scale CBRE offer a cautiously optimistic medium term view in their Q2 2023 Economic Outlook stating *“Although inflation is declining gradually, it remains persistently high. Despite this, and the recent instability in the global banking sector, we are more optimistic about the economic outlook and now expect the UK to avoid a recession this year. This partly reflects improving business confidence and the resilient labour market. Moreover, as inflation returns to sufficiently low levels, GDP will start to recover more substantially. In 2024, we expect GDP growth of 1.2%”*.
- 6.14 The Proposed Development will be brought forward over a period of circa 25 years and estimates of value should therefore not be limited to current market conditions. While I have considered all the factors outlined above, I have also considered medium term forecasts to inform a sensitivity analysis. Forecasts for house price growth identify that values are expected to increase over the next five years, however this price growth is identified as being more moderate than over the past 20 years. Additionally, positive growth will be further encouraged as more certainty emerges on the deal now agreed for the UK’s exit from the EU and employment growth, wage growth and GDP growth return towards trend levels. In their April 2023 Housing Market Update, Savills are forecasting 6.2% cumulative growth across the UK between 2023 and 2027.

Local housing market context

- 6.15 Residential property prices in Cornwall have followed recent national trends, with significant growth between the beginning of 2000 and the early part of 2003 (as shown in Figure 6.15.1). In July 2023, average new build values were 55% higher than in January 2000, while average values for existing properties were 31% higher. New build sales values have proved to be more resilient than existing properties in recent months, as shown in Figure 6.15.1.

Figure 6.15.1: Land Registry House Price Index (Cornwall)



- 6.16 I have considered sales of new build properties within Threemilestone, Gloweth and Hightertown over the period August 2018 to May 2022 (the most recently available transaction). I have adjusted the achieved sales values by reference to the change in the Land Registry House Price Index in Cornwall between the date of sale and May 2023, to bring all the values up to a consistent date. This results in a blended average sales value of £4,056 per square metre. Having regard to the comparable evidence, considered alongside the volume of units to be sold and the need to maintain a reasonable volume of sales, I have adopted a blended value of £3,600 per square metre (£334 per square foot). This blended value reflects a discount of circa 12% from the average indicated by the comparable evidence, reflecting a cautious position.

Affordable housing capital value

- 6.17 Policy 8 of the Cornwall Local Plan – Strategic Policies 2010 – 2030 (adopted November 2016) requires that all schemes providing 10 or more residential units should provide affordable housing. The percentage target to be applied varies by area, ranging from 25% in Zone 5 to 50% in Zone 1. The Proposed Development is located within Zone 3, where 35% affordable housing is required. The tenure mix of the affordable housing is required to be 70% rented and 30% intermediate.
- 6.18 I understand that Cornwall Council are likely to take ownership of the affordable housing and will hold the rented stock within its wider housing portfolio. For the purposes of my appraisal, I have valued the affordable housing on the basis of its potential net rent as part of my wider scheme appraisal.
- 6.19 The appraisal takes into account factors such as standard levels for individual registered providers' management and maintenance costs; finance rates currently obtainable in the sector, and a view on the amount of grant that may be obtainable (if any).
- 6.20 The 'Affordable Homes Programme 2021-2026 – Prospectus' document provides a clear indication that Section 106 schemes are unlikely to be allocated Grant funding, except in exceptional circumstances. It is therefore imprudent to assume that Grant will be secured. Therefore, my assessment relies upon the assumption that none is provided.
- 6.21 For rented tenures, a 40 year discounted cashflow is applied in order to arrive at a net present value of the units today.
- 6.22 For the shared ownership units, the appraisal model values a percentage of the Initial Tranche of equity sold to the purchaser and capitalises the net rent on the unsold equity. The rent on the retained equity is set at a level at which total housing costs (ie the rent plus mortgage on the initial tranche) do not exceed 40% of net household incomes.
- 6.23 For the rented tenures, I have assumed Social Rent based on Target Rents which are summarised in Table 6.23.1. I have assumed that the rents increase by 3.5% per annum in nominal terms.

Table 6.23.1 Assumed Social Rent Weekly Rents

Unit	Net Rent Per Week
One Bed	£84
Two Bed	£98
Three Bed	£108
Four Bed	£119

- 6.24 The deductions from gross rent to address voids/bad debts, management costs, reactive maintenance and cyclical repairs are summarised in Table 6.24.1.

Table 6.24.1: Management and maintenance cost assumptions

Element	Deduction
Voids and Bad Debt	2% of rent
Management	£600 per unit per annum
Maintenance	£500 per unit per annum
Annual Sinking Fund	£600 per unit per annum

- 6.25 I have applied a 5% discount rate to the net income to arrive at a present day value. This discount rate reflects the cost of funding (bond issues by registered providers typically generate a yield of 3.5% to 4%, reflecting their strength of covenant) plus a risk margin.
- 6.26 For the shared ownership units, I have assumed an unrestricted Market Value which corresponds with the equivalent private unit as set out in paragraph 6.15 (i.e. £3,600 per square metre).
- 6.27 My assumptions on the initial tranche sold and rent on retained equity have been governed by the maximum amount allowed to be spent on housing costs to include the mortgage on the tranche purchased, rent on the RP's retained equity and service charge. I have assumed that the maximum qualifying household income will be £80,000 per annum and that purchasers will spend no more than 40% of net household income on housing costs (mortgage payments, rent on unsold equity and service charge).
- 6.28 I have assumed that the provider will base their offer on the assumption that they will sell a 25% tranche of the Unrestricted Open Market Value and charge a rent on the retained equity not exceeding 2.75% (in line with the level allowable by Homes England and the Social Housing Regulator). I have capitalised the rent on retained equity by applying a yield of 5%.

- 6.29 These assumptions result in the following values based on the unit mix and area assumptions set out in Tables 6.3.2 and 6.3.3.

Table 6.29.1: Affordable housing capital values

Tenure	Number of units	Gross Development Value	Per Sq ft	Per Sq m
Social Rent	990	£89,086,310	£96	£1,056
Shared Ownership	372	£92,441,475	£230	£2,473

Northern Access Road grant

- 6.30 The Council has indicated that grant funding amounting to £47,500,000 has been secured and made available to fund the Northern Access Road. This will be provided within the first five years of the development programme.

Plot construction costs and plot external works

- 6.31 To establish the construction cost of the houses and flats ('plot costs'), I have relied upon the Royal Institution of Chartered Surveyors ('RICS') *Building Cost Information Service* ('BCIS'). The BCIS is a database of live tender prices submitted for schemes across England, with an adjustment applied to reflect local circumstances (by local authority area). The BCIS calculates this adjustment by analysing the differences between tenders submitted within each local authority area to the aggregated data across the Country.
- 6.32 The BCIS lower quartile cost rate for houses (adjusted for Cornwall) is £1,348 per square metre and the cost rate for low rise flats is £1,712 per square metre (attached as Appendix 2).
- 6.33 To address the plot external works (gardens, garages, roads outside the dwellings and street lighting), I have applied an additional 10% of base construction costs, in line with my experience of similar developments.
- 6.34 I have applied an additional 5% of construction costs to reflect enhanced sustainability requirements that will be sought by the Council's Climate Emergency Development Plan Document. This cost uplift is based on the capital cost figures from the 'Cornwall Climate Emergency DPD – Energy Review and modelling' by Currie Brown and Etude (February 2021).

Infrastructure

- 6.35 The LLP has provided cost estimates for on-site infrastructure which amount to

£112.61 million. Responsibility for these costs will be split between the Council and the LLP, but I have incorporated the entire budget as a development cost. I have assumed that the infrastructure is delivered by the end of year 19 of the 25 year development period.

Contingency

- 6.36 I have allowed for a contingency amounting to 5% of base construction costs, external works and infrastructure costs. This reflects normal market practice.

Section 106

- 6.37 The Council has provided details of the planning obligations which will require a financial contribution. These contributions total £36,343,333. In my appraisal, I have assumed that these requirements are fully discharged by the end of year 20 of the development programme.

Developer's Profit

- 6.38 Profit serves the dual function of mitigating risk and providing a developer with a return on capital. Financial viability assessments that my firm have recently reviewed have adopted a range of profits from 17% to 20% of private housing GDV. I have taken into consideration the uncertainty that is now apparent following a series of national and international events, including the ongoing supply chain issues associated with the Coronavirus pandemic and Brexit; the UK's trading relations with other countries; increases in commodities pricing including energy costs as a result of interlocking geopolitical events (including but not limited to the above).
- 6.39 Given the long term nature of the Proposed Development and its ability to ride-out market cycles, I consider the following rates of profit to be reasonable for modelling purposes.

Table 6.39.1 Profit on Gross Development Value

Element	Profit on Gross Development Value
Private	17.5%
Affordable	6%
Commercial Land	15%

- 6.40 I have assumed that the profit is drawn down at the end of the programme so as not to over burden the cashflow. This approach reflects normal practice as drawing

down profit prior to this point would result in a developer potentially having to fund the profit from additional borrowing.

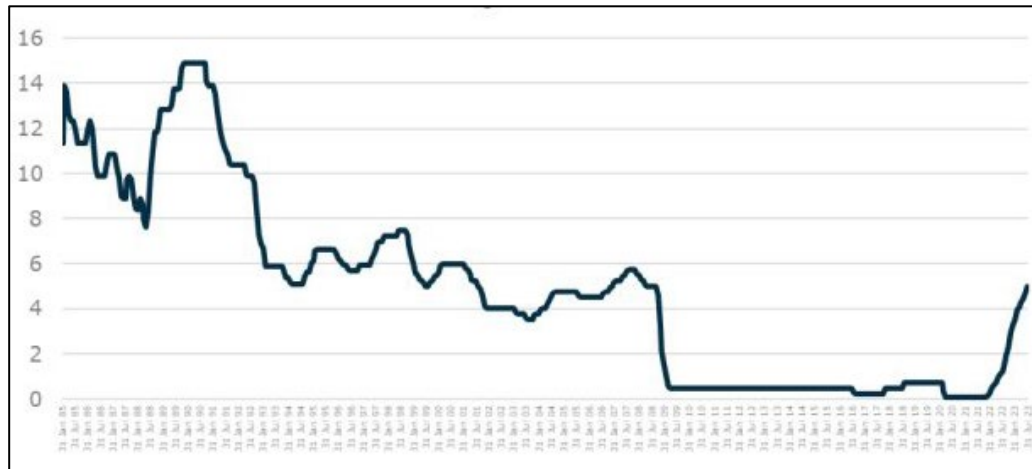
Professional fees

- 6.41 My appraisal incorporates an allowance for professional fees amounting to 6% of construction costs (including external works) and infrastructure costs. This reflects the levels of design input required given that housebuilders will typically use standard house types.

Finance costs

- 6.42 In my experience, until the geopolitical events of 2022, including the government's September 2022 'Fiscal Event', development finance rates generally ranged between 6% to 7% as a blended total cost of finance across the capital stack (accounting for the risk pricing for respective tranches such as senior debt, mezzanine and equity) inclusive of fees.
- 6.43 Prior to May 2022, the Bank of England base rate had been below 1% (as low as 0.1%) since March 2009.
- 6.44 As respective countries' economies emerged from periods of lockdown in order to mitigate the impacts of the Covid 19 Pandemic, competition for supply of essential goods increased, resulting in an inflationary environment. This was also exacerbated by Russia's invasion of Ukraine in March 2022 along with the global community's response (including sanctions).
- 6.45 Furthermore, the September 2022 Fiscal Event saw unfunded cuts to taxes and a consequent fall in sterling and increase in bond yields. In part, in response to the reaction of the market the Bank of England has increased the base rate from 0.25% in December 2021 to 5.25% in August 2023 as shown in Figure 6.45.1.

Figure 6.45.1: Bank of England base rate (source: Bank of England)



- 6.46 Although there is not a direct correlation between the base rate and the total blended cost of finance, the changes briefly summarised above have had an impact on both the availability and cost of development finance.
- 6.47 Noting that the Proposed Development will be delivered over a period of several decades, I have applied a finance rate of 6%. It would be overly cautious to assume that current debt market conditions will remain over the lifetime of the Proposed Development. It should be noted that development finance rates were in a range from 6% to 7% prior to the period of the ultra-low base rate from early 2009, prior to which the base rate was typically 4% to 6%.

Land cost

- 6.48 Benchmark land value, based on the existing use value of sites is a key consideration in the assessment of development economics. Clearly, there is a point where the Residual Land Value (what the landowner receives from a developer) that results from a scheme may be less than the land's existing use value. Existing use values can vary significantly, depending on the demand for the type of building relative to other areas. Similarly, subject to planning permission, a potential development site may be capable of being used in different ways – as a hotel rather than residential for example; or at least a different mix of uses.
- 6.49 Existing use value is effectively the 'bottom line' in a financial sense and therefore a key factor in an assessment of strategic development viability.
- 6.50 It is also necessary to recognise that a landowner may require an additional incentive to release the site for development. The premium above existing use value would be reflective of specific site circumstances (the primary factors being the

occupancy level and strength of demand from alternative occupiers in the case of sites which accommodate existing buildings).

- 6.51 Redevelopment proposals that generate residual land values below existing use values are unlikely to be delivered. While any such thresholds are only a guide in 'normal' development circumstances, it does not imply that individual landowners, in particular financial circumstances, will not bring sites forward at a lower return or indeed require a higher return.
- 6.52 As noted above, the Langarth site is predominantly a greenfield site, with ancillary agricultural buildings and a very small number of standalone residential dwellings.
- 6.53 Residential development generates significantly higher land values and this feeds into landowner expectations. Benchmark land values for greenfield sites are typically in a range from ten to fifteen times agricultural land values.
- 6.54 Strutt and Parker report in their '*English Estates & Farmland Market Review*' Autumn 2022 that agricultural land averages £9,800 per acre (£24,200 per hectare) nationally, although half sold for more than £10,000 per acre (£24,700 per hectare) and a growing proportion sold for over £12,000 per acre (£29,640 per hectare).
- 6.55 The PPG indicates that benchmark land values should be based on existing use value plus a premium to incentivise the release of sites for development. The PPG also states very clearly that transactional data should be treated with caution, as using historic transactions of non-policy compliant developments can inflate land values over time (para 014). The PPG also states that prices paid for sites should not be relied upon for establishing existing use values and that hope value should be disregarded (para 015). Furthermore, the PPG indicates that any premium to be added to existing use value should provide an incentive to landowners to bring land forward, but critically this must be balanced with the need to provide "*a sufficient contribution to comply with policy requirements*" (para 016).
- 6.56 Ultimately, landowners cannot crystallise an uplift in the value of their land in the absence of planning permission; if planning can only be granted if developments contribute towards the cost of supporting infrastructure, and this impacts on land values, then landowners would need to accept this adjustment. The alternative is that the sites remain undeveloped in their existing (low value) use.
- 6.57 In any area, there will be evidence of higher prices being paid for land than the

values identified above. However, the prices that developers pay for land varies significantly depending on a range of circumstances and high land prices paid for certain sites should not be applied across the board where circumstances differ.

- 6.58 Ultimately, the PPG requires a balance to be struck between providing a sufficient and reasonable incentive to landowners and the need to secure contributions to planning policy requirements. The market will not voluntarily provide contributions to planning policy objectives if this results in reduced land values, so reliance on market pricing of land without adjustment would produce inherently unreliable outcomes.
- 6.59 Taking the points above into consideration and the range of ten to fifteen times agricultural value multiple, I have adopted a Benchmark Land Value of £150,000 per acre (£370,500 per hectare). This is broadly consistent with the land value that the LLP has adopted in its appraisal.
- 6.60 I have assumed that the land will be drawn down from Q1 until Q76 (the end of year 19 of the 25 year programme).

7 Appraisal outputs and sensitivity testing

- 7.1 The inputs to the appraisals and the cashflows are attached as Appendix 3 (Present Day appraisal) and Appendix 4 (Sensitivity analysis). The outputs are considered in the following sections. As noted previously, the appraisal is structured so that the return to the landowner (i.e. land cost) and to the Developer are incorporated as development costs. If the output of the appraisal exceeds zero, then the Proposed Development is viable.

Base appraisal

- 7.2 The base appraisal (Appendix 3) is based on present day values and costs. In other words, it reflects current market conditions and assumes that these conditions do not vary over the 25 year development period. Although this is very conservative, it is helpful to understand the viability of the Proposed Development in today's terms.
- 7.3 The key inputs to the appraisal and the surplus generated are summarised in Table 7.3.1. The Proposed Development generates a surplus of circa £54 million, indicating that it is financially viable.

Table 7.3.1: Base appraisal results

Income	£ billion	Costs	£ billion	Surplus/ deficit (£ bn)
GDV	£1.27	Land cost	-£0.10	
		Plot costs and externals	-£0.69	
		Site infrastructure	-£0.11	
		Contingency	-£0.04	
		Fees	-£0.05	
		S106	-£0.04	
		Profit	-£0.20	
		Finance	-£0.02	
Totals	£1.27		-£1.22	£0.05

Sensitivity analysis

- 7.4 In reality, it is likely that sales values and costs will change over the development period. To test the impact of changes to sales values and costs over the development period, I have undertaken a sensitivity analysis.
- 7.5 Firstly, there is likely to be a 'place making premium' as the development becomes

more established and community and commercial facilities become operational.

This will make the Development increasingly attractive to purchaser which will lead to potential value growth. Secondly, there will be the impact of general market growth and inflation on costs.

7.6 I have varied key inputs as follows:

- private sales and first homes - growth rate of 2.5% per annum.
- Social Rented values – growth rate of 1% per annum.
- Shared ownership values – growth rate of 2.5% per annum.
- Land cost – inflation rate of 1% per annum.

7.7 I have also applied construction cost inflation of 2.5% per annum on baseline costs, infrastructure costs and Section 106 obligations.

7.8 The results are summarised in Table 7.8.1. The surplus increases from circa £54 million in the Base Appraisal to £222 million.

Table 7.8.1: Sensitivity analysis

Income	£ billion	Costs	£ billion	Surplus/ deficit (£ bn)
GDV	£1.78	Land cost	-£0.11	
		Plot costs and externals	-£0.87	
		Site infrastructure	-£0.14	
		Contingency	-£0.05	
		Fees	-£0.06	
		S106	-£0.05	
		Profit	-£0.28	
		Finance	-£0.01	
Totals	£1.78		-£1.56	£0.22

7.9 As previously noted, the appraisal is structured to reflect the full affordable housing requirement of Policy 8. However, Policy 10 makes provision for varying the tenure mix and/or the quantum of affordable housing if viability on a development is challenged. Although my appraisals indicate that such changes will be unnecessary, I have tested the impact of a change in affordable housing to provide an indication of the impact this could have.

7.10 Varying the tenure mix of the affordable housing from 70% social rented and 30%

shared ownership would increase the Present Day surplus from £54 million to £89 million, providing significant additional value should this be required to cover income shortfalls or cost overruns.

8 Summary and Conclusions

- 8.1 Inspectors considering CPOs are advised to consider the financial viability of the schemes which are to be brought forward on the sites that are to be subject to the orders.
- 8.2 The Site subject to the CPO benefits from planning permission (part outline and part detailed), the bulk of which will be residential units.
- 8.3 I have appraised the Proposed Development using a discounted cash flow appraisal model. This model comprises the GDV of the residential units and deducts the construction costs, external works costs, infrastructure costs, Section 106 costs, fees, disposal costs, finance costs, land costs and developer's profit. An output of zero or more indicates that the Proposed Development is financially viable, as the returns to landowners and the Developer are all incorporated into the model as development costs.
- 8.4 On a present day basis, reflecting today's sales values and construction costs, the appraisal generates a surplus of circa £54 million, indicating that the Proposed Development is financially viable.
- 8.5 I have also tested the viability of the Proposed Development incorporating growth in values (2.5% per annum on private residential and shared ownership housing and 1% on social rented housing) and increases in costs (2% per annum on construction, infrastructure and Section 106 obligations, and 1% per annum on land costs). This appraisal generates an increased surplus of £222 million.
- 8.6 Notwithstanding both the present day and growth appraisals demonstrating that the Proposed Development is viable, Local Plan Policy 10 provides flexibility for affordable housing tenure and quantum to be varied if viability issues emerge. As an example of the impact this could have, a change in tenure from 70% social rent and 30% shared ownership to 50% social rented and 50% shared ownership increases the present day surplus from £54 million to £89 million.
- 8.7 My appraisals demonstrate that the Proposed Development is clearly financially viable. I have seen the estimated costs of the land interests that are acquired by CPO and am satisfied that the Council will be able to meet all its statutory compensation liabilities.

Appendix 1 - Vicarage Fields Inspector's Decision Notice



Compulsory Purchase Order decision

Inquiry opened on 20 April 2022 and closed on 1 July 2022

Site visit made on 22 April 2022

by Katie McDonald MSc MRTPI

an Inspector appointed by the Secretary of State

Decision date: 4th October 2022

Case Ref: APP/PCU/CPOP/Z5060/3278231

The London Borough of Barking and Dagenham Council (Vicarage Field and surrounding land) Compulsory Purchase Order 2021

- The Compulsory Purchase Order was made under Section 226(1)(a) of The Town and Country Planning Act 1990, Section 13 of The Local Government (Miscellaneous Provisions) Act 1976 and the Acquisition of Land Act 1981 by the London Borough of Barking and Dagenham Council (the Acquiring Authority).
- The purpose of the Order is:
 - a) to facilitate the carrying out of development, redevelopment or improvement on or in relation to the land comprising the demolition of existing buildings and the erection of new buildings and structures to provide a comprehensive mixed use development including a mix of uses including residential dwellings, commercial, retail, offices, a primary school, healthcare facilities, leisure uses, and other complementary and / or ancillary uses, new and improved car parking and associated servicing and infrastructure and new and improved public realm, which is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the acquiring authority's area; and
 - b) executing works to facilitate the development and / or use of the land.
- The main grounds of objection were:
 - No compelling case for the scheme
 - Impediments to delivery of the scheme
 - Funding and viability of the scheme
 - Inadequate attempts to acquire by negotiations
 - Inadequate justification for inclusion of sites
 - Lack of alternative options demonstrated
 - Planning related objections
 - Loss of family home
 - Equalities
 - Human rights
 - Transport highways and servicing
 - Heritage and conservation
 - Loss of business premises and/or relocation
 - Business concerns due to construction work
 - Rights of light
 - Compensation
- When the inquiry opened, there were 67 remaining objectors.
- At the close of the inquiry, there was 65 remaining objectors.

DECISION

1. The Compulsory Purchase Order is not confirmed.

PROCEDURAL MATTERS AND STATUTORY FORMALITIES

2. On 7 October 2021 the Secretary of State confirmed that the decision had been delegated to an appointed Inspector.
3. The inquiry sat on 20-22 and 26-29 April, 4-6 and 10-12 May, 22 and 30 June, and 1 July 2022, and an accompanied site visit was carried out on 22 April 2022.
4. The Acquiring Authority (AA) is the London Borough of Barking and Dagenham Council. At the inquiry, it confirmed that it had complied with the statutory formalities. The Compulsory Purchase Order (CPO) was made by the AA on 14 June 2021.
5. The inquiry was adjourned on 12 May until 22 June 2022 because additional evidence was provided to the National Health Service Property Services (NHS PS) by the AA, after it had presented its evidence. In my view this evidence required a response and testing. Thus, the inquiry was adjourned to ensure adequate time for the preparation of a statement of case from the NHS PS and additional proofs of evidence from both the AA and NHS PS.
6. The objection from James Leigh Limited, relating to Unit 31 Vicarage Field (CPO Plot 1), was withdrawn shortly after the inquiry had closed. I have not considered this objection any further.

THE ORDER LAND AND SURROUNDINGS

7. The CPO comprises approximately 31,878 square metres (sqm) of land in Barking town centre. Land to be acquired by the AA takes in Vicarage Field Shopping Centre (VFSC) and car park, St Awdry's Walk¹, 24-38 (even) Station Parade, 13-23 (odd) Ripple Road and the former Vicarage Field Health Centre. Additional properties included in the CPO are 2-18 (even) Station Parade and 1-5 (odd) Ripple Road, for which new rights to execute works to facilitate the development are to be acquired (crane oversailing). Appendix 1 of this decision contains the Order Map.
8. The CPO lands are close to Barking railway station with the north eastern boundary adjoining the railway lines alongside St Awdry's Walk, an adopted public highway used as a pedestrian and cycle route. To the south east, surrounding the site are residential dwellings on St Awdry's Road and Sunningdale Avenue; and Vicarage Drive, with the Grade II listed Cosco House (former St Margaret's Vicarage) bordering the site. To the south west is Ripple Road and to the north west is Station Parade.
9. The AA is the freehold owner of VFSC and St Awdry's Walk, which accounts for around 86% of the Order Lands, excluding land where rights are to be acquired. The developer (Lagmar (Barking) Limited) holds the long leasehold interest to VFSC, the freehold of 21-23 Ripple Road and the leasehold interest of 21a Ripple Road. The inclusion of VFSC into the CPO is to ensure that any unknown 3rd party interests can be acquired and clean title to the land can be secured.

¹ For which a separate Stopping Up Order is required.

10. The shopping centre opened in the early 1990s, following a previous CPO to enable it to be built in the late 1980s. It is of a plain, outdated and uninteresting architectural style, covered and inwardly facing, with a retail focus, split over 3 levels. It has a limited street frontage and little natural fenestration, with a gloomy, dated interior and steep internal ramps. Overall, it detracts from the town centre and together with 36-38 Station Parade, does not create a welcoming or attractive entrance to the town centre from the railway station.
11. VFSC also contains a surface and rooftop car park, accessed from both Station Parade and Vicarage Drive. Service yards are accessed from entrances on Station Parade and Ripple Road, which result in heavy goods vehicles crossing pedestrian priority zones, creating conflict between vehicular traffic and pedestrians. Additionally, the car park access on Station Parade also results in vehicles travelling near the front of the railway station, causing conflict between a high flow of pedestrians and vehicles.
12. St Awdry's Walk is enclosed on both sides by tall boundary treatments. There is a lack of natural surveillance, and it is an unwelcoming and unattractive route, particularly at night. It contains steps from Station Parade down to the path, and whilst there is a gully for bicycle wheels, it is not accessible for anyone who requires ramped access, such as wheelchair or pram users.
13. The pedestrian experience in the area is unsatisfactory, because of the condition of St Awdry's Walk, the conflict associated with the servicing and car park access points, the layout of VFSC and its closure outside daytime hours.
14. 24-38 (even) Station Parade are 3 storey commercial properties, comprising a variety of uses and businesses, including a hotel, post centre, hair salon, nail salon, betting shop, travel agents, and grocers. 24-34 Station Parade are constructed in red brick, with vertical emphasis windows, overhanging eaves and pitched roofs with intervening parapet walls and chimneys, typical of mid 1900s construction. The properties have a tired and cluttered appearance from various poorly designed alterations to the shop fronts and unsympathetic rear extensions, and there is a proliferation of poorly placed advertisements. However, except for advertisements, the upper floors and roof retain a traditional character. 36-38 Station Parade is a similar design to the shopping centre, and has little merit or character in the street scene.
15. 13-23 Ripple Road are also 3 storey properties, containing commercial uses on the ground floor, such as retail, pharmacy, bank and hairdressers and a range of upper floor uses, including residential flats. They are constructed from red brick with upper floor bays, mansard roofs and dormers, typical of mid 1900's architecture. The adjoining row, from 25 Ripple Road upwards, reflects a similar row design.
16. The existing shops on Ripple Road and Station Parade contain many successful businesses, catering for an ethnically diverse mix of independent and small scale retailing and services.
17. Vicarage Field Health Centre is a single storey brick building dating from the 1930s with a car park to the side. It has been extended over time and contains a vast London Plane tree to the front, which is protected by a Tree Preservation Order. The health centre has been vacant for over 2 years.

18. The Ripple Road properties and Vicarage Field Health Centre are located within the Abbey and Barking Town Centre Conservation Area (CA). The Abbey and Barking Town Centre Conservation Area Appraisal² identified the buildings as positive contributors (with the extension to the health centre being neutral contributor).
19. The site has superb access to public transport, with the highest public transport accessibility level possible at 6B for most of the site, being located diagonally opposite Barking railway station. The station is well connected to central London, being on the underground services, overground and rail. The c2c line provides around a 16 minute journey time from Barking to Fenchurch Street station in central London.
20. Barking is undergoing significant change, with a high number of tall residential buildings being erected in the town centre and at the riverside.

CONSIDERATIONS

21. The Department for Levelling Up, Housing & Communities Guidance on Compulsory purchase process and The Crichel Down Rules (2019) (the CPO Guidance) refers to factors which may be considered in deciding whether to confirm a CPO, and I have used these as the structure for the remainder of this decision. I have also considered other matters raised by objectors, but the CPO process is not an opportunity to revisit the merits of the planning permission which has been granted for the Scheme, nor whether sufficient monetary valuations or compensation have been presented by the AA.

National Planning Policy Framework

22. The purpose of the planning system is to achieve sustainable development, meeting the 3 overarching objectives, economic, social and environmental. Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or 'brownfield' land.
23. Local planning authorities should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs.
24. The Framework also seeks to significantly boost the supply of homes to support strong, vibrant and healthy communities by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations. It also sets out that significant weight should be placed on the need to support economic growth and productivity. This is to help build a strong, responsive and competitive economy.

² NHSPS-4(b) page 48

Regional planning policy

London Plan (March 2021)³ (LP)

25. Policy GG2 seeks to create successful sustainable mixed-use places by making the best use of land, enabling the development of brownfield land, particularly in Opportunity Areas. It also proactively explores the potential to intensify the use of land to support additional homes and workspaces, promoting higher density development, particularly in locations that are well-connected to jobs, services, infrastructure and amenities by public transport, walking and cycling. It also requires an understanding of what is valued about existing places, using this as a catalyst for growth, renewal and place-making, strengthening London's distinct and varied character.
26. London Riverside, of which Barking Town Centre is part, is identified as an Opportunity Area (Policy SD1) in the LP. Opportunity Areas are locations with significant development capacity to accommodate new housing, commercial development and infrastructure. London Riverside has an indicative capacity of 44,000 new homes and 29,000 new jobs over the next 20-25 years. The LP also sets ten-year targets for net housing completions, which for the Council is 19,440 new homes between 2019/20 and 2028/29. Barking town centre has also been identified as a Housing Zone with the potential to deliver around 2,300 new homes.
27. Policy SD6 seeks to promote the vitality and viability of London's town centres by encouraging strong, resilient, accessible and inclusive hubs with a diverse range of uses that meet the needs of Londoners, including main town centre uses, night-time economy, civic, community, social and residential uses; and identifying locations for mixed-use or housing-led intensification to optimise residential growth potential, securing a high-quality environment and complementing local character and heritage assets.
28. Barking town centre is identified in Table A1.1 as a Major town centre, with a night-time economy classification of more than local significance, medium commercial growth potential and high residential growth potential, and as a strategic area for regeneration.
29. Policy SD7 promotes a town centre first approach, supporting the development, intensification and enhancement of each centre. It also states that development plans should identify sites suitable for higher density mixed-use residential intensification capitalising on the availability of services within walking and cycling distance and current and future public transport provision.
30. Policy SD8 sets out that Major town centres should be the focus for the majority of higher order comparison goods retailing, whilst securing opportunities for higher density employment, leisure and residential development in a high quality environment. Policies E1 and E2 seek to ensure that improvements to the quality, flexibility and adaptability of office space should be supported by new office provision, refurbishment and mixed-use development.
31. Policies S1 and S2 seek to develop London's social infrastructure, ensuring the needs of London's diverse communities are met, and that boroughs work with Clinical Commissioning Groups and other NHS and community organisations

³ CDD.4

to identify and address local health and social care needs. Development proposals that support the provision of high-quality new and enhanced health and social care facilities to meet identified need and new models of care should be supported.

32. Policy D3 seeks to optimise site capacity through the design-led approach and sets out that all development must make the best use of land by following a design-led approach that optimises the capacity of sites, including site allocations. Policy D9 sets out requirements for tall buildings.
33. Policy T1 sets out that developments should facilitate the delivery of the Mayor's strategic target of 80% of all trips in London to be made by foot, cycle or public transport by 2041. It also requires development to make the most effective use of land, reflecting its connectivity and accessibility by existing and future public transport, walking and cycling routes.

London Riverside Opportunity Area Planning Framework (September 2015)⁴

34. This document focuses on regenerating and improving a large area of around 3,000 hectares across Barking and Dagenham and Havering. It refers to Barking Town Centre as a key development area, being suitable for high rise and high density, residential led mixed use developments. Strengthening Barking Town Centre's functions is paramount to the success of London Riverside as a whole and its regeneration is key to the level of growth in new homes and new jobs in London Riverside.
35. The document recognises that to achieve the regeneration of the town centre, it is necessary to rebalance its community, as there is a predominance of social rent tenants. Through new residential-led development, the Council and the Greater London Authority (GLA) are keen to introduce other forms of tenure to the town centre such as shared ownership and private rental sector.

Local planning policy

Core Strategy (July 2010)⁵

36. The Core Strategy (CS) outlines 13 strategic objectives, one of which promotes Barking town centre as a vibrant place which offers a mix of uses including "retail, leisure, culture, entertainment, housing community facilities and food and drink, and making sure residents throughout the Borough and beyond have access to them." Barking town centre is identified as a Key Regeneration Area, where Policy CM1 seeks to focus residential higher density development. Policy CM2 sets a housing target, which although superseded by the LP, expects delivery will be residential development in the key regeneration areas.
37. Policy CM5 identifies Barking town centre as the largest and only 'Major Centre' in the borough. Policy CE1 states that Barking town centre will be enhanced and its status as a Major Centre will be promoted and strengthened. Policy CE2 categorises Barking town centre as the first option for new office development.

⁴ CDD.5

⁵ CDD.2

- 38. Policy CP1 encourages the provision of a diverse range of cultural facilities including leisure and art, especially within town centres. This is to foster a vibrant cultural and tourism scene. It sets out the Council will encourage cultural facilities as part of mixed use development schemes including other uses such as retail, community facilities and housing. It also seeks to encourage additional tourist attractions in town centres, as well as appropriate tourist infrastructure such as hotel accommodation, public transport, improved walking and cycling routes, signposting, information centres and food and drink uses.
- 39. Policy CC2 seeks to maintain and improve community wellbeing by supporting proposals and activities that lead to the provision of sustainable and accessible community facilities.

Barking Town Centre Area Action Plan 2011 Development Plan Document (February 2011)⁶ (AAP)

- 40. This document highlights current issues in the town centre, including a lack of investment in shopping floorspace, poor provision of hotels, poor leisure and entertainment provision and a very limited restaurant offer and community facilities. Its vision is for Barking town centre to become a vibrant, environmentally sustainable, prosperous and well designed destination. In relation to the Barking Station Grouping, it states "there is the opportunity to create higher density development including a grouping of tall buildings to reflect the status of this area as the main arrival point into Barking Town Centre. The area is currently characterised by physical and visual clutter and low quality building stock".
- 41. The AAP allocates VFSC site as proposals site BTCSSA10 (Vicarage Field) and identifies the proposed use of additional shopping floor space and some 250 new homes. However, this allocation covered only VFSC and car parks, and not the wider land subject to the CPO, which is expected to deliver up to 855 homes. There are objections to the CPO related to the fact that the CPO Scheme includes land outside the allocation. I address this later when considering the CPO scheme.
- 42. Policy BTC3 encourages the provision of additional commercial offices. Policy BTC5 encourages the provision of commercial leisure uses within the town centre and regards their inclusion as part of a mixed use development around Barking Station as particularly appropriate, especially those that will stimulate and sustain a vibrant evening economy. Policy BTC6 seeks to develop and promote Barking as a recognised visitor destination.
- 43. Policy BTC15 commits the Council to working with other public bodies (such as NHS Barking and Dagenham) to enable the provision of a suitable range of health, educational and community facilities to meet demand. Policy BTC16 expects all developments to be high standard and contribute to a dramatic improvement in the physical environment of the area. BTC17 identifies land around Barking Station as 'sensitive' but potentially suitable for tall buildings.

⁶ CDD.1

Emerging Local Plan 2037

44. The emerging Local Plan (eLP)⁷ has been submitted for examination, however, it is at an early stage and is of only moderate weight. Nevertheless, Policy SPDG1 sets out that extensive and larger scale development will be focused primarily in Transformation Areas⁸, which includes Barking town centre and covers the CPO Lands.
45. Policy SPP1 (Barking and the River Roding Area) refers to an indicative capacity for 16,175 new homes in the plan period in this area, setting out that the Council is committed to the transformation of Barking town centre into a great place for its people. It also proposed to allocate the whole CPO site for a comprehensive mixed use redevelopment in the Proposed Site Allocations⁹.
46. Policy SPP1 then goes onto detail that at Vicarage Field, any development should transform the site as an important gateway opposite Barking railway station, enhancing the immediate environment and create new housing and employment opportunities. Development should also deliver comprehensive redevelopment of the Vicarage Field as a high-quality and high-density mixed-use development, which responds to the existing built form, contributes to the vitality of the centre, reinstating it as a natural part of the pedestrian network with new routes connecting with existing streets and movement patterns. It also states that proposals for piecemeal development which may undermine the delivery or viability of the comprehensive and co-ordinated redevelopment of these areas will not be supported. Other policies, such as DME3, DMD3, SP4, SP5 and DMT1 support the delivery of the CPO scheme.

Other background documents

Barking Town Centre Regeneration Strategy 2020-2030 (October 2020)¹⁰

47. The town centre is identified as a key growth area and its success is stated to be vital for wider Borough regeneration plans. It recognises the challenges and opportunities for this town centre and focuses on ensuring adaptability and resilience to create a vibrant, successful, mixed-use town centre. The Strategy has a specific focus on the CPO site, recognising it as the highest profile development opportunity in the town centre, which should act as a catalyst for wider change and further investment.
48. It notes that the diversity of the commercial activities and offer is limited in the town centre, and states there will be a specific focus on the night time economy. It also recognises the importance of the site's location, with 2 of the 3 key strategic interventions to achieve this transformational change are to:
 - improve the poor first impression the station gives of Barking into a welcoming key gateway, and
 - intervene to take forward the first phase of Vicarage Field redevelopment as a key catalyst for high quality change.
49. Core Documents CDE2-6 also provide further background reading that supports redevelopment of the town centre.

⁷ CDD.3

⁸ Defined as locations that are likely to be subject to more extensive growth and development.

⁹ CDD.6

¹⁰ CDE.1

Conclusion

50. There is national policy support, a regional policy drive and strong local policy that promotes the regeneration of Barking town centre, in particular Vicarage Field, along with sufficient evidence to demonstrate that it requires transformative change and regeneration to level it up with other London boroughs.
51. The redevelopment of the site has long been, and continues to be, an important Council priority and is seen as the key catalyst for change. VFSC is allocated for redevelopment within the AAP, and the CPO lands are a proposed site allocation in the eLP.
52. The scheme underpinning the CPO complies with all relevant planning policies. Indeed, the Local Planning Authority (LPA) has granted outline planning permission for the CPO scheme in 2017, finding it compliant with the relevant policies at the time. This decision was unchallenged and is extant until April 2023.
53. Since its permission, the CPO scheme now has greater policy support, with the LP and Framework promoting densification, tall buildings, and mixed use developments in highly accessible locations. Furthermore, the AA has only delivered 66% of its housing target¹¹, and there is a critical housing need.

The need to redevelop and improve Barking town centre

Borough statistics

54. Barking town centre has trade and manufacturing roots, historically home to the largest fishing fleet in the world and more recently, a manufacturing base at Ford cars, which at its peak employed 45,000 people. However, Ford now have fewer than 4,500 employees and the Borough has suffered from the socio-economic impacts of deindustrialisation with many high quality, well paid jobs being lost. This has led to associated problems in terms of low life expectancy, low healthy life expectancy and healthy weight.¹²
55. The report of the Barking and Dagenham Independent Growth Commission¹³ recognised "The Borough is working class. There is a perception of crisis", and the "doing nothing is not an option". Nearly half of the Borough's employed population are in 'Standard Occupation Classification Groups 6-9' compared to around 20% for London as a whole, which is reflected in household incomes being substantially below the London average.¹⁴
56. The Borough suffers from several poor socio-economic indicators, and reflecting the level of need, it is in Priority Category 1 of the Government's Levelling Up Fund. It is ranked 13th lowest (worst) average rank in the whole country for the 10 indicators of poverty and has the worst rank in London.¹⁵
57. Data for the 12 months to September 2021 shows the borough has the highest rate of unemployment in the country (9.1%), and the unemployment rate has consistently been significantly higher than the London average. The

¹¹ AA/DM/1 7.3

¹² AA/DH/1, 3.4

¹³ CDE.5

¹⁴ AA/DH/1, 3.5

¹⁵ AA/DH/1, 3.6

impact of the Covid-19 pandemic has particularly hit the sectors in which many residents are employed.¹⁶

58. The Borough also has the highest proportion of 0-19 year olds in the country.¹⁷ This puts significant pressure on the Council to deliver new school places and provide better outcomes and employment opportunities for the next generation, particularly given that educational attainment continues to be an area of underperformance.
59. It also has one of the fastest growing populations and is one of the most diverse Boroughs, and between 2001 and 2011, the non-white population increased from 14.6% to 41.7%¹⁸. Job density figures are low (29th out of 33 in London) reflecting large industrial areas with limited jobs compared to more employment generating (per square foot) town centre employment uses.¹⁹
60. The Abbey Ward, where the CPO lands are, has even poorer socio-economic statistics than the rest of the Borough. It has the highest unemployment rate, highest percentage of Universal Credit claimants, highest crime rate and highest domestic abuse rate. Median household income in Abbey Ward is around £27,000 per annum – the Borough average is slightly higher, but the lowest of any London Borough.²⁰
61. The Borough also suffers from more crime and fear of crime relative to the rest of London. Safety, particularly perceptions of safety, is an issue for the town centre, with Abbey Ward having 171.5 crimes per 1,000 people.²¹

State of the town centre

62. The Retail and Town Centre Study Update Report²² sets out the strengths and weaknesses of the town centre. The strengths relate to existing market trade adding vibrancy, low vacancy rates, compact and good accessibility, high footfall and a reasonable number of convenience and comparison retail units. However, its weaknesses include:
 - Below average proportion of multiple operators. There is no high-profile department/variety store operator to anchor the centre. There are gaps in the clothing sector i.e. limited middle/mass market level shops and no upper market/luxury level shops.
 - Dissatisfaction with the choice and quality of non-food shops, with the offer being considered "too down market".
 - Failure to meet the needs of all customers, mainly more affluent households, such that there is a significant amount of comparison goods expenditure leaks to competing centres.
 - Gaps in provision, such as restaurants/bars.
 - Under-represented leisure and entertainment facilities for the evening economy.

¹⁶ AA/DH/1, 3.6

¹⁷ AA/DH/1, 3.6

¹⁸ CDE.5

¹⁹ AA/DH/1, 3.6

²⁰ AA/DH/1, 3.7

²¹ AA/DH/1, 3.8

²² CDE.4

- The interior of VFSC is relatively dated which detracts from the overall shopping environment.
- Relatively heavy traffic flows on Station Parade act as a barrier to pedestrian access and reduce safety for other road users.

63. It also notes that competing centres will inevitably improve in the future, and if Barking does not, it will not maintain its position in the hierarchy. The high level of comparison goods expenditure leakage will increase.

Conclusion

64. Change is happening in Barking. The town centre timeline²³ demonstrates this, and I saw evidence of this when in Barking. However, the weaknesses of the town centre and the stark statistics presented by the AA demonstrate that there is an obvious and desperate need to continue this comprehensive regeneration of the town centre.
65. Indeed, the AA set up the independent Growth Commission in 2015, which identified that Barking town centre should be the initial priority for growth and should be used as an exemplar for the AA's new approach to its urban areas. This includes the town centre becoming a more urban centre, with an active, interesting street life, a broad range of commercial uses, restaurants and places of employment. Be First, a Council-owned company was also set up to manage the delivery of the Borough's regeneration agenda.

The Scheme

Planning history

66. The first planning permission granted in 2011 included only VFSC. This was for a mixed use, partial redevelopment comprising 225 residential units and 1,333 sqm of retail floorspace. However, this permission lapsed and outline planning permission²⁴ for the CPO scheme was granted in April 2017, taking in additional land. The outline planning permission comprises demolition of all properties on the CPO lands to create a mixed use development including commercial, leisure, business and services floorspace, up to 855 dwellings, a 150 bed hotel, a 3-form entry primary school, healthcare facilities and public spaces.
67. A non-material amendment application²⁵ was granted in August 2019, which allowed an increase in the building parameter height for Block B4. A second non-material amendment application²⁶ was granted in October 2021, which updated the approved Development Specification to align with the 2020 amendments to the Use Classes Order. The minimum and maximum floorspace for each Use Class were also updated to enable increased flexibility in the type of uses that can be delivered in the scheme. The description of development was also amended.
68. Reserved matters for Block B4 were granted permission²⁷ in December 2019. This scheme incorporates 24-38 Station Parade and proposes an 8-storey

²³ CDE.1, page 33

²⁴ CDC.1

²⁵ CDC.6

²⁶ CDC.7

²⁷ CDC.9

building to provide 26 dwellings, 666 sqm of commercial spaces and 1,000 sqm of leisure space.

69. The planning obligation²⁸ attached to the outline planning permission requires the payment of financial obligations towards tree compensation (from the loss of the London Plane tree at Vicarage Field Health Centre), car club, carbon offsetting and highways re-instatement. It also requires 10% affordable housing (with a review clause for potential increases), marketing strategy for the cinema and music venue (using reasonable endeavours for 24 months to achieve occupation after practical completion), provision of health centre and affordable workspace, amongst other things.

Iterations of the scheme

70. There have been various iterations prior to the CPO scheme. Initially, the scheme included only VFSC reflecting the 2011 permission, and this was the first iteration presented to the LPA during pre-application discussions.
71. However, during these discussions, it was suggested by the LPA that the area for redevelopment should be expanded to include several properties along Station Parade, Ripple Road and Vicarage Drive. Within the feedback²⁹, the LPA advised that "the proposed development must incorporate all properties fronting Station Parade which sit between the railway and the existing service yard. Otherwise, this is an opportunity lost and there would be a very odd juxtaposition of your development and these properties. It is unthinkable that you would invest so much in an exemplar scheme and leave these properties in-situ as they will simply detract from the impact of your development and work against providing a fitting entrance from Station Parade. We would also support the inclusion of the Health Centre to the rear of Vicarage Field."
72. Thus, all the buildings along Station Parade and Ripple Road that surround the shopping centre were considered, including the buildings directly opposite the railway station on Station Parade.
73. The buildings on the corner of Ripple Road and Station Parade and 10 Station Parade were discounted as these are locally listed and positive contributors to the CA. Focal House was also discounted, which although of very low quality, the site capacity within the wider scheme plan did not increase through the inclusion of this site. There was also a requirement to maintain servicing access to the rear of the retained properties and this limited the future arrangement. The buildings directly opposite the station were also not included because their location over the railway lines would have limited the height and capacity of redevelopment due to existing structural constraints.
74. Thus, the final iteration subject to the CPO scheme included 24-38 Station Parade, 13-23 Ripple Road, St Awdry's Walk and Vicarage Field Health Centre.

Final scheme

75. The final scheme is an ambitious and large scale redevelopment, to be delivered by the AA's development partner, PineBridge Benson Elliott (PBBE), the owner of Lagmar (Barking) Limited, VFSC's leaseholder. The site's vision³⁰

²⁸ CDC.2

²⁹ CDG.6

³⁰ AA/DW/1 - 3.6

is to deliver a scheme of exemplar quality, supporting the Council's bold vision for growing prosperity and employment, stimulating housing delivery, commercial vitality, place making, arts and culture.

76. The Design and Access Statement³¹ illustrates 5 clustered residential towers of varying heights, the tallest being 36 storeys. These would provide apartments and a hotel. At ground and first floor, a range of commercial Class E uses are proposed. Commercial frontages are maintained on Station Parade and Ripple Road, and within the centre of the development. Pedestrian routes are proposed through the site to create permeability, running from Station Parade to Vicarage Drive, to be known as Station Walk. A pedestrian route from Ripple Road to Station Walk is also proposed. Twenty-four hour accessible public open space through the site would be available and a public square would be created in the centre.
77. The leisure uses include a 6-8 screen cinema and a 300 person capacity music venue. New affordable workspace is also proposed. Community uses are proposed along Vicarage Drive with a health centre, cycle hub and 3-form entry primary school. The second floor is illustrated to contain a 'field level' podium of communal open space, landscaping and cycle parking for residents.
78. The site has been split into blocks to facilitate phasing, and aids with identification. Block B4 would be built out first, and PBBE propose to start in early 2023. Phase 2 is Block A, Phase 3 is Block B1/3 and Phase 4 is Block C. The primary school would be delivered separately by the Council.
79. The access would be reconfigured so that most servicing and vehicle access will be taken from Vicarage Drive, which would also be realigned and widened, leading to 2 separate parallel access points to basements, one for servicing and deliveries, the other for visitor and residential car parking. Some servicing would continue to take place from Station Parade, but this would be primarily to serve the existing remaining units to the west on the corner of Station Parade and Ripple Road.
80. The CPO Scheme would also remove the vehicular access ramp to the existing shopping centre from Station Parade. This would result in fewer cars entering the pedestrianised area, and consequently greater pedestrian connectivity between the station and the site, a fundamental principle of the scheme. Additionally, other benefits derived from including this land are an increase in size of the 'field' podium for the new residents, modern commercial floor space, leisure facilities and new homes.
81. The scheme has evolved over time, and from late last year, Block 4 is now set to contain a Food Hub having been identified as the preferred location, taking up around 45% of the footprint. Food Hubs³² are an emerging commercial use, that includes a mix of food-type schemes. These can include retail sales of fresh produce, food and beverage hospitality, pop-up and seasonal retail and educational events, shared development kitchens and workspaces, dark kitchens for delivery only businesses, and start-up incubator space for new local enterprises. The Food Hub would be the public face of the markets of the London wholesale markets (Billingsgate, Smithfield and New Spitalfields), who are moving to Dagenham Docks.

³¹ CDC.4

³² AA/PC/2 - Appendix 9

Justification for the acquisition

82. The inclusion of 24-38 Station Parade is essential because they would provide a significant contribution to the transformative 'gateway' experience when leaving the railway station, that would enhance the immediate environment. This relates not only to the height of the buildings, but also the expanse and width of the frontage. The existing VFSC frontage is narrow and including 24-38 Station Parade would enable a wider, prominent and welcoming entrance to the development, shouldered by tall and high quality commercial frontages.
83. The inclusion of Vicarage Field Health Centre is critical to forming the main access to the site, for both servicing and users. It would remove vehicles from Station Parade and service vehicles from both roads. It would also enable the widening of Vicarage Road, which is necessary to achieve a wider footway for pedestrians accessing the primary school. It is the only location for the access point. It is also a site of very low density and currently an inefficient use of land in this town centre location. The largest building footprint (Block C) in the Scheme would also be partially located on the site, which would contain the cinema and music venue, and the layout of the towers could be optimised.
84. The demolition of 21-23 Ripple Road would be critical to providing a wider access point for larger vehicles by straightening Vicarage Drive. The relocation of the access also removes much of the servicing traffic, prioritising pedestrians.
85. The existing residential properties at 13-23 Ripple Road would be a constraint on the layout and scale of proposals adjacent to the boundary. The orientation and proximity of the existing windows to the boundary of Vicarage Field Health Centre and VFSC would create issues around privacy and overlooking, as well as limitations to the potential height and massing of new neighbouring development. The inclusion would enable taller development on the neighbouring sites to the rear. Furthermore, it would also enable the entrance to the site to be moved centrally opposite the pedestrian desire lines from the Abbey grounds and riverside to the railway station.
86. The AA also consider that the quality of the properties on Ripple Road do little to add to the character of the town centre and are of a low contribution to the CA. I disagree and find them to be of positive benefit, but I understand the proposal would create a strong and striking edge building to Ripple Road in lieu of these properties. The inclusion also enables a larger floor plate to accommodate the cinema, taller blocks within the site and is set to be the location for the health centre.

Heritage and conservation

87. The loss of buildings within the CA is unfortunate and harmful, and this is recognised by the AA. Historic England objected to the outline planning application and assigned a significant level of harm to the loss of buildings which contribute positively to the character of the CA. They also considered the scale of the replacement buildings along Ripple Road to be at odds with the prevailing 3-4 storey building heights in this part of the CA. The loss of the terrace along 13-23 Ripple Road and the health centre on Vicarage Drive and the overall scale of the proposed development, particularly in views along East Street and Ripple Road, would neither preserve or enhance the character

of Abbey and Barking Town Centre and would cause a great level of harm to its significance which they considered has not been justified³³.

88. However, in its assessment of the planning application, the LPA concluded that the proposal would result in less than substantial harm. They detailed that the public benefits of the scheme were substantial, outweighing the harm to the CA.
89. Some of these benefits have changed as the scheme has evolved, but despite objections on these grounds, this CPO decision is not a re-run of the assessment of the planning application, and any changes to the uses still falls within the remit of the planning permission. Further heritage assessments would also be necessary for any reserved matters applications. That said, there is heritage harm, and this would be an adverse effect of the CPO scheme.

Benefits of the scheme

Social wellbeing

90. Overall, the CPO Scheme would deliver much needed regeneration of the town centre, providing an attractive development that would widen Barking's catchment area to create a more balanced and diverse community. The CPO scheme would provide a range of different uses including up to 855 new homes, in a mix of types and sizes, with a minimum 10% being affordable. Given the critical shortage of housing in the borough, the provision of this number of homes would, without doubt, contribute to social wellbeing.
91. The primary school would have a noticeably positive impact upon social wellbeing by providing modern and fit for purpose educational facilities for around 630 children, in a borough that has the highest proportion of 0-19 year olds in the whole country.
92. The health and wellbeing facility, now likely to take up around half of Block C would be much larger than originally anticipated (around 2.5 times what is required in the planning obligation), although I note no agreement is in place. Nevertheless, there is an obligation to provide a health facility, and this would have a positive impact upon social wellbeing, accommodating the healthcare and wellbeing needs of the borough's residents, of which modelling by North East London Clinical Commissioning Group (CCG) suggests there to be significant need for new community services³⁴. The health care, school and workspace use along Vicarage Drive and Ripple Road would create a valuable community cluster.
93. The mix of business floorspace, retail floorspace, leisure and cultural uses would contribute positively to the social wellbeing of the area. There would also be a significant increase in the range and amount of uses currently available, diversifying the town centre offer for existing and new residents.
94. The public square would be multipurpose open space in the centre of the site, along with a sequence of public spaces throughout and enhanced public toilet facilities. This would be of benefit to the social wellbeing of residents, create permeability to provide for community interaction and high quality facilities.

³³ CDC.3 page 31

³⁴ AA/PC/1 – 5.51

95. The new pedestrian streets would have 24 hour access, compared to the restricted daytime access at the shopping centre. The pedestrian streets would also replace St Awdry's Walk. This would be a significant positive benefit given the unsafe and partially inaccessible nature of the right of way. The pedestrian walkways would also provide a direct route from the Abbey grounds through to the railway station. This would considerably improve connectivity and legibility through the whole town centre.
96. A significant number of vehicles would be removed from both Station Parade and Ripple Road, and there would be an improved public realm on Vicarage Drive, with wider footways and pedestrianised sections. This would be a benefit to pedestrians in the town centre and those accessing the school.
97. The CPO scheme includes a minimum of 1,000 sqm of affordable workspace. This workspace would support local start-up businesses providing accessible workspace and access to jobs, promoting social wellbeing. Additionally, the Use Class E proposals would include a variety of retail, cafes or restaurants, in flexible configurations, such that they could attract independent retailers, specialist traders or multiple national brands. If it was successful in attracting independent or specialist traders, such as those in Station Parade and Ripple Road now, this would add vitality and interest to the scheme.
98. The Food Hub is likely to be located within Block B, providing access to a variety of food type schemes and businesses. These are likely to be independent, small scale and local operators, and brings a raft of community and social benefits, based upon the research document – *"crucially, while these venues will be centred on food, they will also have the flexibility to respond to local demand for other uses, for example: arts, cultural, sporting or educational"*³⁵.
99. The cinema, music venue, bars and restaurants would provide leisure and evening uses, which would promote all day use. This would boost the town centre offer considerably, particularly in the evening. It could improve the image of the town centre, adding vibrancy and making it a destination.

Environmental wellbeing

100. The superb public transport accessibility, and the significant increase in homes and the provision of new jobs within the commercial element would enable more people to live, work, shop and socialise in the town centre, reducing the need to travel, aligning with the AA's aspiration of a '15 minute city' concept³⁶.
101. The scheme also uses previously developed land in a denser, more efficient way. There would be a reduction in the number of car parking spaces compared to the existing arrangement, and this would reduce vehicular trips, on street congestion and improve air quality.
102. The access arrangements would reduce the number of vehicles on Station Parade and within the pedestrianised area of Ripple Road. This would have a positive impact on the environmental wellbeing of the area given the high footfall, and provide significant improvements to the public realm, actively encouraging cycling and walking.

³⁵ AA/PC/2 - Appendix 9

³⁶ CDE.1

103. The scheme is well-designed, and this would add value to the overall environmental wellbeing of the town centre, removing the outdated shopping centre. It would be constructed efficiently, to achieve a minimum of 35% carbon emission savings. Furthermore, there is an intention to connect it to the Barking Town Centre District Heating Network, which would provide low carbon sources of heat.
104. The second floor 'field level' and extensive landscaping would provide gardens, new habitats, water attenuation, evapotranspiration cooling of the microclimate and a natural means of air filtration. It would also provide growing spaces, planting and green roofs and a high quality communal amenity space. However, this is only accessible to the residents and would provide only environmental benefits.

Economic wellbeing

105. The daytime and evening commercial uses, along with the affordable workspace, would provide a range of employment opportunities and boost the evening economy. This would have a positive impact on economic wellbeing. The increase in commercial uses is also likely to reduce the spending leak to other areas and could attract spending from outside the borough.
106. It is anticipated that the CPO scheme would deliver over 1,339 full time employees (FTE) upon completion, equivalent to an additional 358 FTE. This is expected to deliver around £133 million in net economic benefits and estimates that the development could result in about £45 million net economic benefits associated with the delivery of private and affordable housing and £4 million in amenity benefits³⁷.
107. The CPO scheme would contribute towards reducing the level of deprivation in the borough through the provision of new jobs during and post construction. This is envisaged to be around 260 full time equivalent posts over a construction period ranging from 2023-2029³⁸, seeking to maximise local workers through the planning obligation.
108. Furthermore, the increased amount of people living in the town centre is highly likely to lead to a greater spending power. There is likely to be an increased demand for local shopping and consumer services facilities which would boost the local economy and have a positive impact on economic wellbeing of the wider area, rebalancing the existing population.
109. Lastly, the proposal is likely to act as a catalyst for further economic investment in the Borough, because of the regenerative effect, unlocking other regeneration projects and creating further additional jobs and training opportunities.

Criticisms of the scheme

110. Whilst the whole CPO lands are not allocated, planning policies support the delivery of the CPO scheme. The AAP does not become breached or conflicted if a scheme is proposed outside the allocation, and there are no policies that prohibit development outside the allocation. The wider site boundary would meet the aspirations of the AAP, which is to encourage high quality

³⁷ AA/DM/1 - 7.11

³⁸ AA/PC/1 - 5.6

redevelopment of new homes and modern commercial units. In fact, it goes beyond that, by including other social uses that would promote activity within the town centre, such as the cinema, restaurants and health centre.

111. Additionally, the land outside the shopping centre is also allocated as an Opportunity Area, Key Regeneration Area and Housing Zone. Planning policies at all levels support redevelopment and densification within highly accessible areas for well-designed new homes and commercial development. Therefore, the lack of an allocation covering the whole CPO lands does not result in the scheme being contrary to policy.
112. Objectors have also made various criticisms of the overall scheme and the reserved matters approval on Station Parade. The assessment of the planning applications is a matter for the LPA. The reserved matters approval has been granted and will be subject to other controls, such as fire and building regulations. If amendments are necessary to the internal layout, this would be considered by the LPA. Assertions that it is an illogical design, has servicing issues, or not suited to modern methods of construction, are not matters that are material to my decision on the CPO.
113. Objections are also raised that because the scheme relies on an increase in land values, the people of Barking will not be able to afford the dwellings within the scheme, given the scale of deprivation, average wages and unemployment rates. This would be counter to the Council's tag line of "no one left behind"³⁹ within the Economic Prospectus for Barking and Dagenham.
114. However, the document sets out how Be First/the Council will unlock inclusive growth to ensure residents, especially the young, fully benefit from growth by having the skills required to access higher paid employment that will be available in the Borough. The AA also detailed that there would be a marketing strategy for the site, and the Council itself is delivering a high amount of affordable housing. Additionally, the dwellings would be more affordable than most of London in any event⁴⁰ and the transport infrastructure is already in place.
115. Therefore, whilst there is a risk the scheme could become a commuter dormitory, this would be a risk with any scheme that seeks to provide residential dwellings in an area requiring regeneration with superb public transport access to central London. The key difference here is that the AA is invested in ensuring young residents benefit from growth to enable access to higher paid jobs.

Conclusion

116. The CPO scheme, as illustrated and envisaged, would create a comprehensive, transformative change to the town centre. It would provide a significantly improved entrance to Barking and improved pedestrian experience. The truly mixed use scheme would promote vibrancy and activity for the community, blending retail, leisure, workspace, public space, health and educational uses together with town centre living, boosting the evening economy and positively regenerating the town centre.

³⁹ CDE.2

⁴⁰ XX Mr Harley by Mr Elvin KC

117. It is seen as the cornerstone to the town centre regeneration and there would be substantial public benefits that would contribute to the improvement of the economic, social and environmental wellbeing of the area. Notably, very few objectors had objections to the principle of the scheme and most recognised the regeneration to be positive.
118. Given the obvious need to redevelop the site and regenerate the town centre, and the substantial benefits in the public interest, there is an extremely compelling case for the acquisition of the Order Lands.

Availability of resources and deliverability

119. The CPO scheme is to be delivered by Lagmar (Barking) Ltd, *a wholly owned, specific purpose development vehicle*⁴¹ of PBBE. The shares in Lagmar (Barking) Ltd were acquired from the Irish government's "bad bank" work-out vehicle, NAMA, by property fund manager Benson Elliot (BE). Evidence details that the recommended business plan was to pursue a redevelopment⁴², and it is Lagmar (Barking) Ltd who own the leasehold of the shopping centre. PBBE was formed through the acquisition of BE by PineBridge Investments in December 2020. PineBridge is a private, global fund manager. BE raises long term equity funds (e.g. pension funds) that invests into development or real estate projects.
120. In June 2021, PBBE acquired Sigma Capital plc, a build to rent development company already operating in Barking. Mr Cornforth, director of PBBE, explains that the acquisition offered⁴³ PBBE an insight into the new build rental market, specifically in Barking, along with a ready-made management platform for the completed residential blocks in the CPO scheme, should some of them be retained as long-term income investment rather than sold to owner/occupiers.
121. Mr Cornforth outlines in his evidence that BE has a track record of raising funds, the most recent equity fund raise in 2019 provided €836m of investment funds, and the 2 prior to that totalled €1.14bn⁴⁴. PineBridge had approximately \$148bn worth of assets under its management at the end of 2021⁴⁵.
122. He sets out that between 2010 and 2020, BE became a highly effective and well-established specialist real estate fund and asset manager, known for investing in town centre and urban revitalisation and regeneration programmes across Europe, and highly competent at bringing together the financial backing and operational capabilities to deliver complex property projects⁴⁶.
123. Owing to the merger of BE and PineBridge, PBBE appears to be a successful global financial services company with access to funds. However, it is Lagmar (Barking) Ltd, the leaseholder for the shopping centre, who is the proposed

⁴¹ AA/PC/1 - 3.1

⁴² AA/PC/1 - 4.11

⁴³ AA/PC/1 - 3.12

⁴⁴ AA/PC/1 - 3.6

⁴⁵ AA/PC/1 - 3.10

⁴⁶ AA/PC/1 - 3.7

developer of the CPO Scheme and party to the section 106 Agreement⁴⁷, Agreement for the grant of leases⁴⁸ (AGL) and Deed of Indemnity⁴⁹ (DI).

124. Funding for the CPO Scheme falls under 2 parts, one is the funding to acquire the land and third-party interests, and the other is the funding to implement the CPO Scheme for which the land is required.

Funding available for acquiring the land

125. To date, over £40 million has been spent in cash⁵⁰, and the developer expects another £20 million will be necessary prior to the commencement of development. This is a significant financial commitment, and one which not many investors could undertake because of the scale of upfront costs. The developer has also sought to engage in community collaboration and is a non-executive director of the Barking Enterprise Centre. The AA claims that this shows intent and belief in delivery from the developer.
126. The developer has also agreed to underwrite the AA's costs of obtaining vacant possession and the DI indemnifies the AA against costs incurred in promoting, making and securing the compulsory acquisition of the Order Lands and the compensation payments arising from acquisitions. Being debt free provides freedom for the developer in terms of negotiating leases and I understand this is designed to facilitate redevelopment. Furthermore, the developer has sought to renegotiate leases in the shopping centre prior to the CPO, which shows their intention to redevelop VFSC.
127. The developer's retained consultants, Avison Young (AY) and GCW maintain an estimate of acquisition costs for acquiring the land, which is regularly reviewed to reflect market circumstances and as more detail becomes available on individual interests. These were not presented to the inquiry, and many objectors claim that the financial offers to date have been below market value.
128. The AA also conceded that no budget has been built in for business extinguishment costs. Ms Squires (negotiations witness) explained that it would be unusual to include them at this stage, and they would be built in when the extinguishments were confirmed. This would be from the contingency funds.
129. Yet, given the high level of occupancy in the town centre, the number of outstanding objections and difficulties with relocations, it is likely that several businesses could be extinguished if the CPO were confirmed. The business extinguishment costs could be very expensive, and the fact that they have not been included, even as estimations, concerns me.
130. Nevertheless, given the significant amount that has already been spent in cash, and that £20 million more has been allocated, if the scheme is viable, I am satisfied that there would be a likelihood of funds available to acquire the land. However, the increases from any business extinguishment costs could affect the overall funds.

⁴⁷ CDC.2

⁴⁸ CDG.2

⁴⁹ CDG.3

⁵⁰ AA/PC/1 - 5.17

Funding available for implementing the scheme for which the land is required

The viability assessment

131. In the developer's opinion, the CPO Scheme is viable⁵¹ and meets the "criteria for acceptable returns⁵²". Mr Cornforth claimed that on the latest appraisals⁵³, there would be a 14.8% profit achieved from the development against a target of 15%. Mr Cornforth states that the appraisals are underpinned by independent advice from the development team chosen for their track records, experience and expertise in projects of complexity. However, no recent viability appraisal or evidence was presented to validate these assertions.
132. For a CPO to be confirmed, I must consider the potential financial viability of the scheme for which the land is being acquired. Whilst a general indication of funding intentions will usually suffice to support a reasonable prospect that a scheme will proceed, the viability appraisal review for the outline planning application found the scheme to be "substantially unviable"⁵⁴. The outline planning application was determined in full knowledge of this, and the AA and developer were fully aware of these conclusions, although the evidence was only added to the inquiry documents at the request of an objector.
133. Because of this, I consider it unusual that an updated viability appraisal was not presented. This is principally because if a scheme is unviable, it is highly unlikely to proceed for obvious reasons.
134. Whilst the AA claim that objections on the grounds of viability were not raised until at the inquiry, and thus had no fair notice, it is the AA's responsibility to provide substantive information as to the financial viability of the scheme in light of the CPO Guidance, and to be able to defend this.
135. The only substantive evidence of viability I have is the September 2016 Financial Viability Assessment⁵⁵ (FVA) prepared by DS2 and the Financial Viability Review carried out by GVA⁵⁶ (December 2016). Both conclude the scheme to be unviable at that time, with GVA's review concluding that "both DS2's and GVA's calculations find the scheme to be substantially unviable"⁵⁷. The FVA detailed that "delivery of the scheme will rely upon the growth of residential and commercial values in Barking Town Centre. In respect of residential, this anticipated growth will allow more alignment with comparable, but still affordable, locations in east London...Barking is currently undervalued... It is therefore strongly expected to experience value growth over the next few years through the delivery of new high quality development"⁵⁸. However, GVA had significant concerns about the deliverability and fundability and questioned why the developer would be pursuing a scheme of this nature.

⁵¹ AA/PC/1 - 5.5

⁵² AA/PC/1 - 5.43

⁵³ Quarter 1 of 2022

⁵⁴ CDC.11

⁵⁵ CDC.12

⁵⁶ CDC.11

⁵⁷ CDC.11 - 13.6

⁵⁸ CDC.12 page 9

136. The GVA Review also set out that “even if the developer takes no profit, the residual land value is £400,000, i.e. £41m below the existing use value, before the 20% premium is added. To generate a residual land value of £49m, which equates to the benchmark land value, sales would need to increase to £770 per square foot. This is 62% growth on current [2016] values”.
137. The CPO Guidance states, “The greater the uncertainty about the financial viability of the scheme, the more compelling the other grounds for undertaking the compulsory purchase will need to be⁵⁹”.
138. In this case, the viability evidence from 2016 concludes that the scheme was substantially unviable. There was no uncertainty about this. This was not disputed by the AA. Mr Cornforth agreed that it was substantially unviable based on that process and did not dispute the findings. He also explained that in 2016, when the viability appraisal was carried out, the scheme was marginal, and they would not have gone ahead at that point.
139. In the Financial Viability Review, GVA also detailed that over 30 properties were held under 3rd party ownership, and to enable the scheme to be brought forward, successful negotiations would need to take place. Parenthetically, few successful negotiations have taken place, with only 2 objections to the CPO being withdrawn prior to the closure of the inquiry. Notably, none of the withdrawn objections relate to land which the AA is seeking to acquire. Only 21-23 Ripple Road has been acquired from all interests. GVA set out that the negotiations may become protracted and costly, which would further impact on the viability of this scheme.
140. GLA’s comments⁶⁰ detailed that the viability assessments identify a negative value derived from the scheme, a significant deficit compared with the target profit, and that the scheme is only likely to be viable in the longer term.
141. This 2016 viability appraisal is, perhaps unsurprisingly, not relied upon by the AA.
142. During the inquiry, Mr Cornforth explained that the approach of PBBE to assessing viability is very different to a conventional ‘RICS Red Book’ viability assessment using standard models, such as ARGUS. Mr Cornforth explained that his company’s method produces a more ‘granular’ list, which seeks a long term return. However, he provided limited explanation as to what was the difference in their viability assessment as opposed to industry standard models.
143. It was also argued that the 2016 viability appraisal was prepared for the purposes of calculating affordable housing numbers. Nonetheless, it was a viability appraisal that was produced in support of the outline planning application, the purpose of which was to robustly test the maximum reasonable amount of affordable housing and other financial obligations that the proposals can viably support. I do understand how a viability appraisal for scheme delivery would be significantly different to one produced for a planning application, because the outcome of a viability appraisal is to conclude whether the value generated by a development is more or less than the cost of developing it.

⁵⁹ Tier 2, Section 1, Paragraph 106

⁶⁰ CDC.15

144. The reason for not providing an updated viability appraisal is said to be linked to commercial confidentiality. To share the information at this stage could, I am advised, hamper the deliverability of the scheme by releasing sensitive information to the open market. Whilst I understand the sensitivities to sharing this type of information, I am left in a position whereby the only independent evidence of viability presented concludes the CPO scheme to be substantially unviable 6 years ago.
145. An updated appraisal could have been redacted, or even, as suggested by Mr Elvin KC (representing the 24-34 Station Parade), subjected to a 'data room' exercise, carried out by an independent expert under a non-disclosure agreement. This would have reviewed the appraisal and provided an independent peer review that the scheme was viable.
146. The AA claim that this would have taken me nowhere, as this evidence could not have been tested. I disagree. It would have provided an independent and clear indication that the scheme was viable when assessed by an expert in the field. At the very least, it would have provided some comfort as to the likelihood of the potential financial viability, given the gravity of the conclusions in the viability appraisal that I do have.

Information presented to demonstrate viability in the absence of a viability appraisal

147. In 2016, it was acknowledged that the delivery of the scheme would rely upon growth in primarily residential and commercial land values in Barking town centre. These were expected to come about through the regeneration of the town centre, of which this proposal would be a key part. The convergence effect from the 2012 Olympics was slowly making its way east and planning policies were directing development eastwards, such that for the AA and developer, it was not a question of 'if' the development would come forward, but 'when'.
148. Mr Cornforth set out that the company pursues opportunities where unrecognised growth potential resides, are ahead of the market, and this is how they came to acquire VFSC. Investing funds into this type of real estate, Mr Cornforth explained, there would be a negative before a positive. His judgement was that in due course, the development would become viable as the alternative uses became more commercially attractive than the existing uses. The developer is seeking to invest longer term in change and their assessment of financial returns requires them to consider the development within the context of future transformation brought about by existing and emerging trends as well as the scheme itself. The proposal was not viable in 2016, but Mr Cornforth considers that it has now become viable due to a combination of expected market changes that were built into the business plan.
149. The quality of the scheme is also said to be critical in achieving the step change in values in the town centre, along with the value added by including creative spaces, such as the inclusion of affordable workspace. I agree that a higher quality scheme is likely to attract higher values and create a superior transformational change in the town centre. However, a higher quality scheme attracts a higher price to develop, and it is common knowledge that build costs have soared in recent years.

150. I accept that market dynamics and economic circumstances in Barking have changed in the past 5 years. In the December 2021-2022, Barking's annual price change in average residential values was 7.7%⁶¹, compared to London at 5.5%⁶². CBRE⁶³ also forecasts 22% price growth and 16% rental growth in the property market in Barking over the next 5 years, with comparable figures of 19% and 14% for London.
151. Other trends which are driving the viability of the scheme are said to comprise of population growth that will ensure sustained demand for housing, affordability⁶⁴ and the regeneration effect⁶⁵. Vicarage Field values are forecast to rise by 26.5% by the end of 2025 (assumed construction start in 2022) on account of the Scheme's regeneration effect⁶⁶.
152. However, even accounting for the population growth, affordability factor and the regeneration effect, the increase in land value and projected increases in land value is unlikely to reflect a 62% growth in values from 2016⁶⁷, which took no account of unforeseen economic effects, such as the pandemic, the war in Ukraine and the steep rising costs of materials and energy. Even Mr Cornforth admitted that whilst some investments perform better than others in a portfolio of investments, there would still be an expectation of some return.
153. Extensive research has been carried out to demonstrate that land values are rising, and this is said to make the scheme financially viable. I also understand that the CPO Scheme is the catalyst for the redevelopment of the town centre. Therefore, it is reliant upon itself to invest and change the land values to create the 'regeneration effect'. A 'catch 22' situation.
154. Nevertheless, there is a fundamental lack of substantive, factual evidence to demonstrate that the scheme is financially viable. I accept that the CPO Guidance does not impose this as a requirement. However, given the conclusions in 2016, and the absence of an updated situation, I cannot be certain as to the potential financial viability of the scheme for which the land is being acquired.
155. Given the developer's confidence that the scheme is viable, backed up by its team of professional consultants, I simply do not understand why an up to date appraisal was not presented, even if this was redacted or subject to an independent review.

The legal agreements

156. The AGL and a DI were entered into between Lagmar (Barking) Ltd (as developer) and the AA in March 2021. The redacted version of the DI details that, if the CPO is confirmed, it is for the developer to decide if the CPO is acceptable (with no definition of what may be acceptable). There is no obligation for it to trigger implementation of the CPO. There is also no obligation to require all the land in the CPO lands to be included in the vesting, and this remains at the discretion of the developer.

⁶¹ AA/PC/2 - Appendix 11

⁶² AA/PC/2 - Appendix 16

⁶³ AA/PC/2 - Appendix 20

⁶⁴ AA/PC/1 - 5.37.3 - LBBB was in the top 3 most affordable areas in Greater London for 1st time buyers

⁶⁵ AA/PC/2 - Appendix 22 and 23

⁶⁶ AA/PC/2 - Appendix 23

⁶⁷ As indicated in the GVA Review (CDC.11)

157. The AGL, also redacted, contains clauses that require the General Conditions to be met. These include the acceptability of the CPO to the developer and the developer's own reasonable opinion of viability, and phase conditions (for phase 1 only). It is for the developer to decide if the CPO Scheme progresses and this decision could be made by the Developer's Nominee, which the AA has no control over the appointment of. There is also provision for a redesign of the scheme if the developer decides it is not viable or sufficiently profitable. Furthermore, there is little to stop PBBE selling the shares of Lagmar (Barking) Ltd, akin to how it acquired the company.
158. The legal agreements provide a high amount of control for the developer, and little control for the AA to get the scheme implemented or, importantly, completed. I accept the leasehold held by the developer on VFSC expires in 2115 and it is a depreciating asset. The AGL would enable the developer to commence new leases with the drawdown of each phase and it was asserted that there is a strong incentive to move the project forward. This is because the value of the asset would be increased through the drawdown of the leases, but this would only occur if the General Conditions were met.
159. Mr Cornforth also considers the development contains several aspects that ensure it would be resilient to mitigate for change to risk profile and the market. These include the permeable footprint, the block based format that separates the commercial and residential uses, flexibility in occupation. The mixed uses would protect against financial risk; yet as over 80% would be residential, this would underpin financial returns. It is also asserted that the scheme is suitably future proofed, meeting the 10 future-proofing characteristics of the 2021 National Design Guide⁶⁸.
160. However, no matter how flexible a scheme is, future operators will need to know what footprint they are going to occupy, and what price they are paying. The scheme will need to be presented as detailed plans for reserved matters and the apparent flexibility provides me with little confidence that the General Conditions will be adhered to, particularly the viability conditions. Moreover, whilst the residential development would underpin the scheme and provides some degree of financial resilience, if the land values have not significantly increased, it would remain unviable.
161. Mr Cornforth states that in the hypothetical event that if one of the General Conditions was not satisfied, there would be a strong impetus in favour of completing the project rather than allowing the fact that a particular condition had not been fully satisfied to bring it to a halt. Full account would be taken of the very substantial sums that would by then have been spent on progressing the project, and the ongoing depreciation in value of the existing asset in the face of its impending obsolescence were the development to pause⁶⁹.
162. However, despite all assurances from Mr Cornforth, I do not understand why the developer would waive a legal agreement's conditions to proceed with a scheme if it was not acceptable to them. To my mind, it is unlikely that a developer, with investors who want to see returns, would continue to fund a project if it does not satisfy its General Conditions, principally that of viability.

⁶⁸ AA/PC/2 - Appendix 7

⁶⁹ AA/PC/1 - 5.14

Future financing

163. Mr Cornforth details that PBBE has funds and access to funds to ensure that there are no financial impediments to the scheme being developed⁷⁰. I have been provided with no reason to doubt that PBBE has access to funds. Indeed, this is illustrated by the fact that to date over £40 million has been spent.
164. Future financing would be drawn from PBBE funds or through a bespoke equity stream. PBBE's normal practice is to use a bespoke financing advisory firm to assist in arranging any external debt in construction lending. Mr Cornforth explained at the inquiry that funds are raised through PBBE by investors investing their money into ideas or a theme, rather than a specific project. It is a longer term strategy and the expectation to deliver returns from a fund rather than a project enables PBBE to insulate against a project that may not be working out, focusing on long term rather than profit from a viability perspective.
165. Nevertheless, it would be reasonable to assume that investors would seek to see a return on investment, and I fail to see why money would be invested into a project if it were not considered to be viable at the outset, despite this asserted longer term strategy. Furthermore, the CPO Guidance refers to necessary resources being likely to be available within a reasonable time scale.

Future occupancy

166. Mr Cornforth was positive and confident that the type of negotiations currently engaged with are consistent with the commercial attractiveness of the scheme. However, negotiations are ongoing, and only speculative, notional information has been provided.
167. I am advised that around 50% of Block A's commercial area, allocated for co-working, affordable and creative workspaces is under negotiations. Block C is subject to active occupier negotiation, with the cinema space and adjoining unit reserved by a national operator, looking to deliver a family leisure destination, but no further details were provided and no final agreement had been reached.
168. Block C is also reserved for the Health Centre, and from discussions between the CCG and Mr Cornforth, the amount of space for the Health Centre is anticipated to be 2.5 times greater than the amount of space required in the section 106 agreement. However, again, no details were provided or agreements finalised.
169. Block B would be split between the Food Hub and a branded food convenience store. The developer has established strong levels of interest from operators of the food store, but the operator would not commit until non-conditional timelines could be offered and agreed.
170. The Food Hub has support and is a policy priority of the AA and the City of London Corporation to ensure delivery. I accept that the Food Hub's preferred location is in the CPO Scheme, and the location would occupy a large proportion of Block B. Thus, it may de-risk this element of commercial space.

⁷⁰ AA/PC/1 - 5.25

171. Mr Cornforth also claims that the economic and business changes apparent since the Covid pandemic are strongly supportive of a mixed-use commercial offer the Scheme can deliver, basing this upon AY's non-residential uses analysis⁷¹, which provides various conclusions, such as:
- scope to attract small and medium enterprises to the town centre as workspaces in competing centres are fairly poor;
 - growth in demand for leisure uses and an absence in local competing centres;
 - existing and growing residential population in the town centre, which will underpin demand for leisure uses, food and beverage and workspaces;
 - significant investment in film, media and TV with the studios at Dagenham East, the largest studios in London.
172. The findings in this report were unchallenged, and I agree that the scheme is strongly supportive of a mixed use commercial offer.
173. Nevertheless, there is a lack of any real certainty as to who specifically might occupy the Scheme, nor any agreements with commercial operators that have agreed to occupy space, even if these were redacted or provide a general indication of intent. I accept commercial confidentiality is required, but the lack of anything other than Mr Cornforth's expectations does not persuade me that future commercial occupancy would be certain.

Conclusion

174. If the CPO scheme was delivered, it would act as a catalyst for the regeneration of the town centre. This is likely to increase land values based on the evidence before me and there is an intention to deliver the development.
175. However, no financial viability appraisals or substantive information has been presented to demonstrate that the scheme is financially viable, and despite assurances from the AA, I am concerned that the increases in land value since 2016 may not be as significant as necessary to secure the scheme's delivery.
176. Accounting for the spend to date, it is clear that PBBE has funds and would have access to funds. But no developer or financial services company would invest in a product that was not going to make a return. It would not make financial sense, no matter how invested they are in the scheme, and whilst they have underwritten the costs of the CPO process, there is no commitment to build out the scheme. Furthermore, the costs associated with acquiring the land may be considerably more than anticipated when business extinguishment costs are factored in. Additionally, no concrete evidence has been presented in relation to future occupation.
177. Thus, when considering the potential financial viability of the scheme for which the land is being acquired, there is simply insufficient substantive information presented to convince or reassure me that the scheme is financially viable.
178. Consequently, I cannot be certain that the necessary resources are likely to be available within a reasonable time-scale and I am unable to conclude that

⁷¹ AA/PC/2 - Appendix 26

there is a reasonable prospect that the scheme will proceed and would be delivered.

Alternative proposals and whether regeneration is more likely by the CPO

24-34 Station Parade proposals

179. A pre-application scheme⁷² was submitted to the LPA in 2018 by Mr Ali Kadhodayi-Kholgi (Mr Ali) and his wife, Mrs Jahanpanah (Mrs Ali), as owners of 24, 26, 28 and 34 Station Parade. It also included 30 and 32 Station Parade, which is owned by the personal representatives of Paula Mary Baker (deceased). The owners of 30 and 32 Station Parade are supporting and adopting the case that was presented by Mr and Mrs Ali⁷³, however it is Mr and Mrs Ali who would be pursuing the alternative proposals. I shall refer to both parties as 24-34 Station Parade properties (SPP).
180. The pre-application proposal included retail units at ground floor with a hotel development to the upper floors. Negative feedback⁷⁴ was given by the LPA, specifically that the proposal was for an 8 storey building and the outline permission for the CPO Scheme was for 7 storeys with a stepped typology. The scheme was not considered to be acceptable, and advice states that the scale, massing and design would be incompatible with and inhibit the delivery of the outline planning permission for the CPO Scheme.
181. It also detailed that a standalone scheme would be assessed within the existing context and a proposal would need to provide detailed justification for the height, scale and massing in relation to existing surrounding properties and the nearby heritage assets.
182. However, the following year, the LPA approved a non-material amendment application at 24-38 Station Parade to increase the parameter height of Block B4 in the outline permission, from a 7 to 8 storey building. This is wholly inconsistent with the advice given to SPP and given the negative outcome of the pre-application advice, a planning application was not pursued by Mr and Mrs Ali.
183. It should have been clear to the AA that SPP were seeking to propose an alternative scheme on the site, but the AA did not seek to engage with SPP to facilitate this. That said, the CPO Guidance requires the AA to negotiate to acquire the land, not consider alternative proposals.
184. Mr Ali has willing tenants that he advised would be happy to relocate while he carried out works to his other premises. I also heard several of them detail this at the inquiry. He would also pay them compensation for re-location. He is confident the owners of 30 and 32 Station Parade would cooperate with the re-development since they have already signed up to a Collaboration Agreement⁷⁵.
185. Three alternative development options are proposed by SPP in evidence⁷⁶. First, the pre-application discussion proposal. The pre-application proposal would comply with the current parameters, and the elevation shows 6 regular

⁷² AAKK-6

⁷³ PMBD/1

⁷⁴ AAKK-5

⁷⁵ INQ14.1

⁷⁶ AAKK/IR/1

levels above the 'field' podium. This is the same number of floors as the reserved matters application. It could be an appropriate alternative proposal, however, the pre-application documents contain very limited information or detailed elevations, and has not been pursued any further.

186. Second, a refurbishment of the existing site. This would retain the existing building, but redevelop and reconfigure the site, with roof extensions. Prof. Ritchie, appearing for Mr and Mrs Ali describes⁷⁷ the benefits of this as enabling the hotel to continue to serve the community, ensuring the early 20th century 'high street' architecture fits with Station Parade. He also claims that with a new roof and new dormer windows, refurbished brickwork, a reconstructed new retail façade, it would have a fresh and acceptable appearance.
187. However, this option would not achieve the transformative change to the area or create the gateway to the CPO Scheme. It would, at best, improve the appearance of the properties. However, the width of the shopping centre, together with 24-38 Station Parade, are necessary to achieve the 'gateway' development and notable change when arriving in Barking. There could also be potential complications to the side return, and how this would be treated with the rest of the CPO scheme. Therefore, I do not consider it to be an appropriate alternative proposal that could achieve the purposes for which the AA is seeking to acquire the land.
188. The third scheme proposes an 8 storey, 155 bedroom hotel with ground floor retail units. This is described as "integrated" with the CPO scheme and could potentially contribute to the creation of a transformative entrance to the rest of the site and could be compliant with the Design Code that will be employed in the reserved matters applications. I acknowledge some amendments would be needed for 36-38 Station Parade, and there could also be delays to the wider scheme and construction issues, yet there is the possibility that a suitably designed scheme could be presented.
189. Furthermore, the uses within Block B4 could be provided elsewhere in the CPO Scheme. A 155 bedroom hotel would enable one of the 5 towers to be re-purposed to residential, creating a greater number of dwellings in the rest of the scheme. The leisure use could also be provided elsewhere given the flexibility of the design and commercial floorspace would be provided at ground floor in both the reserved matters and alternative proposal. Therefore, the 'integrated' scheme presents an appropriate alternative proposal that merits investigation.
190. Nevertheless, SPP did not pursue any proposals after the pre-application submission. Whilst their objections to the CPO were clear in that they wished to pursue their own development, no planning applications were submitted to the LPA, nor any Certificate of Appropriate Alternative Development (CAAD). It also does not appear to form part of the ongoing negotiations running up to the inquiry. The only plans before me are sketches from Prof. Ritchie's proof of evidence. The Collaboration Agreement was also drawn up recently, dated 19 April 2022, the day before the inquiry opened. All the above suggests to me that these alternative developments are proposed in an attempt to remove the SPP land from the CPO, not with a real intention to pursue the

⁷⁷ AAKK/IR/1 - 5.3.2

alternatives in order to deliver the purposes for which the AA is proposing to acquire the land.

191. Mr Ali also explained that he had recently renovated the hotel over the past few years and spent "quite a lot". It was also clear to me that Mr and Mrs Ali are happy with their existing hotel, and quite rightly proud of the services it provides. Therefore, save for the threat of a CPO, I do not understand why Mr and Mrs Ali would pursue a scheme to demolish the building.
192. The Collaboration Agreement also does not include several arrangements that are likely to be necessary if realistically pursuing a planning application. These include any agreement as to the form and content of a planning application, any timetable for pursuing a planning application, any agreement for making land available for development, funding the development or shares of profits. Notably, it does not deal with land ownership.
193. Therefore, whilst there is a Collaboration Agreement and the personal representatives support Mr and Mrs Ali and are on good terms, there is very little to secure land ownership consent to re-develop the whole 24-34 Station Parade site. This is a significant obstacle in presenting an appropriate alternative proposal that would have a likelihood of delivery.
194. Furthermore, whilst some tenants may be willing to re-locate, there could be problems with some leases. For example, evidence⁷⁸ was given that details Mr and Mrs Ali have entered a lease with Coral bookmakers in January 2022 for 12 years, with no landlord break clause. Mr Ali was confident that a deal could be done because Coral has been acquired by Ladbrokes, and there is no asserted need for 2 betting shops in the town centre. However, I have no tangible evidence that this would occur. HMD also recently renewed their lease until 2039.
195. Mr Ali was very confident that he had the means to develop the alternative scheme. He claimed in evidence he was "pretty well off"⁷⁹, with over 90% of his income derived from the hotel. He intends to finance the scheme entirely himself⁸⁰, by mortgaging existing properties he owns. The evidence⁸¹ presented shows indicative terms of borrowing £6 million, with the potential to increase to £10 million if planning permission was secured for a hotel with 150 rooms. However, these calculations show combined interest provision per month of nearly £92,000 if borrowing just under £10 million, and around £63,000 if borrowing about £6.8 million⁸².
196. Whilst Mr Ali and Mrs Ali may have savings, given that over 90% of their income is derived from Barking Hotel, there would be no substantial income source as of the commencement of the development. There would also be no income stream from the numerous tenants. Even with their other rental properties, I simply do not understand how the repayments could be paid.
197. Additionally, even though a development partnership has been mooted with Lindhill Properties Ltd⁸³, no agreements are in place between the parties to

⁷⁸ Ms Squires XC in response to 24-34SP's case

⁷⁹ Mr Ali XX by Mr Pereira KC

⁸⁰ Mr Ali XX by Mr Pereira KC

⁸¹ INQ 14.2

⁸² If combining 3 loan offers for *total net day one advance* sums of £2,674,905, £2,160,550 and £2,008,701 to loan £6,844,156 from INQ 14.2.

⁸³ AA/KK/BB1

fund or redevelop the site. The untested written evidence⁸⁴ of Mr Brunson details that "the intention is to explore potential joint venture structures or (if funded directly) to act as Development Manager for the development and delivery of the project." Additionally, Mr Brunson anticipates a build cost of £15.5m for the 155 bed hotel. This is significantly more than the £6 million or £10 million indicative terms.

198. Therefore, I am not persuaded that Mr and Mrs Ali would have the ability to repay funds that would enable them to proceed with the alternative development.
199. Moreover, the reserved matters permission also facilitates a sub-station relocation which serves a wider part of the site, along with connections to the future Barking Town Centre District Heating Network. Alternative proposals would also impact on the phasing, particularly sequencing demolition of the shopping centre, along with cycle storage being in this block, but designed to carry the load for later phases. The field level podium also connects to the wider site which provides the shared amenity space. These would be compromised if alternative proposals were brought forward.
200. Consequently, although the 'integrated' third scheme presents an alternative proposal, I am unconvinced that there is a realistic proposition of it being delivered if 24-34 Station Parade were removed from the CPO. Furthermore, there are comprehensive benefits associated with developing Block B4 as approved with the rest of the scheme. As a result, it does not represent an appropriate alternative development.

NHS PS proposals

201. Both the AA and the NHS PS have presented draft proposals for the former Vicarage Field Health Centre, with the intention to attempt to agree a land valuation prior to the inquiry. The health centre is surplus to requirements and the NHS PS has repeatedly stated that it is a willing seller.
202. Most of these schemes relate to a 'no scheme principle' and were not proposed as alternatives when considering whether the purpose for which the AA is proposing to acquire the land could be achieved by any other means⁸⁵. Therefore, I will address the implications of these other appraisals in the Outstanding Objections section.
203. Notwithstanding this, alternative proposals were presented by the NHS PS in its evidence⁸⁶ to the inquiry. The purpose of these proposals was said to demonstrate alternatives, however Prof. Ritchie conceded under cross examination that the purpose of the alternatives in his evidence was to inform valuation and compensation. He had no instructions to design a scheme that would be submitted for planning permission and none of them had been produced with a view to pursuing a planning application. The alternatives in his evidence were to demonstrate capacity and volume of the site, to inform negotiations between the AA and the NHS PS.

⁸⁴ He was unable to appear at the inquiry.

⁸⁵ Tier 2, Section 1, Paragraph 106 of the CPO Guidance

⁸⁶ NHSPS/IR/1

204. Nevertheless, for completeness, I have considered Study 2 “Integrated” and Study 3⁸⁷. Study 2 “Integrated” shows a scheme that could be built before, during or after the CPO Scheme, although the construction of the ramp to the servicing area would require careful engineering and construction, and would need further refinement⁸⁸. Study 3 is a standalone orthogonal building for residential development, showing a range of heights, with retention of the London Plane tree.
205. Study 2 “Integrated” could theoretically be delivered with the CPO scheme and may deliver a higher number of homes than the existing tower could do. However, it would considerably reduce the floorplate of Block C and detrimentally impact upon the cinema use proposed, and other uses above, such as the podium field level. I heard evidence that, despite the flexible design, the only realistic location for the cinema is in this position. Block B could accommodate it, but this would impact upon the delivery of the Food Hub. Furthermore, the design approach to the tower design in Professor Ritchie’s scheme does not relate to the CPO Scheme. It looks like a bulge to the slender ‘lozenge’ towers, and I am concerned that the overall design quality of the scheme could be compromised, despite it having the potential to be of standalone high quality. Lastly, there could be implications on the quality of accommodation proposed for the future residents, such as single aspect homes.
206. Study 3 has little relationship with the CPO Scheme and, even though it may deliver a high number of homes, would detrimentally impact on the delivery of the uses in Block C. Also, it is unlikely that the London Plane tree could be retained due to the proximity of development and the root spread. There would also be a high proportion of single aspect dwellings. Lastly, whilst it is presumed the access point could still be delivered, I am uncertain that it could be delivered in the same way the CPO scheme proposes with the realignment of Vicarage Drive to access the school and the public realm enhancements.
207. Particularly in the case of Study 3, given this is a standalone scheme, and it is in the CA and close to a listed building, there may be harm to the heritage assets, and a heritage balance would need to be undertaken. The public benefits may not outweigh the heritage harm as the scheme would deliver fewer comprehensive benefits than the CPO Scheme. This could be an impediment. However, I accept there is a theoretical possibility that a scheme could possibly be designed to ensure there was no heritage harm.
208. If Study 2 “integrated” were proposed as amendments to the CPO Scheme, a new heritage balance would be undertaken (given the CPO Scheme undertook one) and the outcome of this would not be certain given the changes to the tower designs and alterations to the uses proposed.
209. Overall, the comprehensive redevelopment of the scheme is likely to be the best means by which the large scale benefits of the scheme could be realised. Furthermore, the improvements to Vicarage Drive, and the public realm along it, are location specific. The cinema, music venue and health centre have limited potential to be located elsewhere without the larger floor plate in Block C, which is gained from the acquisition of Vicarage Field Health Centre and

⁸⁷ Study 1 and Study 2 are ‘no scheme principle’ proposals

⁸⁸ XX Professor Ritchie by Mr Pereira KC

13-23 Ripple Road. These are significant and fundamental parts of the development.

210. Moreover, whilst the NHS PS claim that the AA should have worked with them to pursue alternative proposals, they entered discussions as a willing seller looking to dispose of an asset. Very few suggestions were put forward until nearing the inquiry that the NHS PS wanted to develop a scheme with the AA. Indeed, the NHS PS's consultant Montague Evans were appointed with the intent to dispose of the site as a 'solus transaction'⁸⁹, which is where a disposal involves a negotiated sale, without testing the market, to a selected purchaser – for example a charity or a local authority⁹⁰. Furthermore, the correspondence⁹¹ on behalf of the NHS PS discusses putting the site on the market if a deal cannot be done with the AA.
211. Therefore, whilst I have no doubt that the NHS PS has developed sites and would look to whatever means possible to seek the best possible return for the public purse, I am not persuaded that it would develop the alternative schemes if I were to remove Plot 22 from the CPO. Thus, I do not consider them to be suitable alternative proposals.

36-38 Station Parade proposals

212. Mr Deane suggested in his objection (Acutus Construction Limited) that he was in the process of submitting a plan for approval to the LPA for a 40 room hotel. He also presented other sites for the affordable housing. During the inquiry, Mr Deane said that he always had proposals and referred to several different options such as retaining the retail unit and adding more homes. However, Mr Deane has not sought pre-application advice or submitted a planning application.
213. Therefore, the suggestion that there is an alternative to the CPO Scheme in respect of his land has little substance and I do not consider there to be any suitable alternative proposals. The other sites presented in his statement⁹² for housing would not achieve the same benefits as the comprehensive CPO scheme.

The suitability of any alternative locations

214. For completeness, the acquisition of 21-23 Ripple Road is critical to deliver road widening and the access along Vicarage Drive. 13-19 Ripple Road contains land use proposals that could not be located elsewhere in the scheme, that are critical to the success of it being truly mixed use and achieving the wider benefits.

Conclusion

215. Current and emerging planning policy points towards the delivery of comprehensive redevelopment on this site. The whole Order Lands are required to deliver this scale of change necessary in Barking to realise the regeneration effects and reduce the levels of deprivation, and there are no alternatives proposals that would achieve the same purposes for which the AA is proposing to acquire the land.

⁸⁹ INQ34 Mr Williams Proof of Evidence 2.2

⁹⁰ NHSPS-2 Estate Code 4.126

⁹¹ NHSPS-5

⁹² DAB/1

Other potential impediments

Delays in preparation of reserved matters applications

216. There has been a notable delay in the preparation and submission of reserved matters applications by the developer. The outline planning permission will expire on 19 April 2023⁹³ and from what I heard, very little work on the detailed plans for the reserved matters applications for the later phases had been carried out up to the inquiry. There has been no pre-application discussions and the LPA has not seen any of the detailed plans for the reserved matters. Conditions which require the submission of phasing plans have not been discharged either. There has been a notable absence of specific phasing information, and this was also redacted from the DI and AGL.
217. The scheme is extremely large and all remaining reserved matters applications, except for the primary school site, need to be submitted. This is a momentous amount of work to be carried out prior to April 2023.
218. Whilst the AA claims it has been awaiting the outcome of this CPO decision, and the witnesses appeared confident that these timescales could be met, it is likely to be extremely tight. Given the CPO was served over a year ago, it concerns me greatly that no detailed plans have yet been worked up and this could represent an impediment to the delivery.

The COVID-19 Pandemic

219. Many objectors refer to the impact of the pandemic upon the scheme, and its resilience and deliverability given the impact that it had upon many commercial sectors and the increase in home working. The AA considers that the economic and business changes apparent since the Covid pandemic are strongly supportive of the mixed-use commercial offer the Scheme would deliver⁹⁴. I agree with the AA.
220. The CPO scheme, as outlined above, aligns with the AA's aspiration of a '15 minute city' concept set out in the Barking Town Centre Regeneration Strategy⁹⁵. It would deliver a flexible town centre scheme that should be resilient to market and commercial fluctuations, moving away from the enclosed retail centre which currently exists.
221. Additionally, AY's Non-Residential Use Analysis⁹⁶ analyses the changes since the pandemic, which is strongly supportive of a mixed-use commercial offer, e.g. hybrid working with employees returning to the office on a flexible basis to improve their wellbeing and to interact with colleagues.
222. Mr Cornforth⁹⁷ also details that the London Local Enterprise Action Partnership states "Remote working gives rise to the viability of 'hub and spoke' flexible workspace hubs across the city. Outer London's high streets can benefit from this latent demand, with the end of line stations being able to serve their residential neighbourhoods, as well as their wider commuter catchments".

⁹³ 6 years from the date the outline planning permission was granted

⁹⁴ AA/PC/1 Paragraph 5.38

⁹⁵ CDE.1

⁹⁶ AA/PC/2 – Appendix 7

⁹⁷ AA/PC/6 Paragraph 3.9-3.10

223. Consequently, given that Barking has convenient and excellent public transport access into London, it will benefit considerably from this shift in demand. This represents an opportunity for Barking town centre to attract residential and commercial offers and would not be an impediment to delivery.

Stopping up Order

224. The objection to the Stopping Up Order for St Awdry's Walk has been withdrawn and this no longer represents an impediment.

THE OUTSTANDING OBJECTIONS

225. The CPO Guidance sets out that acquiring authorities are expected to provide evidence that meaningful attempts at negotiation have been pursued or at least genuinely attempted⁹⁸. Paragraph 19⁹⁹ details what acquiring authorities should consider when negotiating. The AA must demonstrate that it has taken reasonable steps to acquire all the land and rights in the Order by agreement. Compulsory purchase is intended as a last resort.
226. At the time the CPO was made, there were 63 qualifying objections and 3 non-statutory objectors. There was also a Section 16 representation from Network Rail, which has since been withdrawn. One more objection was also withdrawn, relating to new rights to be acquired at Focal House, 12-18 Station Parade (CPO Plot 39), leaving 65 remaining objectors. Despite Ms Blackman's attempts to explain why there has been so few withdrawals¹⁰⁰, I still consider there to be an unusually high number of remaining objectors, given that only 3 objections have been withdrawn in total and none of these relate to any land which is to be acquired.
227. However, I acknowledge the developer has re-negotiated terms with nearly all units in the shopping centre to secure vacant possession when necessary. They have also successfully achieved high occupancy through concessionary rents and use by community enterprises. I also acknowledge that many objectors are tenants and have followed their landlord's objections to the scheme.
228. On the last day of the inquiry, the AA provided me with an updated Schedule of Objections¹⁰¹ (SoO). This set out the negotiation position of the AA with each objector to the CPO.

Overall approach to negotiations

Providing full information at the outset

229. The AA appears to have tried to engage with landowners, tenants, occupiers and leaseholders in the Order Lands over several years, primarily through letters and emails. All those with an interest in the land were sent letters from as early as 2015 seeking to acquire the land by private treaty. Another letter was sent to all registered interests in January 2018¹⁰² to seek to acquire each third party interest by agreement. The letter identified phone numbers and email

⁹⁸ Tier 1, Stage 3, Paragraph 17

⁹⁹ Tier 1, Stage 3

¹⁰⁰ INQ33

¹⁰¹ INQ41

¹⁰² AA/AS/2d

addresses and outlined the scheme. It provided information that construction was planned to begin in spring/summer 2019. However, this letter did not mention compulsory purchase, never mind provide full information from the outset about what the compulsory purchase process involves, and the rights and duties of those affected.

230. I understand that a dedicated scheme website was set up to make information readily available for those needing support, along with a website for those with a property interest, hosted by the Programme Officer. However, it is unclear when these websites were set up. Furthermore, objectors would have to seek out this information, and were not provided with website information in January 2018.
231. Notwithstanding this, I recognise that other letters were sent, and indeed, a letter¹⁰³ to Mr Ali in April 2018 set out that the Council had agreed in principle to use CPO powers to acquire land, and that the AA would pay reasonable fees for a surveyor to negotiate.
232. However, based on the evidence before me, only 10 days before the CPO was made¹⁰⁴, was a letter¹⁰⁵ sent from the Council to all those with a land interest detailing that CPO powers would be used and an indicative date of when the CPO would be made, along with outlining the scheme. At the same time, letters¹⁰⁶ were sent from GCW, making financial offers to acquire properties by private treaty and detailed that works would commence Summer 2022. They also set out that the AA would pay reasonable fees for a surveyor to negotiate.
233. Whilst the AA appear to have attempted to provide information, I am unable to conclude that full information was provided at the outset of this process, particularly relating to what the compulsory purchase process involves, and notably the rights and duties of those affected. The batch letters sent 10 days before making the CPO was tardy, and even these letters contain limited information about what the compulsory purchase process involves, and the rights and duties of those affected.
234. Furthermore, despite letters being sent to the parties subject to the CPO, few meetings between interested parties and the AA have taken place. The AA has offered to arrange meetings, but there has been little engagement from many parties, with many of the objectors ignoring the letters or disengaging from the process. Assertions are made from various objectors¹⁰⁷ about the methods of negotiations, particularly in the earlier years, including dismissive, condescending or threatening behaviour, being only interested in 'bricks and mortar' and not wanting to work with existing landowners. The prospect of a CPO is already very stressful to those directly affected, and if this was how objectors felt, it is hardly surprising that they disengaged.

Appointing a specified case manager during the preparatory stage

235. The AA and developer have appointed numerous case managers, such as Gowling WLG (UK) LLP, Savills, Londonewcastle, GCW, Lambert Smith

¹⁰³ AA/AS/4 Appendix 1

¹⁰⁴ 14 June 2021

¹⁰⁵ AA/AS/2e

¹⁰⁶ AA/AS/2g

¹⁰⁷ Mr and Mrs Ali, and Mr Sahota and Ms Khanda

Hampton, Savills and Currell Estate Agents (now Savills Estate Agents) and AY. AY have been the lead negotiators since April 2017, but have also used GCW and Lambert Smith Hampton.

236. GCW are specialist commercial agents carrying out the negotiations within the shopping centre and the street properties. AY are specialist compulsory purchase surveyors, working with GCW on negotiations and carrying out negotiations with NHS PS. AY also carried out initial negotiations prior to the making of the Order with Network Rail. Some early negotiations with some of the residential units was also carried out by Currell Estate Agents (now Savills).
237. The shopping centre manager and the developer's development managers Londonewcastle, and Mr Cornforth directly on behalf of the developer, have also been involved in some of the negotiations. Mr Harley, on behalf of Be First and the Council, has also been involved.
238. There have been numerous points of contact that have changed over the years. Objectors appear to have contacted different people at different times and it could not be said that there has been a specified case manager involved who provided a single point of contact to whom those with concerns about the proposed acquisition could have easy and direct access to.

Keeping any delay to a minimum

239. The scheme has taken an unusually long time to progress. Nearly 7 years in total from the pre-application discussions to the consideration of this CPO at inquiry. Objectors have been living in limbo since 2015, not knowing what would happen, thwarted by the threat of a CPO. The CPO Guidance¹⁰⁸ advises that as a CPO will inevitably lead to a period of uncertainty and anxiety for the owners and occupiers of the affected land, acquiring authorities should consider keeping any delay to a minimum by completing the statutory process as quickly as possible.
240. Whilst the Council's Cabinet resolved to utilise CPO powers in March¹⁰⁹ and July¹¹⁰ 2018, the CPO was only made on 14 June 2021. The AA comments that the 3 years in between Cabinet approval and making the Order were taken up with preparing the site, including land referencing work, negotiations to acquire land by private treaty, amending the Order to ensure no land take from Network Rail and progressing the reserved matters. There was also the matter of drawing up the AGL and DI legal agreements. BE were also acquired by PineBridge during this time.
241. The July 2018 Cabinet Report refers to the intent for construction to start in early 2020, but the AA claim that this was based on conditions being addressed quickly. These were not addressed quickly, and other matters, such as drawing up the legal agreement, took longer than they anticipated. This is said to be due to BE being acquired by PineBridge, which concluded on 31 December 2020. The legal agreements between the developer and the AA were signed in March 2021.

¹⁰⁸ Tier 1, Stage 3, paragraph 19.

¹⁰⁹ CDA.1

¹¹⁰ CDA.2

242. However, negotiations to acquire land by private treaty occur alongside a CPO, and are not a reason to hold it up. The Network Rail objection and resolution occurred after the CPO was made. Only Phase 1 of the reserved matters has been progressed, this is a small part of the site, approved in December 2019. Land referencing work does not take 3 years, even with a pandemic, and I heard evidence from Mr Sahota that very short timescales were given to landowners to provide this information.
243. Mr Cornforth¹¹¹ explained that the delays were to ensure the scheme is viable, waiting for the values in the town centre to increase. It was also reflective of high street changes over the last few years and the pandemic. However, Mr Messenger¹¹² said that the pandemic had not had a material bearing on the progression. Therefore, I can only assume that the delay has been due to viability, and I am unable to conclude that the CPO was progressed as quickly as possible.

Offering to alleviate concerns about future compensation entitlement

244. The financial offer letters¹¹³ show offers were made up of current market value and allowances for other non-market heads of claims the interested parties could be entitled to under the CPO Guidance. However, no evidence is provided that the AA offered owners and occupiers any agreements about the minimum level of compensation which would be payable if the acquisition went ahead, and no objections were withdrawn by any owners/occupiers.

Offering advice and assistance to affected occupiers in respect of their relocation

245. The CPO Guidance¹¹⁴ advises that in order to reach early settlements, public sector organisations should make reasonable initial offers, and be prepared to engage constructively with claimants about relocation issues.
246. The March 2018 Cabinet Report¹¹⁵, which sought approval to use CPO powers set out that "the developer, Be First and the Council will work together on a strategy to support business relocations wherever possible to other town centre locations or other locations within the Borough. It is acknowledged vacancy rates in the Borough are relatively low and that the Council's own stock of premises is limited".
247. However, this strategy¹¹⁶ was not produced until earlier this year, being submitted after the inquiry had opened. It has not been published by the AA and the first time objectors would have seen it was when it was submitted as an inquiry document. The strategy does very little to support relocations and was not produced early in the process.
248. It provides contact details for the AA, sets out how to seek business support, offering a free initial advice session with Barking Enterprise Centre, and provides 5 options for relocations. These include contacting local estate agents for vacant properties, using Roycraft House for businesses not reliant on passing trade, businesses becoming street market traders, moving to Dagenham or the possibility of relocating into the CPO Scheme. It gives

¹¹¹ XX by Mr Elvin KC

¹¹² XX by Mr Elvin KC

¹¹³ AA/AS/2g

¹¹⁴ Tier 1, General Overview, Paragraph 3

¹¹⁵ CDA.1

¹¹⁶ INQ3

advice on claiming disturbance compensation and provides some information weblinks.

249. Providing contacts for local estate agents 'passes the buck' and while they may be well placed for knowledge on vacancies, it is the AA who is meant to offer advice and assistance. Roycraft House would not suit many of the existing businesses who occupy buildings in the CPO lands as they rely on passing trade. Suggesting the businesses become market traders is marginally impertinent. Relocation to Dagenham is likely to be unsuitable for many because it is a lower tier shopping centre and less accessible than Barking.
250. The possibility of re-locating into the CPO Scheme is perhaps the most favourable option for many businesses, yet I heard very few businesses¹¹⁷ have been offered this, and none have committed. Aside from Thomas Pharmacy, they are all national traders and not the independent locals most affected. There is also little in place to facilitate this relocation and for some it would simply be impossible, i.e. those affected by the first phase.
251. The Council assert it is doing what it can to support local businesses, and it is looking to offer a bespoke approach, holding a series of drop in sessions where occupiers can discuss their relocation needs nearer to the time. However, very little advice and assistance to affected occupiers in respect of their relocation has been provided to date. Indeed Mr Harley¹¹⁸ details that support available to date has focussed around broader help for the sectors badly hit by the pandemic rather than relocation to those affected by the CPO.
252. Condition 61 of the planning permission¹¹⁹ requires a development implementation strategy which shall include details of any phasing, measures to mitigate the impact of the development on the vitality and viability of Barking Town Centre during the demolition and construction phase including meanwhile uses¹²⁰, and details of consultation undertaken with the local Commissioner for NHS Community Pharmacy Services to confirm any reasonable mitigation measures required to ensure adequate provision of local pharmacy services during construction.
253. The reason for this condition is to ensure that existing businesses are supported in their desire to relocate and to ensure a similar level of function, vitality and viability of the town centre as is currently experienced throughout the construction period of the development. Satisfaction of the condition would help businesses to relocate. Yet, this is a condition of the planning permission and it has not been discharged, and does little to support the AA's claim that it has been offering advice and assistance to affected occupiers in respect of their relocation during the consideration of the CPO.
254. Objectors presented the Shepherds Bush CPO decision¹²¹ as justification for their objections to the lack of relocation support. However, this is very different because there is no policy requirement to preserve existing businesses.

¹¹⁷ 5 in total

¹¹⁸ AA/DH/1

¹¹⁹ CDC.1

¹²⁰ Temporary commercial uses of empty property and land, for example, pop-up cafés or shops.

¹²¹ INQ10

255. It is also very different to the Elephant and Castle Shopping Centre redevelopment¹²², which was presented by the Barking and Dagenham Heritage Conservation Group. This is because the Order Lands do not provide a distinctive shopping destination and area for a particular ethnic group. The Equalities Impact Assessment¹²³ details that the businesses are reflective of other types of business within the town centre and consequently there are no businesses identified as providing a service or range of products specifically serving any protected characteristics group which is not available elsewhere in the town centre.
256. Nevertheless, there are a significant number of businesses, many independent long term traders, that would be affected by the CPO scheme. Whilst the developer states that a key aspect of the tenant mix strategy is to enhance and embrace the opportunity to accommodate independent traders¹²⁴, providing affordable rents, the CPO Scheme will not be able to accommodate all existing businesses.
257. Mr Harley was clear that the Council's ambition is to maximize opportunities for existing businesses to be relocated within the CPO Scheme, town centre or the Borough, and that the relocation support would increase if the CPO were confirmed. Many relocations would not take place until the CPO was confirmed because the AA would want to ensure vitality in the street scene. However, there is little evidence to demonstrate that the AA has been offering advice and assistance to affected occupiers in respect of their relocation during the CPO process.

Providing a 'not before' date

258. There is no evidence that the AA provided a 'not before' date, confirming that acquisition would not take place before a certain time. Quite the opposite, the letters detail different timescales and expectations, the first letter from 2018 suggested construction is planned to start in spring/summer 2019, with this changing over time.
259. Accurate phasing information would have provided many occupiers with certainty, and would have enabled certain objectors, such as Mr Sahota and Mrs Kanda, to proceed with their business plans in the intervening period from 2015 to now. Indeed, for some on Ripple Road, it could be over 4 years before their properties are required based on Mr Cornforth's estimations, yet I have no precise phasing information. This is a poor way to treat those subjected to the CPO.

Funding landowners' reasonable costs of negotiation

260. The AA has offered to pay reasonable costs for each objector to appoint an independent professional to work on their behalf. However, many did not take up this option, with several claiming that the AA were not willing to pay the costs when estimates were provided. The AA deny this claim.
261. 24-34 Station Parade (CPO Plots 2-10) – Mr Ali Kadhodayi-Kholgi, Mrs Jahanpanah, HungerBurger Ltd and personal representatives of Paula Mary Baker (deceased) – the objectors assert that the AA refused to pay their

¹²² INQ31

¹²³ CDA.8

¹²⁴ AA/DK/4

consultants costs, even though they received letters advising them in April 2018¹²⁵ that the developer would pay the reasonable costs of appointing a surveyor. Mr McCafferty, acting for the objectors raised the question of fee repayments in summer 2019.

262. The developer agreed to pay the reasonable fees for Mr McCafferty to assist the owners with negotiations. Mr McCafferty put forward a suggested fee proposal, which the AA considered to be onerous for the initial negotiations. Mr McCafferty is based in Scotland and wanted reimbursement of fees for travelling to London to meet in person as well as up to 20 hours' worth of time. AY offered to pay an initial fee cap of £500 (equal to 3 hours)¹²⁶ to have an initial meeting by conference call in August 2019.
263. AY chased Mr McCafferty several times over the next few months to arrange the meeting. In January 2020, Mr McCafferty explained that Mr Ali would like to meet in person. AY sent a follow up email¹²⁷, confirming that this could be arranged when Mr McCafferty was next in London. This meeting never took place and in February 2020, Mr McCafferty¹²⁸ advised AY to contact Mr Ali directly going forward and provided his phone number. Mr Ali asserts no one called him.
264. Mr Ali wanted to use Mr McCafferty, as he had advised him on Mr Ali's first CPO, when his property was compulsorily acquired to develop VFSC. Yet, the expectation that the AA would pay for travel costs from Scotland is unreasonable and the fee cap of £500 for the initial meeting appears reasonable, given that Mr McCafferty was often in London for other matters. Therefore, the AA's offer to pay the fee for an initial meeting was reasonable.
265. *Mr Sahota and Mrs Kanda (17-19 Ripple Road)* – the objectors refer to the developer refusing to pay reasonable costs associated with a surveyor. The AA strongly refute the accusations and there is evidence in both the objectors' and AA's correspondence that offers were made to pay reasonable fees. Therefore, there is no tangible evidence before me that the AA refused to pay Mr Sahota and Mrs Kanda's surveyor fees.

Conclusion

266. Based on the evidence before me, and having regard to the CPO Guidance, I am not persuaded that the AA has genuinely attempted to negotiate with the affected parties in line with the CPO Guidance in relation to providing full information at the outset, appointing a specified case manager, keeping any delay to a minimum, offering advice and assistance to affected occupiers about relocations and providing a 'not before' date.

Outstanding objections – Freeholders

Objections – 24-34 Station Parade (CPO Plots 2-10) – Mr Ali Kadhodayi-Kholgi, Mrs Jahanpanah, HungerBurger Ltd and personal representatives of Paula Mary Baker (deceased)

267. Evidence was presented by Mr Ali, along with professional witnesses on the topics of planning, negotiations and design. Objections were also raised in

¹²⁵ AA/AS/4 – Appendix 1

¹²⁶ XX – Ms Squires by Mr Elvin KC

¹²⁷ AA/AS/4 – Appendix 2

¹²⁸ INQ18

relation to viability, which I have considered earlier. I have also considered the alternative proposals above and the planning implications of the objections. I will address the outstanding objection to negotiations below.

268. Negotiations – negotiations between the objectors and the AA started in 2015, with letters sent in November and December 2015 and June 2016. Letters were also sent in January and April 2018¹²⁹ seeking to acquire Mr and Mrs Ali's interests. No response was received.
269. Mr and Mrs Ali attended the July 2018 Cabinet meeting where the decision to make the CPO was taken. Mr Ali raised his concerns and requested that the Cabinet allowed him to carry out his own redevelopment. This approach was not accepted by the Council who resolved to make the CPO.
270. Mr Ali claims that he spoke to Mr Gooch of GCW following the letter in April 2018. Mr Ali explained that Mr Gooch was only interested in acquiring the properties, and was dismissive about Mr Ali's suggestions of relocation or alignment to the regeneration ambitions, whilst retaining ownership. Mr Gooch was not present at the inquiry and I have only Mr Ali's distressed story to rely upon. However, I have no reason to doubt his recollection.
271. The AA did not receive any contact from or on behalf of the objectors until February 2019, when Andrew McCafferty Associates sent a letter to DP9 (the developer's planning consultants). As the matters of the letter related to negotiations to acquire 3rd party interests, Ms Squires, acting for AY, replied in May 2019, setting out her role in site assembly and offered to meet.
272. Emails were exchanged between Ms Squires, Mr Ali and Mr McCafferty, and attempts to arrange a meeting took place between May 2019 - February 2020. However, as detailed above, no meeting ever occurred.
273. GCW contacted Mr Ali in January 2021 to try to further negotiations. Mr Kite had a phone call with Mr Ali in February 2021 and asked for clarification of the tenancy information within his ownerships on Station Parade. He followed this up with an email¹³⁰ on 12 February 2021. No response was received.
274. Prior to making the CPO in June 2021, as detailed above 2 letters¹³¹ were sent providing an update on the Order, a link to the website, an offer to meet in person or virtually and a reminder that reasonable fees would be paid by the Developer for a surveyor to negotiate. The letter detailed that the developer would continue to negotiate to acquire the interests by private treaty and made financial offers for the various ownerships. Mr Ali claims that the offer was a shameful and inadequate amount, but the AA claim the developer was basing the offer upon very limited information about tenancies and leaseholds. The letter also asked the owners to clarify if any of the tenancy or property information was incorrect so that the developer could potentially make an improved financial offer. No response was received.
275. The developer wrote to all objectors in October 2021, offering to meet. Mr Ali replied to this letter to inform the AA that Mr McCafferty no longer represented him, and he had instructed Mr Lakhani. In the interim, Mr Lewis of Russell Lewis Property Consultants contacted the AA to inform them that

¹²⁹ AA/AS/4 – Appendix 1

¹³⁰ AA/AS/4 – Appendix 3

¹³¹ AA/AS/4 – Appendix 4 and AA/AS/2e

- they were instructed, and asked to meet. Emails were exchanged. Yet after this Mr Ali told the AA that only Mr Lakhani was instructed on his behalf.
276. On the 8 February 2022, the developer met with Mr and Mrs Ali, their 2 sons, Mr Lakhani and Mr Lewis. Despite Mr Ali informing the AA that Mr Lewis was not instructed, he was present at the meeting. However, after the meeting, Mr Ali informed the AA again that Mr Lewis was no longer acting for him and that the AA should not communicate with him.
277. During the meeting¹³², the objections, potential acquisitions, timing and progress of the CPO, the financial offer, excluding Mr and Mrs Ali's interests, the difficulties of relocating Barking Hotel, and the pre-application submission were discussed. Negotiations have continued by email since this meeting on the financial offer. The AA have maintained that they will review the financial offer if further information on the leases and tenancies can be provided.
278. Relocation properties were also looked at by the developer, after 2 sites were suggested by Mr Lewis. A response¹³³ from the AA was sent in March 2020 explaining that they were not able to offer them as suitable relocations as they were both privately owned.
279. The SoO details that the developer has appointed a specialist hotel valuer within AY to review whether a higher financial offer can be made to acquire Mr and Mrs Ali's interests. Representatives from AY were due to meet with Mr Ali and Mr Lakhani on 18 May 2022 to carry out a site inspection, but Mr Ali cancelled the inspection because he was poorly. An inspection was set up for 15 July 2022, but given that the inquiry is closed, I do not know the outcome of this.
280. With regards to Paula Baker/The Personal Representatives of Paula Baker at 30-32 Station Parade, a letter was sent in January 2018 and April 2018. A letter from GCW was sent in July 2020, setting out that the developer would like to make a financial offer, but needed tenancy information to make it credible. GCW also sent a follow up letter in September 2020, suggesting a telephone call to discuss the project and CPO process. No response was received to any of these letters.
281. In October 2020, the AA became aware that Paula Baker had died and in April 2021, Mr Shindler of Londonewcastle, drove to the registered address of Paula Baker to make contact. Mr Shindler met with family members. He explained the CPO process and scheme and set out that the developer would like to acquire the properties by private treaty, but needed to understand the tenancies. There was limited email correspondence following this meeting and nothing further on the tenancies.
282. GCW also sent an offer letter¹³⁴ to the personal representatives in early June 2021, akin to that sent to Mr and Mrs Ali. Their response to the AA was that they had already been offered significantly more by one of their neighbours and so they were not inclined to take matters further. Mr Kite responded to this information asking for tenancy information and copies of leases/licenses to see if this might enable the Developer to make an improved offer. No reply was received.

¹³² AA/AS/4 – Appendix 6

¹³³ AA/AS/4 – Appendix 7

¹³⁴ AA/AS/4 – Appendix 5

283. The SoO details that the AA have offered to meet with the Personal Representatives of Paula Baker (deceased), but there has been no response.
284. *Conclusion on negotiations* – There have been changes in the objectors' consultants, and the AA were not always aware who it should be contacting, and if they were representing just Mr and Mrs Ali or additionally the personal representatives, although it became clear at the inquiry that the personal representatives supported Mr and Mrs Ali's case. On the other hand, there have also been changes to the AA's contacts over time.
285. The AA has sought to acquire the properties by private treaty, but from first contact in 2015, it took until February 2020 before a meeting took place with Mr and Mrs Ali. This has been similar for the personal representatives, with a meeting taking place in June 2021 and no further contact.
286. However, Mr Ali's call with Mr Gooch left him sad and disappointed, and his lack of engagement is likely a result of this, along with the negative response to his pre-application proposals, and the knowledge that the LPA then granted a scheme taller than what he had proposed so soon afterwards.
287. There has been an absence of information provided by the objectors to enable the AA to provide a proper valuation. That said, the financial offers proposed are said to be a shameful and inadequate amount and there are also large periods of time where there has been no contact from the AA.
288. The AA has not negotiated frequently with the objectors, and this follows a similar trend to the delays processing the CPO overall. Limited information was provided at the outset, there has been limited consideration of relocation, and the gaps in communication are unlikely to encourage landowners to negotiate.
289. *Other objections* – This is the second CPO that Mr and Mrs Ali have been subjected to. This is truly unfortunate, particularly given that the first CPO was made to facilitate the development of the shopping centre, which is now being demolished to pursue this CPO scheme. It would be unusual to be subjected to one CPO in a lifetime, but to be subjected to 2 is enormously stressful. I have a great deal of empathy for Mr and Mrs Ali.
290. Mr and Mrs Ali were relocated from 44 Station Parade to 24 Station Parade, where they began to rebuild their businesses, expanding their property portfolio and created Barking Hotel, a family run business. The Alis spend long hours working at the hotel, they have a core team of 10 local employees, and Mr Ali considers that the local community knows them as a key cultural and social institution¹³⁵. Mr and Mrs Ali explicitly wish to stay in Barking town centre so that they can continue to operate the hotel business.
291. As well as providing accommodation in the normal sense that a hotel would, Mr and Mrs Ali also provide emergency accommodation¹³⁶ for both homeless people, women and children affected by domestic violence, and those affected by flood, fire or emergency evacuations. They have provided services for the Council in the past, and it is also used by other local authorities and charities. They played an important role during the pandemic, housing key workers. The

¹³⁵ AAKK/1 Paragraph 3.5

¹³⁶ AAKK-10

CPO scheme would not replace this service, and I have addressed this in the Human Rights and Equalities section.

292. The CPO Scheme includes the provision of a hotel, which the objectors claim is not guaranteed to come forward. I agree. There is no requirement within the planning obligation for the hotel to be delivered, and the minimum area in the parameters for this use is 0 sqm, meaning it could be removed from the scheme. Mr Ali has also not been offered the opportunity to relocate his hotel into the new hotel space. Given the lack of alternatives within the town centre for relocation of the Barking Hotel, I am surprised that this has not been considered to ensure that growth is inclusive and no-one is left behind, which the Economic Prospectus¹³⁷ for the Borough encourages. However, if relocation is not possible, Barking Hotel would be forced to close. This would result in the loss of jobs, which is an adverse effect of the CPO.

Objection – 36-38 Station Parade (CPO Plots 11, 12 and 13) – Siraj Deane and Jennifer Beecroft (Post Centre Limited, Deane & Brothers and Acutus Construction Ltd)

293. Mr Deane represented himself at the inquiry and he informed me that his wife runs the Post Centre. I have assessed his proposals for alternative schemes above and considered his objections within other parts of the decision.

Objection – Vicarage Field Health Centre (CPO Plot 22) – National Health Service Property Services

294. The NHS PS presented evidence on planning and negotiations, heritage and design and I have already considered its alternative proposals above. Objections were also raised in relation to viability, which I have considered earlier.
295. The NHS PS's principal argument is that it does not believe that the AA has negotiated reasonably by failing to recognise that the 2 parties could have worked together, offering a fair price for the land and failing to share information in order to understand the land value offered by the AA.
296. Both parties fundamentally disagree with each other's assumptions of the quantum of development and, to a lesser extent, the amount of affordable housing that would be necessary in a 'no scheme principle'. The 'no scheme principle' is the amount which the land might be expected to realise if sold on the open market by a willing seller, disregarding any effect on value of the CPO Scheme.
297. The site is critical to the CPO Scheme, given it provides the main access to the whole site and contains around half a residential tower block and part of the cinema. Although the NHS PS assert that this was not explained until the inquiry, it is clear that the access point for the whole site takes up most of Plot 22. There are no other access options, because access was considered and approved as part of the outline planning application.
298. Negotiations – there has been ongoing negotiations since 2016, when I understand that the developer approached the occupiers of the health centre directly.

¹³⁷ CDE.2

299. However, negotiations with professional representatives began with NHS PS in January 2018, when initial contact was made by the developer's agents GCW. AY took over negotiations in September 2018, with a meeting taking place¹³⁸. There have been fits and starts of communication from 2018 until 2022, which is set out between the NHS PS¹³⁹ evidence and that of Ms Squires¹⁴⁰.
300. In December 2018, a meeting took place and email correspondence¹⁴¹ and meeting notes reference a development appraisal for redevelopment of the site for a 20 storey tower with 125 residential units proposed by the NHS PS. AY requested that electronic copies of the development proposals, planning explanation and development appraisal were provided. These were sent by the NHS PS to the AA 3 months¹⁴² later in early March 2019 and detail a 21 storey and a 15 storey scheme.
301. No contact is recorded in evidence until 7 months later in October 2019, when an initial valuation of the land was produced by AY based on its feasibility study¹⁴³, which assumed a 4-6 storey development of 27 residential units and replacement clinic. It was produced by SEW (the CPO scheme designers). The AA have never moved away from this assumption of development.
302. It was asserted by the NHS PS in the last week of the inquiry that there are errors in relation to the calculations of area and capacity in the feasibility study, and this has impacted on the land valuation by the AA. However, the errors relate to land valuation, which is not a matter before me, and in any event, are unlikely to have made a significant difference.
303. The correspondence¹⁴⁴ over October-December 2019 essentially goes in circles. The NHS PS were shocked by the valuation arrived at by the AA and asked the AA to look at land comparable transactions, along with reviewing its assumptions and valuation and present a more appropriate land value. The AA detailed that a discussion on site capacity would be more useful because they considered that the quantum of development would heavily influence the analysis. The NHS PS asked the AA to review land comparable evidence again and review its offer, stating there was no point in meeting until that had been done, and if the AA wanted to meet and progress matters, a 7 figure offer was needed. The AA replied with an increased offer of £800,000. When the non-market value elements of CPO compensation were added, this amounted to a 7 figure sum. The NHS PS disagreed with the sum offered, because it did not refer to any land comparable evidence. A land comparable transaction was provided by the NHS PS for the Thames View Clinic site sold to the AA in 2018. This site was in a lower value and lower density part of the borough and was sold for £1.85m. Despite chasing, no reply was received from the AA.
304. The next bout of correspondence was 3 months later in March 2020 when the NHS PS presented another scheme¹⁴⁵ for 77 homes across 5 to 15 storeys and 221 sqm of office space. This package also included Heads of Terms¹⁴⁶ and a

¹³⁸ AA/AS/9 Appendix 1

¹³⁹ NHSPS-5

¹⁴⁰ AA/AS/9

¹⁴¹ AA/AS/9 Appendix 3

¹⁴² AA/AS/9 Appendix 4

¹⁴³ NHSPS-5 pages 3-16

¹⁴⁴ NHSPS-5 pages 20-38

¹⁴⁵ NHSPS-5 pages 39-57

¹⁴⁶ NHSPS-5 pages 58-68

note on development capacity¹⁴⁷. Significant concerns¹⁴⁸ were raised by the AA, and it put forward a total purchase consideration of £1million, which was explained as £800,000 for the land and £200,000 for the non-market value elements of CPO compensation. No written justification was provided to explain the AA's planning assumptions for its feasibility study, despite repeated requests from NHS PS over several months. Direct contact between employees of the NHS PS and AA took place over June-August 2020, when the AA advised that the NHS PS should submit a CAAD.

305. In October 2020, some 7 months after the NHS PS scheme and 12 months after its own feasibility study, AY produced a planning review briefing note¹⁴⁹ for the site, which repeated much of their prior assumptions that a 4-6 storey building was the maximum possible quantum of development. It also introduced heritage as a consideration, and again suggested that the NHS PS pursue a CAAD. The NHS PS replied with questions, including querying whose planning advice the AA was relying upon, commentary on the land comparable values and the lack of contact¹⁵⁰. The AA explained¹⁵¹ that the note brought together the responses from the developer's planning team to the NHS PS's scheme of March 2020. The AA advised, again, that it would not be beneficial to review land comparable evidence until there was agreement over the quantum of development. The NHS PS¹⁵² then invited the AA to consider if there was an alternative to the compulsory acquisition, including the acquisition of land adjacent to the highway to facilitate access to the scheme. No response was received on this matter.
306. There is then another gap in correspondence for 7 months until May 2021, when the AA¹⁵³ provided an update on the CPO and reiterated its offer of £1 million total consideration to acquire the site. NHS PS¹⁵⁴ responded again with the same concerns relating to the lack of planning advice for the AA's assumptions, alternative acquisition of land, and why the land is required.
307. A meeting took place in June 2021, after the CPO had been made, and the AA increased its total consideration to £1.1 million¹⁵⁵. The reply from the NHS PS¹⁵⁶ set out the offer represented a significant under valuation, highlighted its concerns over sporadic correspondence in the past 2 years, along with many other issues. The NHS PS requested the AA to agree with its site valuation of £2-2.5 million.
308. At the end of August 2021, following chase up emails from the NHS PS, the AA explained that the site was necessary to deliver the full benefits of the CPO Scheme, and that alternatives have been properly considered, but the CPO Scheme was the most appropriate to ensure the regeneration benefits were delivered. The £1.1 million offer remained the same.

¹⁴⁷ NHSPS-5 pages 69-74

¹⁴⁸ NHSPS-5 pages 75-76 and AA/AS/9 Appendix 6

¹⁴⁹ NHSPS-5 pages 88-91

¹⁵⁰ NHSPS-5 page 92

¹⁵¹ NHSPS-5 page 97

¹⁵² NHSPS-5 pages 98-100

¹⁵³ NHSPS-5 page 101

¹⁵⁴ NHSPS-5 pages 102-103

¹⁵⁵ NHSPS-5 page 116

¹⁵⁶ NHSPS-5 pages 119-120

309. The NHS PS replied¹⁵⁷ in September 2021 outlining several issues and objections, much of which had already been mentioned in earlier correspondence. During September, Mr Harley on behalf of Be First provided the NHS PS with Council land sale transactions¹⁵⁸. In November 2021, the NHS PS presented comparable land values and asked the AA to review, along with another set of Heads of Terms for the land sale¹⁵⁹.
310. In December 2021, the AA provided a response that the comparable land values did not support the NHS PS's assumption of a higher land value¹⁶⁰ and asked a question about Waking Road. No response is said to have been received from the NHS PS.
311. The reply¹⁶¹ to the AA from NHS PS sets out that it had proposed a market value based on land comparable evidence, and whilst the AA disagreed, they had provided no counter evidence. The NHS PS also detailed that both parties had discussed seeking a potential third party opinion (i.e. to act as an independent broker between the 2 parties) to try to reach a position where they could agree density and height. No response is made to this point, with the AA's reply¹⁶² setting out that the key issue remaining was the quantum of development in a 'no scheme principle' to inform the valuation of the site, but they were looking to make a higher financial offer. This was chased up¹⁶³ 4 times by the NHS PS in January 2022, and a revised offer¹⁶⁴ of £1.2 million was made by the AA in February 2022.
312. NHS PS replied¹⁶⁵ in March 2022, setting out that the offer was made up of £800,000 for the land and £400,000 for additional costs. The NHS PS could not transact for anything less than market value due its Health Building Note 00-08 Estate Code¹⁶⁶, which they considered to be £2-2.5 million. The NHS PS asserted that the AA had produced no compelling comparable evidence to underpin the value, despite the NHS PS presenting evidence of comparable land sales. The AA replied that the parties had very different views of value¹⁶⁷.
313. In the SoO, it sets out that following the cross examination of Ms Squires, where the sharing of comparable land transactions was discussed, she sent a copy of the AA's comparables to the NHS PS. I will discuss this below.
314. Similar to other objectors, the correspondence has been patchy and sporadic from the AA, with large gaps between communication and numerous chase up requests from the NHS PS. There have been delays and periods where no communication between parties has taken place, and there is a notable absence of reply to the request for the planning advice that underpins the AA's assumption of the quantum of development.
315. Certificate of Appropriate Alternative Development – All alternative schemes have not been pursued by the NHS PS to a pre-application discussion or submitted a planning application. The NHS PS has also chosen not to submit a

¹⁵⁷ NHSPS-5 pages 128-129

¹⁵⁸ NHSPS-5 pages 131-142

¹⁵⁹ NHSPS-5 pages 144-156

¹⁶⁰ NHSPS-5 page 161

¹⁶¹ NHSPS-5 page 163

¹⁶² NHSPS-5 page 164

¹⁶³ NHSPS-5 pages 165-170

¹⁶⁴ NHSPS-5 page 171

¹⁶⁵ NHSPS-5 page 173

¹⁶⁶ NHSPS-2

¹⁶⁷ NHSPS-5 page 174

CAAD to the LPA, despite stating that it would be pursuing this¹⁶⁸ in September 2021. The CPO Guidance sets out that it is appropriate to apply for a CAAD if the amount of development which would be allowed is uncertain. It seems to me to be an entirely appropriate approach in this instance.

316. The NHS PS explained that because the developer concluded that only 4-6 storeys would be acceptable, and they are working closely with the LPA, it had no confidence that any other conclusion would be reached if it applied for a CAAD. An appeal to the Upper Tribunal (Lands Chamber) would take a significant amount of time, incapable of being resolved prior to this decision being made. Therefore, it could have put them in a worse position, with a CAAD that likely agreed with the AA's assumptions.
317. I sympathise with the NHS PS's reluctance to apply for a CAAD. The consultants acting on behalf of the AA have been resolute in their opinion of the quantum of development, and I am unsure that a CAAD application would have reached a different conclusion. This is also somewhat substantiated by Mr Harley's reply¹⁶⁹ to Mr Hotson which set out that there was a difference on the quantum of development.
318. Furthermore, the right of appeal takes time. The AA presented examples of CAAD timescales¹⁷⁰ and these showed that it took between 14 and 24 months from submission of the CAAD to a tribunal decision. The indication that the NHS PS was going to apply was mooted in September 2021, and it is very unlikely that a decision from the Lands Chamber would have been issued before the inquiry.
319. I accept that the AA¹⁷¹ suggested in August 2020 that the NHS PS should submit a CAAD if it did not agree with the assumptions over the quantum of development. However, the NHS PS¹⁷² detailed that it would be an inappropriate use of its resources, because despite asking, the NHS PS had still not seen the planning advice to explain the AA's position on the quantum of development, and without this it would begin the application process at a disadvantage.
320. The pursuit of a CAAD may have helped if it had been submitted earlier in the process, but I understand why the NHS PS chose not to submit one.
321. Differences on quantum of development – the AA has never provided written evidence of its planning assumptions for the quantum of development on the site. It states that they were arrived at through discussions with the developer's planning consultants, DP9, and whilst there is no record of DP9 providing planning advice to AY, under cross examination, Mr Messenger confirmed that his views were contained in the AY note¹⁷³. Nevertheless, it is unusual that there is no written record of this advice, particularly considering that a feasibility study was developed on the back of it.
322. The alternative proposals put forward by the NHS PS all assume taller development than the AA assumes in a 'no scheme principle'. Whilst the planning policies promote densification and taller buildings in town centres,

¹⁶⁸ NHSPS-5 page 128

¹⁶⁹ NHSPS-5 page 79-80

¹⁷⁰ INQ46a

¹⁷¹ NHSPS-5 page 83

¹⁷² NHSPS-5 page 99

¹⁷³ NHSPS-5 pages 88-91

this site is located off the main throughfare and behind a terrace row of 2 storey 1930's properties, opposite a listed building in a conservation area. Taller buildings on the site could appear incongruous set in this back land location, and consideration of any heritage balance, including loss of the London Plane tree could be different than that for the whole CPO Scheme. It may also impact upon the living conditions of the occupiers of the residential flats on Ripple Road.

323. Notwithstanding, I am apprehensive whether the AA's asserted maximum height of 4-6 storeys would be entirely valid. This apprehension is borne out of the proliferation of taller buildings across Barking town centre adjacent to conservation areas and heritage assets and the fact that the residential tower proposed to occupy around half the NHS PS's site in the CPO Scheme has an indicative stepped height of up to 19 storeys. The AA's feasibility study also retained the replacement clinic, despite it being surplus to requirements.
324. However, in any event, it is not my place to determine the quantum of development that could be delivered on site. The place to resolve this dispute is through a CAAD or the Upper Tribunal (Lands Chamber).
325. Comparable land transactions - The AA's evidence submitted during the inquiry contained several errors, relied on sites where no transaction had taken place and included sites not used or proposed for residential development. The NHS PS highlighted these and made corrections in its evidence, and I sympathise with the NHS PS's frustrations. The AA should have presented accurate information and I do not agree that this is a normal part of the process as promoted by Ms Blackman.
326. The NHS PS's strong views are that comparable land transactions are at the heart of real estate valuation and are the best way to achieve a land valuation. I disagree. This is because there is an exception to the use of comparable land transactions as the best way to achieve a land valuation, and this is when valuing 'real estate with development potential'. This is supported by RICS guidance¹⁷⁴, which states when valuing real estate with development potential, "the value of a development site is particularly sensitive to small changes in valuation inputs such as the amount and density (my emphasis) of the permitted development, the assumed value of the completed development, ground conditions, development costs and allowance for risk. Straightforward comparison on a price per unit area of the site is therefore often not valid (my emphasis). Comparison on a price per buildable area basis may be possible but a more detailed analysis is often required, usually involving residual valuation or cashflow techniques". Appendix B: Factors affecting value and comparability by sector also sets out that for property with development potential, a "direct comparison between sites on a rate per unit area basis will only be possible if all [these] key factors align. If not, individual comparable elements will need to be incorporated into a residual or cash-flow valuation."
327. It refers the reader to the RICS Guidance on the Valuation of development property 1st edition, October 2019¹⁷⁵, which details that "an accurate assessment should be made of the form and extent of physical development that can be accommodated on the site (my emphasis). This assessment

¹⁷⁴ INQ34c - RICS guidance note Comparable evidence in property valuation (1st edition) October 2019

¹⁷⁵ INQ33a Appendix A

should consider the characteristics of the site and the surrounding area, supply and demand constraints and the likelihood of obtaining permission. In more complex cases, it is recommended that this assessment be undertaken in consultation with appointed project advisers, such as architects, quantity surveyors and environmental, planning and energy consultants.”

328. Furthermore, Mr Williams conceded¹⁷⁶ that the NHS PS has advanced its own valuations based on residual appraisals with comparables as a sense check. This is the same approach that the AA is said to have carried out.
329. Therefore, the price paid per hectare/acre of land is incomparable when considering different scheme densities, such as CPO Plot 22. It is a crude measurement of value and I understand the AA’s reluctance to use comparable land valuations until the quantum of development conflict was resolved. Once common ground was reached, comparables could be used to sense check. This is a reasonable approach and the AA did not fail to negotiate by not providing its comparable land transactions.
330. Nevertheless, if considering comparables, a more reasonable comparison would be to look at the price per unit (ppu) achieved in other land comparable transactions, given the driver of value would be the residential sales. It is featured in the comparable evidence provided by both parties, and whilst corrections to the AA’s evidence were necessary, it provides a ‘yardstick’ against which one can compare sites without considering density or the development potential. It was also used by the NHS PS¹⁷⁷.
331. On the AA’s comparable evidence of town centre sites, Barking 360 and Barking Wharf (with the corrections on ppu provided by the NHS PS for Barking 360), the ppu is on average around £34,400. On the NHS PS’s comparable evidence, which includes all sites in the town centre, the ppu is around £34,600. There is about £200 per unit difference. This is extremely marginal and proves that the fundamental difference is the assumptions about the density and quantum of development.
332. Furthermore, as a specific example, the land transaction for Thames View, which the NHS PS sold to the AA in 2018 for £1.85 million has repeatedly cropped up throughout correspondence. Evidence details the site had planning permission for community use at ground floor and 54 flats above¹⁷⁸ at the time of the sale. There have been new planning permissions, but the ppu at the time of the sale was around £34,000. Whilst the NHS PS claim this should validate a higher value for CPO Plot 22, as it is outside the town centre, the ppu is only marginally lower than its own town centre comparables.
333. Therefore, the sharing of the comparable evidence wholly demonstrates that the disagreement between land value directly relates to the quantum of development at the site.
334. Conclusion –The AA has stuck to its position on the quantum and scale of development on site. Whilst it says it has reviewed it, it still considers this to be a true representation of what could be built on the site in a ‘no scheme principle’. This is its professional opinion and it attempted to negotiate, albeit with irregular communication, on that basis.

¹⁷⁶ XX by Mr Pereira KC

¹⁷⁷ NHPS-10

¹⁷⁸ INQ34 Table 7.2

335. Furthermore, the NHS PS has not sought to secure valuation advice from another suitably qualified valuer, as required in its Estate Code¹⁷⁹, and its own assumptions on value could be incorrect. Also, whilst the NHS PS assert that the AA did not consider joint working, the AA is required to negotiate to acquire the land.
336. Fundamentally, the dispute on the quantum and scale of development that could be achieved at the site in a 'no scheme principle' remains. Sharing the comparable evidence earlier would have made little difference. No resolution is likely to be reached given both parties' stance, and for this reason, the CPO is a last resort. These matters of dispute are for debate in the Upper Tribunal (Lands Chamber) and not for me to determine. The same goes for the NHS PS's threat of a ransom strip.

Objection – 17-19 Ripple Road (CPO Plots 27, 28 and 29) – Amerdeep Sahota and Reena Kanda (Ambareen Estates Ltd, Ambareen Limited trading as Thomas Pharmacy and Ambareen Estates Limited & Ambareen Construction)

337. This objection relates to the freehold of 17-19 Ripple Road, owned by Mr Amerdeep Sahota and his wife Mrs Reena Kanda. They own the freehold under the following companies outlined above and run Thomas Pharmacy. They both presented evidence at the inquiry.
338. Thomas Pharmacy delivers a community wellbeing hub, providing services that go above and beyond a regular dispensing pharmacy, and deliver a wide variety of clinical services, such as smoking cessation, HIV testing, STI screening and sexual health services. They deliberately employ staff members who speak foreign languages to be accessible for all members of this diverse community and "are the pharmacy of choice for residents of the borough but also healthcare practitioners due to their tenacity and dedication to tackling health inequalities"¹⁸⁰. They have been recognised nationally for the services they provide. Their key issue is to maintain continuity of trade for the pharmacy and be relocated in a similar position on Ripple Road.
339. Furthermore, the objectors bought 17 Ripple Road with the intention to create a wellbeing centre and enhance their residential offer. They have been unable to pursue these plans because of the uncertainty of the CPO and any timings associated with it, the lack of phasing information and a 'not before' date. This has unreasonably thwarted their business plans and caused long term stress to the objectors and their family.
340. Negotiations – the objectors state that the negotiations have not been meaningful. Financial offers to acquire their property were made in 2015 and again in 2021. Mr Sahota and Mrs Kanda had a meeting in September 2015 with Savills and Mr Cornforth. They detail that Mr Cornforth was only interested in property acquisition, and that if they didn't trade BE had ties to their mortgage provider and would use the CPO as developer's tools to get what they wanted. Whilst Mr Cornforth strongly refutes this assertion, the objectors were left feeling intimidated and threatened.
341. Between December 2015 and February 2016, various financial offers were made and rejected by the objectors. They say they were way below market value, and they had made clear that relocation of the pharmacy must be a

¹⁷⁹ NHSPS-2 – 4.128

¹⁸⁰ ASTP/1b

part of the offers. They instructed Christie & Co to act on behalf of them, but when their fees were outlined to Savills, they claim no response was received. In January 2017, the objectors say they instructed DWD, who attempted to contact representatives from the AA, but gave up in March 2017 following a failure to contact anyone.

342. In June 2017, Mr Gooch from GCW met with the objectors. They discussed relocation within the CPO Scheme, and were told it was not possible. They outlined that they wanted to relocate sooner as they wanted to expand the pharmacy with the wellbeing centre. GCW advised they would speak to Mr Cornforth, but nothing came of this, despite chase up emails from Mr Sahota. There are other accusations about the conduct of Mr Gooch at the meeting¹⁸¹.
343. The standard letter was sent in January 2018¹⁸² by the AA and in April 2018, land referencing was requested by Londonewcastle. This was sent to the objectors and Mr Gurney of Handelsbanken, with a 2 week deadline to reply. They tried to contact Londonewcastle numerous times to explain it was unrealistic to expect a response, but at considerable expense and stress, met the deadline. Mr Gooch from GCW then contacted the objector's bank. This was said to be in response to the messages left at Londonewcastle¹⁸³. However, from the email¹⁸⁴ I have seen, the call was unsolicited and out of the blue and Mr Gooch appeared to suggest that Mr Sahota was not maintaining a dialogue, when in fact he was waiting for a response on relocations from June 2017. The tone and method of this communication was unnecessary, and it was distressing for the objectors.
344. In July 2018, Mr Sahota and Mrs Kanda met with Mr Harley of Be First. He explained the CPO process, what happens once Cabinet approve the use of compulsory purchase powers, and explained the roles and relationships of the various parties involved on behalf of the Council and the Developer. He also explained the decision making process and that Mr Sahota had the opportunity to attend Cabinet to speak. Mr Sahota subsequently attended and spoke at the Cabinet meeting against the making of the Order. Mr Sahota's account of the meeting with Mr Harley is different, stating that Mr Harley confirmed there was no commercial units available for relocation and he left feeling like the meeting was simply 'lip service'.
345. There was no communication about the CPO or acquisition until December 2020¹⁸⁵, a period of 17 months, when Mr Kite (GCW) offered to meet following Mr Gooch's retirement. Mr Sahota agreed to meet on the condition that it would be a meaningful meeting and Mr Kite provided an agenda, that included relocation of the pharmacy into Phase 1. I assume no meeting took place, but it was confirmed at the inquiry and in evidence that the relocation of the pharmacy into Phase 1 would be 'commercial suicide' because they would be directly amongst competitors. Furthermore, the Mr Sahota and Mrs Kanda need their pharmacy to be relocated in a similar position to where it is now due to license constraints.

¹⁸¹ ASTP/1j

¹⁸² AA/AS/2d

¹⁸³ AA/AS/6 Appendix 3

¹⁸⁴ ASTP/1k page 25

¹⁸⁵ ASTP/1k page 44

346. Financial offers were made by letter¹⁸⁶ in June 2021, 10 days before the CPO was made, along with the Council's letter¹⁸⁷ being sent on the same day. The offers were said to be lower than the original offers in 2015, 'laughable' and 'absurd', and left the objectors feeling misled. At no point were the objectors asked for a valuation of the business, or comparable of other property in the immediate vicinity, to form an accurate picture of the financial offer. There are also email exchanges with Mr Harley seeking information about phasing and leases in June 2021.
347. Standard letters were sent to all CPO objectors in October 2021¹⁸⁸, offering to meet, and the next set of correspondence was in January 2022, with a letter¹⁸⁹ sent from AY offering a meeting, which took place in February 2022. Mr Sahota and Mrs Kanda were informed that the developers were willing to relocate the pharmacy into Block C, which is where they wanted to be relocated, because this would be a similar position to their existing site on Ripple Road. However, there would be no swap out of their residential units and a 25 year lease at market rate would be offered for the relocated pharmacy.
348. Further communication between the parties was ongoing up to the inquiry, and indeed at the pre-inquiry meeting, I was advised that the objection was likely to be withdrawn as a relocation package was being drawn up. The developer sent across a headline proposal in March 2022. Emails have been exchanged and another meeting took place in April with the objector's representatives. The AA are waiting on a response from Mr Sahota about their size requirements, but the objectors confirmed on 4 May 2022 that they were putting correspondence on hold during the inquiry.
349. Mr Sahota and Mrs Kanda have been forthcoming in negotiations and attempted to engage. However, despite the developer saying they are willing to work with them to facilitate this, nothing has been agreed in writing regarding phasing, timing, relocation, or even temporary relocation solutions. I do not understand why an agreement had not been reached before the inquiry.

Objection – 13-15 Ripple Road (CPO Plot 30) – Samriti Marwaha

350. This objection relates to the freehold of 13-15 Ripple Road, owned by Mrs Marwaha who was represented by her son and a planning witness at the inquiry. Mrs Marwaha rents out the building in various forms for residential and commercial tenants. There are 7 flats and a double fronted commercial unit occupied by a budget retail store. They have happy tenants and believe she has been a good landlord. She thinks the development should be confined to the shopping centre only and 13-23 Ripple Road is well suited to local independent traders. I have addressed the objections above within the scope of other parts of the decision.

Other objections

351. In addition to the concerns raised by freehold objectors, other objections have also been raised by leaseholders, tenants and occupiers, along with objections

¹⁸⁶ ASTP/1k pages 48-49, 51-52

¹⁸⁷ ASTP/1k pages 55-56

¹⁸⁸ AA/AS/6 Appendix 6

¹⁸⁹ AA/AS/2h

from properties where rights are to be acquired, and other non-statutory objections. I have already considered many of the concerns raised in the main body of the decision, however, other matters are dealt with below.

Concerns on loss of business due to construction work including crane oversailing and general construction impact¹⁹⁰

352. Evaluation of demolition/construction phase noise and vibration were provided as part of the outline planning application. The planning conditions include a requirement for a Construction Environmental Management Plan (to ensure that the proposed demolition and construction work does not cause nuisance and disturbance to neighbouring occupiers) and a Construction Logistics Plan. The latter is designed to minimise the impact of construction on the free flow of traffic on the local highway network. Demolition and construction work and associated activities are also to be carried out in accordance with the recommendations contained within British Standard 5228:2009, "Code of practice for noise and vibration control on construction and open sites".
353. In relation to crane oversailing, rights are only being sought for the ability to enter airspace with a jib of a crane. The crane itself would be positioned within the site and the use of the crane will not impact on the businesses over which any crane over sails. There would be no need for business closures even temporarily.

Rights of light¹⁹¹

354. The AA detail that the Environmental Statement that accompanied the planning application assessed the potential likely significant effects of the maximum parameter development as a worst-case in terms of daylight and sunlight amenity to the residential properties which surround the site, overshadowing to amenity areas and open space around the site.
355. It concluded that the maximum parameter scheme would have a negligible to moderate adverse impact on daylight and a negligible to minor adverse impact on sunlight to some existing adjacent residents. However, to optimise the development of the site in accordance with the planning policy, the Scheme will inevitably have consequences in terms of the daylight and sunlight potential of surrounding premises. In practice the maximum parameter scheme could not be fully built out, as it would fail to satisfy the requirements of the Design Code.
356. A detailed sunlight/daylight report would accompany each reserved matters application and to the extent that there is interference with legal easements comprising rights of light, there would be an entitlement to seek compensation for injurious affection.

Loss of home¹⁹²

357. The CPO scheme will require residential relocations, but the residential occupiers affected rent their homes in the private market and their relationship is with their landlord. There are alternative housing options within

¹⁹⁰ Objection made by: Superdrug, Gold Coin Accountants, Mohammad Imran Hossain Mazumder & Kamruzzaman Shakil (Radial House); K Shakil Accountants; Briton College Limited; Mortgage Pioneers Ltd

¹⁹¹ Objection made by: Savers, Awais Iqbal, Mr Mohammed Iqbal, Mrs Balkees Akhter Iqbal; Mr Furkhan Iqba

¹⁹² Objection made by: Abdul Ahad & Seleha Sumi; Sohail Chowdhury & Rubina Chowdhury Salah Bhuiyan and Yaquter Nessa Sweetey; Santa Miza & Shamsun Nahar Shemu; Nabaz Jamal Omar and Samriti Marwaha

Barking town centre and the Scheme would deliver new homes including affordable dwellings. This would justify the displacement of these residents.

358. Furthermore, the Council are actively building their own affordable homes, and Barking and Dagenham Reside manage the letting process for all affordable rented homes built by/for the Council. There are several existing schemes in Barking town centre and the Borough with a significant number of new schemes becoming available over the next 6 months.

*Compensation*¹⁹³

359. The amount of compensation that should be payable, if not agreed, is a matter for the Upper Tribunal (Lands Chamber).

HUMAN RIGHTS AND EQUALITIES

360. Article 1 of the First Protocol to the Convention, as incorporated by the Human Rights Act 1998 and, in the case of the dwellings, Article 8 of the Convention apply in the consideration of this CPO. The CPO Guidance¹⁹⁴ sets out when confirming an order, authorising authorities should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected. As addressed above, there is a compelling case in the public interest for acquisition of the properties subject to the CPO. The comprehensive benefits of the CPO Scheme could not be achieved without acquisition of the land and interfering with the individual's rights.
361. Therefore, given the significant public benefits that would be provided, this represents a compelling case to justify interfering with Article 1 of the First Protocol to the Convention, as incorporated by the Human Rights Act 1998 and, Article 8 of the Convention.

Public Sector Equality Duty

362. I am also bound by the Public Sector Equality Duty (PSED) set out in s149 of the Equality Act 2010, and as a public authority I must comply with the PSED. It is my duty personally to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
363. The AA has carried out an Equalities Impact Assessment¹⁹⁵ (EIA) in June 2021, and previous assessments have been undertaken as part of setting the planning policy framework for the Borough. The planning application for the development also assessed any impact on equalities and social cohesion. The conclusion reached was that the impact was neutral.

¹⁹³ Objection made by: Mr Mohammed Iqbal, Mrs Balkees Akhter Iqbal and Mr Furkhan Iqbal; Sports Bookmakers Limited trading as Coral and Done Brothers (Cash Betting) Limited trading as Betfred Limited

¹⁹⁴ Tier 1, Stage 1, Paragraph 2

¹⁹⁵ CDA.8

364. The EIA concludes that the CPO scheme is aligned with all relevant planning policies. The long term benefits of the proposal would result in employment, housing, primary school places and health facilities, all of which are of major benefit to the area. The assessment identifies some mitigation measures would be necessary to signpost alternative facilities elsewhere while the public toilets are temporarily closed for the works. Be First are looking to provide a new postal centre elsewhere in the town centre, and the closure of St Awdry's Walk is mitigated by a temporary route during construction and the proposed new footpaths through the site, which would be accessible for all.
365. In terms of the businesses affected by the Order, the businesses are reflective of other types of business within the town centre and therefore there are no businesses identified as providing a service or range of products specifically serving any protected characteristics group which is not available elsewhere in the town centre.
366. However, there could be an adverse effect upon people who are temporarily accommodated at Barking Hotel for emergency reasons as they may have protected characteristics. Yet, any local authorities, whether this be the London Borough of Barking and Dagenham, or surrounding ones, are responsible to provide assistance as and when the need arises. The removal of Barking Hotel as a possible accommodation solution would not affect those local authorities' responsibilities for discharging their statutory duties at another location. Furthermore, the scheme's positive effects upon the social wellbeing of the area are compelling, and in favour of confirming the CPO.
367. Thus, having due regard to the 3 requirements above, I conclude that the CPO would have a neutral effect.

CONCLUSION

368. The scheme underpinning the CPO is wholly in accordance with the development plan and has the benefit of outline planning permission. There is an extremely compelling case in the public interest for the development, in meeting economic, environmental and social needs. This would considerably outweigh the heritage harm and loss of existing jobs.
369. The shopping centre and town centre overall needs redevelopment, it is the lowest ranking Borough in London for poverty, and this scheme is the catalyst that would spark further regeneration. There are also no realistic alternative proposals that would achieve the purpose for which the AA is proposing to acquire the land.
370. I am completely aware that failure to confirm the CPO would have an adverse consequence of losing the opportunity to comprehensively redevelop the site at this time. The Council has staked its reputation on the delivery of the scheme and its delivery is critical to achieve its ambitions.
371. I fully recognise much of the potential financial viability of the scheme is reliant upon the scheme itself and it is a complete 'catch 22' situation. The developer is confident the Scheme will be delivered. The funding intentions are clear, and I have no doubt that the developer has access to funds.
372. Nevertheless, there is fundamental lack of tangible and substantive evidence on viability. Given the gravity of the 2016 appraisal, and the lack of an updated appraisal, I cannot be certain that the scheme is financially viable

despite all assurances from the AA. Other methods to present the evidence confidentially could have been explored and, if the scheme was viable, I do not understand why this evidence was not presented. Whilst the AA claims viability evidence from objectors has not been presented, it is for the AA to demonstrate substantive information as to the financial viability of the scheme. It has not done so in a way that convinces me.

373. Consequently, because I cannot conclude that the scheme is financially viable, I cannot be confident that there is a reasonable prospect that the scheme will proceed at this time, or that the necessary resources are likely to be made available within a reasonable time scale. This is because there is an expectation of return, and no developer or investor would pursue a scheme that is not economically viable or feasible. This is even if it has access to funds, sees a long term vision, or pools funds so that one scheme may perform better than another. The legal agreements also provide me with little comfort of delivery, despite the depreciating value of the lease.
374. This makes it difficult to show conclusively that the compulsory acquisition of the land included in the order is justified in the public interest at this time, as detailed by CPO Guidance¹⁹⁶.
375. Added to this are my concerns that inadequate negotiations have taken place, when considering the CPO Guidance. It could not be said that delays have been kept to a minimum. The lag from Cabinet approving the making of the CPO to making the CPO was 3 years. There has been a significant delay in the submission of reserved matters applications, and the outline permission expires in April 2023.
376. The efforts to acquire the CPO lands by private treaty have also been largely ineffective. Claims are made by objectors that the financial offers have not been market value, and it is the shopping centre that has failed, not the surrounding businesses on Ripple Road and Station Parade. There have also been limited efforts to relocate those affected by the CPO to date. A 'not before' date has been absent and this has resulted in those subjected to the CPO unable to fulfil business plans, living in limbo for a long period of time. Full information was also not provided at the outset and there was no clearly specified case manager.
377. Consequently, whilst I acknowledge the pressing need for redevelopment and the extremely compelling case for the CPO, for the above reasons, I cannot confirm that the compulsory acquisition of the land included in this Order is proportionate or justified in the public interest.
378. Thus, the London Borough of Barking and Dagenham Council (Vicarage Field and surrounding land Compulsory Purchase Order) 2021 is not confirmed.

Katie McDonald

INSPECTOR

¹⁹⁶ Tier 1, Stage 2, Paragraph 13

APPEARANCES

For the acquiring authority:		
James Pereira KC and Caroline Daly, of Counsel		Instructed by Vicky Fowler, Gowling WLG (UK) LLP, on behalf of The London Borough of Barking and Dagenham Council
They called		
	David Harley CTP MRTPI BA(Hons) MA	Head of Regeneration, Be First
	David West BA(Hons) MTP MAUD	Director, Studio Egret West
	Don Messenger BA(Hons) MSc MRTPI	Director, DP9
	Stuart Davies BSc(Hons) MCIHT	Director, TTP Consulting
	Alison Squires BA(Hons) MSc MA MRICS MRTPI	Director, Avison Young
	Peter Cornforth MRICS BSc	Director, PineBridge Benson Elliot
	Virginia Blackman BSc (Hons) MRICS APC	Principal, Avison Young
For the NHS Property Services (CPO Plot 22):		
Christopher Young KC		Instructed by NHS Property Services
He called		
	Professor Ian Ritchie CBE RA Dip (Dist) PCL ARB RIBA MIASBE FRSA FSFE FSHARE Hon FRAM Hon MCSA Hon MSC Pdim Hon D Litt	Director, Ritchie Studio
	Ignus Froneman B.Arch. Stud ACIFA IHBC	Director, Cogent Heritage
	Paul Burley MRTPI	Partner, Montagu Evans LLP
	Howard Williams MA MRICS	Partner, Montagu Evans LLP
For 24-34 Station Parade (CPO Plots 2-10):		
David Elvin KC		Instructed by Paul Burley, Montagu Evans on behalf of Ali Asghar Kadkhodayi-Kholghi and Parisa Jahanpanah (freehold owners 24, 26 28 and 34 Station Parade) and the personal representatives of Paula Mary Baker (deceased) (freehold owners of 30 and 32 Station Parade)
He called		
	Professor Ian Ritchie	Director, Ritchie Studio

	CBE RA Dip (Dist) PCL ARB RIBA MIASBE FRSA FSFE FSHARE Hon FRAM Hon MCSA Hon MSC Pdim Hon D Litt	
	Paul Burley MRTPI	Partner, Montagu Evans LLP
	Ali Asghar Kadkhodayi- Kholghi (Barking Hotel)	Freehold owner
For 13-15 Ripple Road (CPO Plot 30):		
	Richard Moules, of Counsel	Instructed by Richard Farr, Sanderson Weatherall LLP on behalf of Samriti Marwaha (freehold owner)
	He called	
	Adam Pyrke MRTPI	Director, Planning RPS
	Matesh Marwaha	Son of Samriti Marwaha
For 17, 17A, 17B and 19, 19A, 19B Ripple Road (CPO Plots 27,28 and 29):		
	Paul Burley	
	He called	
	Amerdeep Sahota	Freehold owner
	Reena Kanda	Freehold owner
For 32 Station Parade (CPO Plot 7):		
	Muzaffar Ali Shah (Barking Traders Ltd)	Leaseholder
	Wahed Khan Mohammed (Click Dot Sales)	Sub-lessee of Mr Shah
	Muhammad Taqi (3T Travel & Tourism Ltd)	Sub-lessee of Mr Shah
For 34 Station Parade (CPO Plot 10):		
	Hamid Riazi Pachinari (HMD Unisex Hair and Beauty Salon)	Leaseholder
For 34B Station Parade (CPO Plot 10):		
	Alireza Hamidein (Port of Knowledge Ltd)	Tenant
For 36-38 Station Parade (CPO Plots 11 and 12):		
	Siraj Deane	Freehold owner
	Zahoor Ahmad, supported by Ms Kumuyi (Al-Madina Hajj and Umrah Services)	Leaseholder
For the Barking and Dagenham Heritage Conservation Group		
	Paul Scott	Chair

INQUIRY DOCUMENTS *(submitted during the inquiry)*

INQ1	Opening Statement on behalf of the Acquiring Authority, 20 April 2022
INQ2	Slide Presentation, 20 April 2022
INQ3	Vicarage Field Business Relocation Strategy. Submitted 20 April 2022.
INQ4	London Borough of Barking and Dagenham (Vicarage Field and surrounding land) Compulsory Purchase Order 2021 (the "Order" and "Order Schedule") Word version of the CPO with modifications. Submitted 21 April 2022.
INQ5	Plans Pack (CDH.1) Corrected version submitted 21 April 2022
INQ6	Site Visit Itinerary. Submitted 21 April 2022.
INQ7	Opening Statement on behalf of NHS Property Services, 22 April 2022
INQ8	Note on s.106 Agreement provisions re Private for Sale Marketing Strategy purpose built private sector rental units. Submitted 22 April 2022.
INQ9	Plans and Drawings Errata, submitted 25 April 2022
INQ10	Shepherds Bush Market CPO and Court of Appeal Judgment, submitted 25 April 2022 on behalf of 24-34 Station Parade
INQ11	Petition submitted 25 April 2022, on behalf of Barking and Dagenham Heritage Conservation Group
INQ12	The Acquiring Authority's response note to Mrs Marwaha's evidence in relation to 13-15 Ripple Road, submitted 26 April 2022
INQ13	Mr Davies's response to part of the evidence of Mr Dimbylow in relation to 13-15 Ripple Road, submitted 26 April 2022
INQ14.1	Collaboration Agreement between the freeholders of 24-34 Station Parade, submitted 27 April 2022
INQ14.2	Funding Letters / Bank Letters of Intent, submitted 27 April 2022
INQ14.3	Evidence that LBBD are still using Barking Hotel for emergency temporary accommodation, submitted 27 April 2022
INQ14.4a	Ms Squires' Summary Meeting Notes, 8 February 2022 in Barking Hotel
INQ14.4b	Barking Hotel Layout, supplied to Ms Squires at the meeting on 8 February 2022 in Barking Hotel, submitted 27 April 2022
INQ14.4c	Last 10 years finance, supplied to Ms Squires at the meeting on 8 February 2022 in Barking Hotel, submitted 27 April 2022
INQ14.5	Signed paper petitions in support of Mr Ali's case against the CPO, submitted 27 April 2022
INQ14.6	List of all local restaurants, food-chains and cafes as well as coffee shops within a 5-minute walking distance from Barking Station, submitted 27 April 2022

INQ15	Opening Statement on behalf of the Property Owners of 24-34 Station Parade (Plots 2-10), 29 April 2022
INQ16	Withdrawal of objection on behalf of Capite (Focal) Limited, in respect of their freehold interest at Focal House, 12-18 Station Parade, Barking, 29 April 2022
INQ17	Acquiring Authority's Response to Objectors not Appearing, submitted 29 April 2022
INQ18	Email exchange regarding Barking Hotel submitted 5 May 2022
INQ19	Delivery and Servicing Plan, August 2016 (part of the Transport Assessment for the outline planning application) submitted 5 May 2022
INQ20	Statement of Truth and Declaration of Adam Pyrke, submitted 6 May 2022
INQ21	Statement of Truth and Declaration of Ian Dimbylow, submitted 6 May 2022
INQ22	Email of support for the scheme by Ryan Edwards, local resident, submitted 9 May 2022
INQ23	Email response by Mr Sahota to AY, submitted 10 May 2022
INQ24	Withdrawal of objection by Network Rail Infrastructure Limited, 11 May 2022
INQ25	Memorandum of Agreement – 13-15 Ripple Road, submitted 23 May 2022
INQ26	Comparables – Former Health Centre, submitted 24 May 2022
INQ27	Letter dated 6 May 2022 from Alison Squires, AY to Paul Burley, regarding the Former Health Centre, submitted 24 May 2022
INQ28	Email objecting to the scheme by Joan Rawlinson, submitted 25 May 2022
INQ29	Statement of Case – Valuation / 'Comparables' on behalf of NHS Property Services, submitted 27 May 2022
INQ30	Letter dated 27 May on behalf of the Acquiring Authority to the Inspector, regarding the Statement of Case submitted on behalf of NHS Property Services
INQ31	Supporting Migrant and Ethnic Economies through Regeneration in London, submitted by Barking and Dagenham Heritage Conservation Group on 28 May 2022
INQ32	Supplementary Statement of Case – Valuation / 'Comparables' on behalf of NHS Property Services, submitted 31 May 2022
INQ33	Proof of Evidence of Virginia Blackman, Negotiations and Valuation Comparables
INQ33a	Appendices to Proof of Evidence of Virginia Blackman, Negotiations and Valuation Comparables
INQ33b	Summary Proof of Evidence of Virginia Blackman, Negotiations and Valuation Comparables
INQ34	Proof of Evidence of Howard Williams, Valuations/Comparables
INQ34a	NHSPS-12 Email from Alison Squires dated 6 May 2022

INQ34b	NHSPS-13 Email dated 3 December 2021 and spreadsheet 'AY Review of ME Land Value Comps 021221'
INQ34c	NHSPS-14 Comparable Evidence in real Estate Valuation, First Edition, October 2019
INQ34d	NHSPS-15 Barking 360 Planning Application Form
INQ34e	NHSPS-16 Barking 360 Land Registry Information
INQ34f	NHSPS-17 LBBD Cabinet Report November 2015
INQ34g	NHSPS-18 LBBD Cabinet Report Appendix 1 November 2015
INQ34h	NHSPS-19 LBBD Cabinet Minutes November 2015
INQ34i	NHSPS-20 Welbeck Wharf Land Registry Information
INQ34j	NHSPS-21 LBBD Cabinet Report December 2018
INQ34k	NHSPS-22 LBBD Committee Report December 2020
INQ34l	NHSPS-23 125 River Road Land Registry Information
INQ34m	NHSPS-24 Thames View Land Registry Information
INQ34n	NHSPS-25 Orion Park Land Registry Information
INQ34o	NHSPS-26 King Edward's Land Registry Information
INQ34p	NHSPS-27 Barking Wharf Land Registry Information
INQ34q	NHSPS-28 Aylesbury Estate Inspector's Report (NPCU/CPO/A5840/74092 dated 29 January 2016) and Decision Letter
INQ35	Surveyors advising in respect of compulsory purchase and statutory compensation, 1st edition, April 2017, submitted 21 June 2022
INQ36	Response by the Acquiring Authority to the further submission by Barking and Dagenham Heritage Conservation Group (INQ31), submitted 22 June 2022
INQ37	Response by Barking and Dagenham Heritage Conservation Group to the response by the Acquiring Authority (INQ36), submitted 23 June 2022
INQ38a	Redetermined 2018 Aylesbury Estate Decision Letter, 14 November 2018; submitted on behalf of NHS Property Services 30 June 2022
INQ38b	Redetermined 2018 Aylesbury Estate Inspector's Report, 13 June 2018; submitted on behalf of NHS Property Services 30 June 2022
INQ38c	Aylesbury Estate Consent Order, 3 May 2017; submitted on behalf of NHS Property Services 29 June 2022
INQ39	Additional Note from NHS PS, submitted 30 June 2022
INQ40	Withdrawal of objection by UKPN to the Stopping-up Order, 30 June 2022
INQ41	Schedule of Objections, 1 July 2022
INQ42	Closing submissions on behalf of Mrs Marwaha, submitted 29 June 2022
INQ43	Closing submissions on behalf of 24-34 Station Parade, Barking

INQ43a	Chesterfield Properties Plc v Secretary of State for the Environment (1997)
INQ43b	R. (on the application of Argos Ltd) v Birmingham City Council and Network Rail Infrastructure Ltd: compulsory purchase order - general vesting declaration
INQ44	Closing submissions on behalf of 17-19 Ripple Road, Barking
INQ45	Closing submissions on behalf of NHS Property Trust
INQ45a	Transport for London (formerly London Underground Ltd) v Spirerose Ltd (in administration) (2009)
INQ45b	R. (on the application of Argos Ltd) v Birmingham City Council and Network Rail Infrastructure Ltd: compulsory purchase order - general vesting declaration (2012)
INQ45c	Secretary of State for Transport v Curzon Park Ltd and others (2021)
INQ46	Closing submissions on behalf of the Acquiring Authority
INQ46a	Appendix 1 - CAAD Timescales
INQ46b	Appendix 2 - The Proper Approach to the Public Sector Equality Duty in Decision-Making
INQ46c	Objectors who appeared at the inquiry, not otherwise covered in closing submissions

Barking & Dagenham

Key:
 Land to be acquired
 New rights to be acquired

Sheet Number:
Sheet 1 of 1
 Date: 11/06/2021

Number Not Used:
17
 Version Number:
Final 1.0
 Scale:
1:500 @A1

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THE VICARAGE FIELD SHOPPING CENTRE

Map details include:
 - Streets: STATION ROAD, COLLEGE ROAD, LONDON ROAD, EAST STREET, VICTORIA DRIVE, SUBSIDIARY AVENUE.
 - Buildings: Cambridge House, Food House, Service Area A Car Park, The Limerick Building, Elder House, Green House.
 - Parks: Mulberry Car Park (above), Car Park, People's Mulberry Car Park.
 - Railways: Underground Railway.
 - Other features: Depot, Drainage, Boundary, PO, Shop, Bank, Clinic, Bus Stop, Cycle Way.

THE COMMON SEAL OF THE LONDON BOROUGH OF BARKING AND DAGENHAM WAS HERETO AFFIXED IN THE PRESENCE OF:

[Signature] Main number: 16/07/18
[Signature] Sealing Register: 16/07/18
 (AUTHORISED SIGNATORY)

DATED THIS 14 DAY OF JUNE 2021

Appendix 2 - BCIS costs

LANGARTH GARDEN VILLAGE

					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12	Qtr 13	Qtr 14	Qtr 15	Qtr 16	Qtr 17	Qtr 18	Qtr 19	Qtr 20	Qtr 21	Qtr 22
					Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2	Year 3	Year 3	Year 3	Year 3	Year 4	Year 4	Year 4	Year 4	Year 5	Year 5	Year 5	Year 5	Year 6	Year 6
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
Project totals					Revenue per Qtr		Qtrs	Cashflow totals																		
Revenue																										
Private housing					1,051,745,753	11,071,006	95	1,062,816,584	0	0	0	0	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006
First Homes					0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Sale																										
Marketing costs					2.50%				0	0	0	0	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775
Legal fees					0.25%				0	0	0	0	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678
Affordable Housing Revenue																										
Social rented housing					89,806,310	945,329	95	90,751,625	0	0	0	0	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329
Shared ownership					92,441,475	973,068	95	93,414,528	0	0	0	0	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068
Grant funding					0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total								184,166,153	0	0	0	0	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397
Land receipt for non-residential uses																										
Commercial/business use					0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail/leisure					0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Care Home/Hotel/Other					0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other					0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total								0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grant funding																										
NAR funding					47,500,000	2,375,000	20	47,500,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Total GDV					1,281,493,538			1,265,255,281	2,375,000	2,375,000	2,375,000	2,375,000														

LANGARTH GARDEN VILLAGE

[illegible]

LANGARTH GARDEN VILLAGE

					Qtr 45	Qtr 46	Qtr 47	Qtr 48	Qtr 49	Qtr 50	Qtr 51	Qtr 52	Qtr 53	Qtr 54	Qtr 55	Qtr 56	Qtr 57	Qtr 58	Qtr 59	Qtr 60	Qtr 61	Qtr 62	Qtr 63	Qtr 64	Qtr 65	Qtr 66
Project totals		Revenue per Qtr	Qtrs	Cashflow totals	Year 12	Year 12	Year 12	Year 12	Year 13	Year 13	Year 13	Year 13	Year 14	Year 14	Year 14	Year 14	Year 15	Year 15	Year 15	Year 15	Year 16	Year 16	Year 16	Year 16	Year 17	Year 17
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
Revenue																										
Private housing	1,051,745,753	11,071,006	95	1,062,816,584	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006
First Homes	0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Sale																										
Marketing costs	2.50%				-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775
Legal fees	0.25%				-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678
Affordable Housing Revenue																										
Social rented housing	89,806,310	945,329	95	90,751,625	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329
Shared ownership	92,441,475	973,068	95	93,414,528	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068
Grant funding	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				184,166,153	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397
Land receipt for non-residential uses																										
Commercial/business use	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail/leisure	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Care Home/Hotel/Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grant funding																										
NAR funding	47,500,000	2,375,000	20	47,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GDV	1,281,493,538			1,265,255,281	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	

Land costs	90,772,500	1,194,375	76	90,772,500	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375
Acquisition costs on land	6.80%			6,172,530	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218

Construction and infrastructure	Cost per Qtr																								
Infrastructure costs	80,158,995	2,003,975	40	80,158,995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CC Infra costs	41,195,531	1,029,888	40	41,195,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 2	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 3	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 4	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 5	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 6	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
On-plot construction costs	591,172,130	6,222,863	95	597,394,896	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863
External works (applied to cons)	59,117,213	622,286	95	59,739,490	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286
Sub Total				778,488,912	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150
NZC costs (% of on-plot construction)	5.00%			29,869,745	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143
Contingency on construction costs	5.00%			40,417,933	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815
Professional fees	6.00%			48,501,519	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378

Section 106																									
S106/278	43,320,000	541,500	80	43,320,000	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0																		

LANGARTH GARDEN VILLAGE

					Qtr 67	Qtr 68	Qtr 69	Qtr 70	Qtr 71	Qtr 72	Qtr 73	Qtr 74	Qtr 75	Qtr 76	Qtr 77	Qtr 78	Qtr 79	Qtr 80	Qtr 81	Qtr 82	Qtr 83	Qtr 84	Qtr 85	Qtr 86	Qtr 87	Qtr 88
Project totals		Revenue per Qtr	Qtrs	Cashflow totals	Year 17	Year 17	Year 18	Year 18	Year 18	Year 18	Year 19	Year 19	Year 19	Year 19	Year 20	Year 20	Year 20	Year 20	Year 21	Year 21	Year 21	Year 21	Year 22	Year 22	Year 22	Year 22
					3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Revenue																										
Private housing	1,051,745,753	11,071,006	95	1,062,816,584	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006
First Homes	0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Sale																										
Marketing costs	2.50%				-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775
Legal fees	0.25%				-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678
Affordable Housing Revenue																										
Social rented housing	89,806,310	945,329	95	90,751,625	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329
Shared ownership	92,441,475	973,068	95	93,414,528	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068
Grant funding	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				184,166,153	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397
Land receipt for non-residential uses																										
Commercial/business use	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail/leisure	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Care Home/Hotel/Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grant funding																										
NAR funding	47,500,000	2,375,000	20	47,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GDV	1,281,493,538			1,265,255,281	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	

Land costs	90,772,500	1,194,375	76	90,772,500	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	1,194,375	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition costs on land	6.80%			6,172,530	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	81,218	0	0	0	0	0	0	0	0	0	0	0	0

Construction and infrastructure	Cost per Qtr																									
Infrastructure costs	80,158,995	2,003,975	40	80,158,995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CC Infra costs	41,195,531	1,029,888	40	41,195,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 2	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 3	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 4	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 5	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 6	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
On-plot construction costs	591,172,130	6,222,863	95	597,394,896	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	
External works (applied to cons)	59,117,213	622,286	95	59,739,490	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	
Sub Total				778,488,912	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	
NZC costs (% of on-plot construction)	5.00%			29,869,745	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	
Contingency on construction costs	5.00%			40,417,933	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	
Professional fees	6.00%			48,501,519	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	

Section 106																										
S106/278	43,320,000	541,500	80	43,320,000	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	541,500	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0																						

LANGARTH GARDEN VILLAGE

	Project totals	Revenue per Qtr	Qtrs	Cashflow totals	Qtr 89	Qtr 90	Qtr 91	Qtr 92	Qtr 93	Qtr 94	Qtr 95	Qtr 96	Qtr 97	Qtr 98	Qtr 99	Qtr 100
					Year 23	Year 23	Year 23	Year 23	Year 24	Year 24	Year 24	Year 24	Year 25	Year 25	Year 25	Year 25
					1	2	3	4	1	2	3	4	1	2	3	4
Revenue																
Private housing	1,051,745,753	11,071,006	95	1,062,816,584	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006	11,071,006
First Homes	0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Sale																
Marketing costs	2.50%				-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775	-276,775
Legal fees	0.25%				-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678	-27,678
Affordable Housing Revenue																
Social rented housing	89,806,310	945,329	95	90,751,625	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329	945,329
Shared ownership	92,441,475	973,068	95	93,414,528	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068	973,068
Grant funding	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				184,166,153	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397	1,918,397
Land receipt for non-residential uses																
Commercial/business use	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail/leisure	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Care Home/Hotel/Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				0	0	0	0	0	0	0	0	0	0	0	0	0
Grant funding																
NAR funding	47,500,000	2,375,000	20	47,500,000	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GDV	1,281,493,538			1,265,255,281	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951	12,684,951

Land costs	90,772,500	1,194,375	76	90,772,500	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition costs on land	6.80%			6,172,530	0	0	0	0	0	0	0	0	0	0	0	0

Construction and infrastructure	Cost per Qtr															
Infrastructure costs	80,158,995	2,003,975	40	80,158,995	0	0	0	0	0	0	0	0	0	0	0	0
CC Infra costs	41,195,531	1,029,888	40	41,195,531	0	0	0	0	0	0	0	0	0	0	0	0
Infra 2	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 3	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 4	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 5	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 6	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
On-plot construction costs	591,172,130	6,222,863	95	597,394,896	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	0	0	0	0
External works (applied to cons)	59,117,213	622,286	95	59,739,490	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	0	0	0	0
Sub Total				778,488,912	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	0	0	0	0
NZC costs (% of on-plot construction)	5.00%			29,869,745	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	0	0	0	0
Contingency on construction costs	5.00%			40,417,933	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	0	0	0	0
Professional fees	6.00%			48,501,519	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	0	0	0	0

Section 106																
S106/278	43,320,000	541,500	80	43,320,000	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
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0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total				43,320,000	0	0	0	0	0	0	0	0	0	0	0	0

Total Costs				£ 1,037,543,139	7,943,485	7,943,485	7,943,485	7,943,485	7,943,485	7,943,485	7,943,485	7,943,485	0	0	0	0
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Developer's profit on GDV																
% of GDV private	17.50%			185,992,902	0	0	0	0	0	0	0	0	0	0	0	185,992,902
% of GDV First Homes	12.00%			0	0	0	0	0	0	0	0	0	0	0	0	0
% of GDV commercial	15.00%			0	0	0	0	0	0	0	0	0	0	0	0	0
% of GDV affordable	6%			11,049,969	0	0	0	0	0	0	0	0	0	0	0	11,049,969

Quarterly balance					121,189,398	125,930,864	130,672,330	135,413,795	140,155,261	144,896,726	149,638,192	154,379,657	167,064,608	179,749,559	192,434,510	8,076,589
Interest in quarter	6.00%	1.50%		-22,592,681	0	0	0	0	0	0	0	0	0	0	0	0
Balance carried fwd					121,189,398	125,930,864	130,672,330	135,413,795	140,155,261	144,896,726	149,638,192	154,379,657	167,064,608	179,749,559	192,434,510	8,076,589

Surplus/Deficit	8,076,589				0	0	0	0	0	0	0	0	0	0	0	8,076,589
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Peak debt	-44,650,015
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Summary	GDV	1,265,255,281
	Land	-96,945,030
	Plot costs and externals	-687,004,130
	Site infrastructure	-121,354,526
	Contingency	-40,417,933
	Fees	-48,501,519
	S106	-43,320,000
	Profit	-197,042,871
	Finance	-22,592,681
	Total costs	-1,257,178,691
	Surplus/Deficit	8,076,589

Appendix 3 - Base appraisal

Langarth Garden Village

Appraisal Summary (present day)

GDV	1,275,339,899	12,753.40
Land cost	-96,945,030	-0.10
Plot costs and externals	-687,004,130	-0.69
Site infrastructure	-112,612,768	-0.11
Contingency	-39,980,845	-0.04
Fees	-47,977,014	-0.05
S106	-36,343,333	-0.04
Profit	-197,647,948	-0.20
Finance	-3,091,353	0.00
Total costs	-1,221,602,421	-1.22
Surplus/Deficit	53,737,478	0.05

Peak debt-23,438,811

Appraisal Summary (sensitivity)

GDV	1,776,682,588	1.78
Land cost	-106,749,617	-0.11
Plot costs and externals	-866,314,813	-0.87
Site infrastructure	-137,270,575	-0.14
Contingency	-50,179,269	-0.05
Fees	-60,215,123	-0.06
S106	-49,761,300	-0.05
Profit	-281,568,327	-0.28
Finance	-2,958,321	0.00
Total costs	-1,555,017,347	-1.56
Surplus/Deficit	221,665,241	0.22

Peak debt-24,686,532

User variable inputs

Input	Value	Basis
Blended Private	£3,600	Per Sq m

Commercial/business use	£0	Per Acre
Retail/leisure	£0	Per Acre
Care Home/Hotel/Other	£0	Per Acre
Other		Per Acre

On Plot Cost	£1,348	Per Sq m
Extenral/Inf Uplift	10.00%	% of Plot Cost
NZC Uplift	5.00%	% of Plot Cost

Infrastructure costs	£16,877,127	Total Cost
CC infra costs	£95,735,641	Total Cost
	£0	Total Cost
	£0	Total Cost
	£0	Total Cost
	£0	Total Cost
	£0	Total Cost

Infra costs period	76	Units
Infra costs start from SOS	1	Quarter

S106/278 (CC)	£36,343,333	Total Cost
		Total Cost
S106/278 (CC) period	60	Quarter
S106/278 (CC) start from SOS	20	Quarter
		Quarter
		Quarter

Profit on private	17.50%	On GDV
Profit onaffordable	6.00%	On GDV
Profit on first homes	12.00%	On GDV
Profit on commercial	15.00%	On GDV

Finance	6.00%	Of debt
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Land Cost	£150,000	Per Acre
Land Cost Start	1	Quarter
Land Cost End	75	Quarter

NAR funding	£47,500,000	Total Reciept
NAR funding period	5	Quarter
NAR funding start from SOS	1	Quarter
HE Funding 2	£0	Total Recipt
HE Funding 1 Start	1	Quarter
HE Funding 1 End	1	Quarter
AFH Grant Funding	£0	Total Grant
AFH Grant Funding Start	1	Quarter
AFH Grant Funding End	1	Quarter

Private housing	2.50%	Annual Growth
First Homes	2.50%	Annual Growth
Social rented housing	1.00%	Annual Growth
Shared ownership	2.50%	Annual Growth
Commercial/business use	2.00%	Annual Growth
Land costs	1.00%	Annual Growth
Construction inflation	2.50%	Annual Inflation
S106/278 (OCC)	2.50%	Annual Inflation
S106/278 (CDC)	2.50%	Annual Inflation

Rented affordable rents

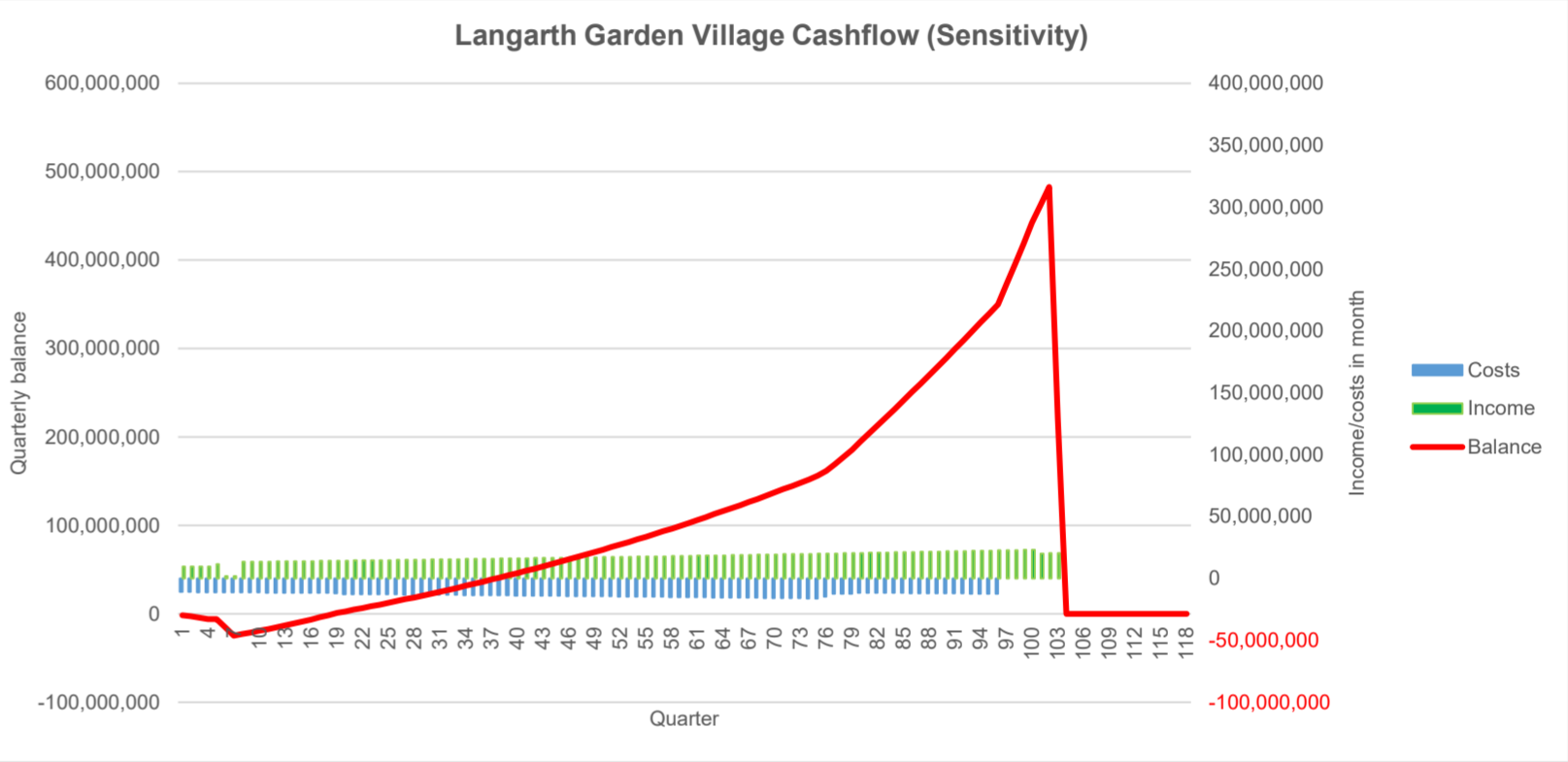
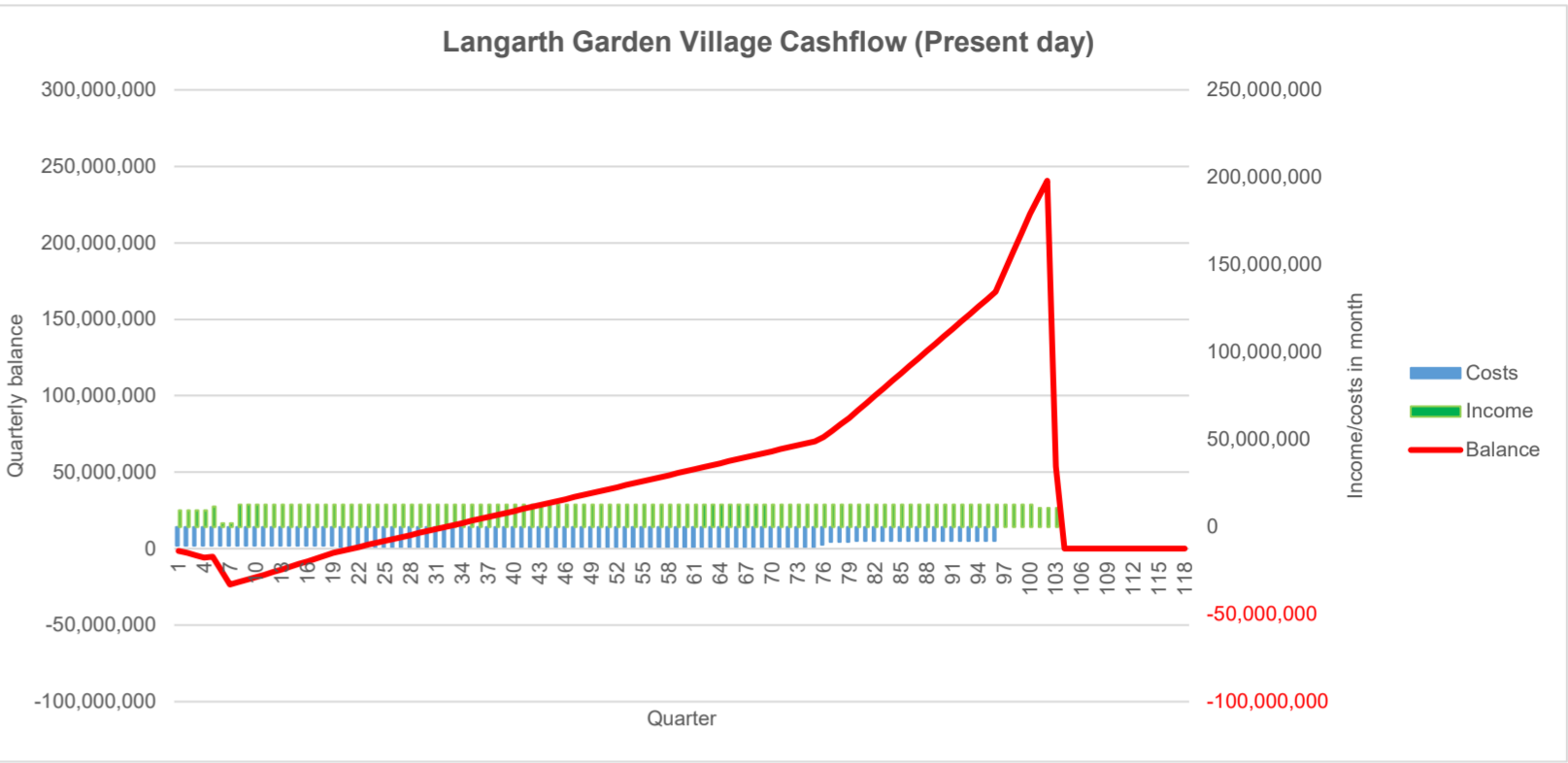
	Net rent p.w.
1 bed	£84.00
2 bed	£98.00
3 bed	£108.00
4 bed	£119.00

Shared ownership units

Initital equity stakes		25%
Rent on retained equity		2.75%

First Homes Discount

Discount to market value		30%
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LANGARTH GARDEN VILLAGE

[illegible]

LANGARTH GARDEN VILLAGE

[illegible][illegible]

Construction and infrastructure		Cost per Qtr															
Infrastructure costs	16,877,127	222,067	76	16,877,127	0	0	0	0	0	0	0	0	0	0	0	0	0
CC Infra costs	95,735,641	1,259,679	76	95,735,641	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 2	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 3	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 4	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 5	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 6	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
On-plot construction costs	591,172,130	6,222,863	95	597,394,896	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	6,222,863	0	0	0	0
External works (applied to cons)	59,117,213	622,286	95	59,739,490	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	0	0	0	0
Sub Total				769,747,153	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	6,845,150	0	0	0	0
NZC costs (% of on-plot construction)	5.00%			29,869,745	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	311,143	0	0	0	0
Contingency on construction costs	5.00%			39,980,845	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	357,815	0	0	0	0
Professional fees	6.00%			47,977,014	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	429,378	0	0	0	0

[illegible][illegible][illegible]

Quarterly balance				134,000,175	138,846,688	143,693,202	148,539,716	153,386,229	158,232,743	163,079,257	167,925,771	180,715,769	193,505,768	206,295,767	219,085,766
Interest in quarter	6.00%	1.50%	-3.091,353	0	0	0	0	0	0	0	0	0	0	0	0
Balance carried fwd				134,000,175	138,846,688	143,693,202	148,539,716	153,386,229	158,232,743	163,079,257	167,925,771	180,715,769	193,505,768	206,295,767	219,085,766

[illegible]

Peak debt	-23,438,811
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Summary	GDV	1,275,339,899
	Land	-96,945,030
	Plot costs and externals	-687,004,130
	Site infrastructure	-112,612,768
	Contingency	-39,980,845
	Fees	-47,977,014
	S106	-36,343,333
	Profit	-197,647,948
	Finance	-3,091,353
	Total costs	-1,221,602,421
	Surplus/Deficit	53,737,478

Appendix 4 - Sensitivity analysis

LANGARTH GARDEN VILLAGE

					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12	Qtr 13	Qtr 14	Qtr 15	Qtr 16	Qtr 17	Qtr 18	Qtr 19	Qtr 20	Qtr 21	Qtr 22
					Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2	Year 3	Year 3	Year 3	Year 3	Year 4	Year 4	Year 4	Year 4	Year 5	Year 5	Year 5	Year 5	Year 6	Year 6
					1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
Revenue	Project totals	Revenue per Qtr	Qtrs	Cashflow totals																						
Private housing	1,051,745,753	11,071,006	95	1,524,366,669	0	0	0	0	0	0	0	11,636,818	11,709,548	11,782,733	11,856,375	11,930,477	12,005,043	12,080,074	12,155,575	12,231,547	12,307,994	12,384,919	12,462,325	12,540,214	12,618,591	12,697,457
First Homes	0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Sale																										
Marketing costs	2.50%				0	0	0	0	0	0	0	-290,920	-292,739	-294,568	-296,409	-298,262	-300,126	-302,002	-303,899	-305,789	-307,700	-309,623	-311,558	-313,505	-315,465	-317,436
Legal fees	0.25%				0	0	0	0	0	0	0	-29,092	-29,274	-29,457	-29,641	-29,826	-30,013	-30,200	-30,389	-30,578	-30,770	-30,962	-31,156	-31,351	-31,546	-31,744
Affordable Housing Revenue																										
Social rented housing	99,785,882	1,050,378	95	115,235,363	0	0	0	0	1,063,573	1,066,232	1,068,898	1,071,570	1,074,249	1,076,934	1,079,627	1,082,326	1,085,032	1,087,744	1,090,464	1,093,190	1,095,923	1,098,662	1,101,409	1,104,163	1,106,923	1,109,690
Shared ownership	92,441,475	973,068	95	131,500,640	0	0	0	0	1,003,859	1,010,133	1,016,446	1,022,799	1,029,192	1,035,624	1,042,097	1,048,610	1,055,164	1,061,758	1,068,394	1,075,072	1,081,791	1,088,552	1,095,356	1,102,202	1,109,090	1,116,022
Grant funding	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				246,736,002	0	0	0	0	2,067,432	2,076,365	2,085,344	2,094,369	2,103,440	2,112,558	2,121,723	2,130,936	2,140,195	2,149,503	2,158,858	2,168,262	2,177,714	2,187,215	2,196,765	2,206,364	2,216,013	2,225,713
Land receipt for non-residential uses																										
Commercial/business use	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail/leisure	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Care Home/hotel/other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grant funding																										
NAR funding	47,500,000	9,500,000	5	47,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GDV	1,291,473,110			1,776,682,588	9,500,000	9,500,000	9,500,000	9,500,000	11,567,432	2,076,365	2,085,344	13,411,174	13,490,976	13,571,266	13,652,048	13,733,325	13,815,099	13,897,375	13,980,154	14,063,441	14,147,238	14,231,548	14,316,376	14,401,723	14,487,593	14,573,989

Land costs	90,772,500	1,210,300	75	99,952,825	1,213,326	1,216,359	1,219,400	1,222,448	1,225,505	1,228,568	1,231,640	1,234,719	1,237,806	1,240,900	1,244,002	1,247,112	1,250,230	1,253,356	1,256,489	1,259,630	1,262,779	1,265,936	1,269,101	1,272,274	1,275,455	1,278,643
Acquisition costs on land	6.80%			6,796,792	82,506	82,712	82,919	83,126	83,334	83,543	83,752	83,961	84,171	84,381	84,592	84,804	85,016	85,228	85,441	85,655	85,869	86,084	86,299	86,515	86,731	86,948

Construction and infrastructure	Cost per Qtr																												
Infrastructure costs	16,877,127	222,067	76	20,572,560	223,178	224,294	225,415	226,542	227,675	228,813	229,957	231,107	232,263	233,424	234,591	235,764	236,943	238,128	239,318	240,515	241,717	242,926	244,141	245,361	246,588	247,821			
CC Infra costs	95,735,641	1,259,679	76	116,898,015	1,265,978	1,272,308	1,278,669	1,285,063	1,291,488	1,297,945	1,304,435	1,310,957	1,317,512	1,324,100	1,330,726	1,337,374	1,344,061	1,350,781	1,357,535	1,364,323	1,371,144	1,378,000	1,384,890	1,391,814	1,398,773	1,405,767			
Infra 2	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Infra 3	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Infra 4	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Infra 5	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Infra 6	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
On-plot construction	591,172,130	6,222,863	95	768,166,975	6,253,978	6,285,248	6,316,674	6,348,257	6,379,999	6,411,899	6,443,958	6,476,178	6,508,559	6,541,102	6,573,807	6,606,676	6,639,709	6,672,908	6,706,273	6,739,804	6,773,503	6,807,370	6,841,407	6,875,614	6,909,992	6,944,542			
Externals/landscaping	59,117,213	622,286	95	59,739,490	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286			
Sub Total				965,177,039	8,365,420	8,404,136	8,443,045	8,482,149	8,521,448	8,560,944	8,600,637	8,640,529	8,680,620	8,720,912	8,761,405	8,802,100	8,842,999	8,884,103	8,925,412	8,966,928	9,008,651	9,050,583	9,092,724	9,135,076	9,177,640	9,220,417			
NZC costs (% of on-plot construction)	5.00%			38,408,349	312,699	314,262	315,834	317,413	319,000	320,595	322,198	323,809	325,428	327,055	328,690	330,334	331,985	333,645	335,314	336,990	338,675	340,369	342,070	343,781	345,500	347,227			
Contingency on construction costs	5.00%			50,179,269	433,906	435,920	437,944	439,978	442,022	444,077	446,142	448,217	450,302	452,398	454,505	456,622	458,749	460,887	463,036	465,196	467,366	469,548	471,740	473,943	476,157	478,382			
Professional fees	6.00%			60,215,123	520,687	523,104	525,533	527,974	530,427	532,892	535,370	537,860	540,363	542,878	545,406	547,946	550,499	553,065	555,644	558,235	560,840	563,457	566,088	568,731	571,388	574,059			

Section 106																													
S106/278	36,343,333	605,722	60	49,761,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	686,106	690,394	694,709				
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
0	0	0	1	0	0	0	0																						

LANGARTH GARDEN VILLAGE

					Qtr 89	Qtr 90	Qtr 91	Qtr 92	Qtr 93	Qtr 94	Qtr 95	Qtr 96	Qtr 97	Qtr 98	Qtr 99	Qtr 100
					Year 23	Year 23	Year 23	Year 23	Year 24	Year 24	Year 24	Year 24	Year 25	Year 25	Year 25	Year 25
					1	2	3	4	1	2	3	4	1	2	3	4
Revenue	Project totals	Revenue per Qtr	Qtrs	Cashflow totals												
Private housing	1,051,745,753	11,071,006	95	1,524,366,669	19,275,764	19,396,237	19,517,464	19,639,448	19,762,195	19,885,708	20,009,994	20,135,057	20,260,901	20,387,531	20,514,953	20,643,172
First Homes	0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Sale																
Marketing costs	2.50%				-481,894	-484,906	-487,937	-490,986	-494,055	-497,143	-500,250	-503,376	-506,523	-509,688	-512,874	-516,079
Legal fees	0.25%				-48,189	-48,491	-48,794	-49,099	-49,405	-49,714	-50,025	-50,338	-50,652	-50,969	-51,287	-51,608
Affordable Housing Revenue																
Social rented housing	99,785,882	1,050,378	95	115,235,363	1,311,763	1,315,042	1,318,330	1,321,626	1,324,930	1,328,242	1,331,563	1,334,892	1,338,229	1,341,574	1,344,928	1,348,291
Shared ownership	92,441,475	973,068	95	131,500,640	1,694,212	1,704,801	1,715,456	1,726,177	1,736,966	1,747,822	1,758,746	1,769,738	1,780,799	1,791,929	1,803,128	1,814,398
Grant funding	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				246,736,002	3,005,975	3,019,843	3,033,786	3,047,803	3,061,896	3,076,064	3,090,309	3,104,630	3,119,028	3,133,503	3,148,057	3,162,689
Land receipt for non-residential uses																
Commercial/business use	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail/leisure	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Care Home/hotel/other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total				0	0	0	0	0	0	0	0	0	0	0	0	0
Grant funding																
NAR funding	47,500,000	9,500,000	5	47,500,000	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Total GDV	1,291,473,110			1,776,682,588	21,751,655	21,882,684	22,014,519	22,147,166	22,280,630	22,414,915	22,550,028	22,685,972	22,822,754	22,960,377	23,098,849	23,238,173

Land costs	90,772,500	1,210,300	75	99,952,825	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition costs on land	6.80%			6,796,792	0	0	0	0	0	0	0	0	0	0	0	0

Construction and infrastructure	Cost per Qtr															
Infrastructure costs	16,877,127	222,067	76	20,572,560	0	0	0	0	0	0	0	0	0	0	0	0
CC Infra costs	95,735,641	1,259,679	76	116,898,015	0	0	0	0	0	0	0	0	0	0	0	0
Infra 2	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 3	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 4	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 5	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Infra 6	0	-	1	0	0	0	0	0	0	0	0	0	0	0	0	0
On-plot construction	591,172,130	6,222,863	95	768,166,975	9,699,956	9,748,456	9,797,198	9,846,184	9,895,415	9,944,892	9,994,617	10,044,590	0	0	0	0
Externals/landscaping	59,117,213	622,286	95	59,739,490	622,286	622,286	622,286	622,286	622,286	622,286	622,286	622,286	0	0	0	0
Sub Total				965,177,039	10,322,242	10,370,742	10,419,485	10,468,471	10,517,701	10,567,179	10,616,903	10,666,876	0	0	0	0
NZC costs (% of on-plot construction)	5.00%			38,408,349	484,998	487,423	489,860	492,309	494,771	497,245	499,731	502,229	0	0	0	0
Contingency on construction costs	5.00%			50,179,269	540,362	542,908	545,467	548,039	550,624	553,221	555,832	558,455	0	0	0	0
Professional fees	6.00%			60,215,123	648,434	651,490	654,561	657,647	660,748	663,865	666,998	670,146	0	0	0	0

Section 106																
S106/278	36,343,333	605,722	60	49,761,300	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total				49,761,300	0	0	0	0	0	0	0	0	0	0	0	0

Total Costs				£ 1,270,490,698	11,996,037	12,052,563	12,109,372	12,166,466	12,223,844	12,281,510	12,339,464	12,397,707	0	0	0	0
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Developer's profit on GDV																
% of GDV private	17.50%			266,764,167	0	0	0	0	0	0	0	0	0	0	0	0
% of GDV First Homes	12.00%			0	0	0	0	0	0	0	0	0	0	0	0	0
% of GDV commercial	15.00%			0	0	0	0	0	0	0	0	0	0	0	0	0
% of GDV affordable	6%			14,804,160	0	0	0	0	0	0	0	0	0	0	0	0

Quarterly balance					279,726,000	289,556,121	299,461,268	309,441,968	319,498,754	329,632,160	339,842,724	350,130,989	372,953,743	395,914,120	419,012,969	442,251,142
Interest in quarter	6.00%	1.50%		-2,958,321	0	0	0	0	0	0	0	0	0	0	0	0
Balance carried fwd					279,726,000	289,556,121	299,461,268	309,441,968	319,498,754	329,632,160	339,842,724	350,130,989	372,953,743	395,914,120	419,012,969	442,251,142

Surplus/Deficit	221,665,241				0	0	0	0	0	0	0	0	0	0	0	0
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Peak debt	-24,686,532
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Summary	GDV	1,776,682,588
	Land	-106,749,617
	Plot costs and externals	-866,314,813
	Site infrastructure	-137,270,575
	Contingency	-50,179,269
	Fees	-60,215,123
	S106	-49,761,300
	Profit	-281,568,327
	Finance	-2,958,321
	Total costs	-1,555,017,347
	Surplus/Deficit	221,665,241