

**THE LONDON BOROUGH OF HARINGEY  
(HIGH ROAD WEST PHASE A)  
COMPULSORY PURCHASE ORDER 2023**

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**DOCUMENT CD 9.3**

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**WITNESS 2: SELINA MASON, LENDLEASE**

**OVERVIEW PROOF OF EVIDENCE**

## 1. INTRODUCTION

### Qualification and experience

- 1.1 My name is Selina Mason. I joined Lendlease Europe Holdings Limited ("**Lendlease Europe**") in 2017 as Director of Masterplanning and Strategic Design for the Lendlease Development business in Europe. For my entire time at Lendlease Europe, I have been the Lendlease executive principally responsible for leading the strategic design for our High Road West project, which seeks to deliver the comprehensive residential-led mixed use regeneration of the High Road West area in Tottenham, London ("**Regeneration Scheme**").
- 1.2 In my role as Director of Masterplanning and Strategic Design I have ultimate responsibility for the masterplans of urban regeneration projects in Lendlease Europe's development business. This business is made up of a corporate group of companies (including Lendlease (High Road West) Limited ("**Lendlease**")) that specialise in mixed-use large-scale regeneration projects, principally within London and the English regions.
- 1.3 I have overall responsibility for the masterplans of Lendlease Europe's development projects including incorporating design, stakeholder management, placemaking and the public benefits they seek to deliver. In my role I collaborate with respective directors for land acquisition, planning, production, sales, customer service and health and safety.
- 1.4 In my career before Lendlease Europe, I have gained substantial experience of leading design and planning matters to deliver successful urban regeneration. In my previous roles I was responsible for leading the masterplan for the post-games transformation of the Olympic Park in London in my capacity as Director of Design Integration at the London Legacy Development Corporation (2011-2014) and Project Sponsor and Deputy Head of Design at the Olympic Delivery Authority (2007-2011). Other previous roles have included time at the Commission for Architecture and the Built Environment where I was the Director of Architecture and Design Review with responsibility for providing strategic advice to central government on national planning policy reform, housing renewal and housing growth. I therefore have a strong understanding of strategic design in the context of delivering public benefits aligned to public sector objectives.
- 1.5 Today, alongside my role at Lendlease Europe, I continue to maintain involvement with organisations focused on establishing more equitable outcomes for cities. I am a trustee of Open City (a charity dedicated to making architecture and neighbourhoods more open and accessible) and have previously held a government appointed role at the Urban Centre Recovery Task Force alongside non-executive director positions at a London housing association. In 2022 I was made an honorary fellow of the Royal Institute of British Architects for my work in delivering sustainable and inclusive buildings and environments.

- 1.6 I write this evidence in support of confirmation of the London Borough of Haringey (High Road West Phase A) Compulsory Purchase Order 2023 ("**Order**"). The Order will deliver the first phase of the Regeneration Scheme ("**Phase A**") by the acquisition of land and new rights over land included in the Order ("**Order Land**").
- 1.7 The facts stated in my proof are either within my own knowledge or, where indicated, reflect the advice that I have received. The opinions that I have expressed represent my true opinion.

Scope of evidence

- 1.8 In this proof of evidence, I will address the capacity, ability and commitment of Lendlease to deliver the scheme to be carried out on the Order Land to deliver Phase A of the Regeneration Scheme ("**Scheme**"). My evidence covers the following topics:
- (a) Introduction to Lendlease and Lendlease Corporation Limited ("**Lendlease Limited**").
  - (b) Lendlease Limited's initial interest and bid for Regeneration Scheme.
  - (c) Lendlease's bid and appointment as development partner under the Development Agreement entered into between the Council, Lendlease and Lendlease Limited on 20 December 2017 ("**the DA**") to deliver the Regeneration Scheme.
  - (d) Lendlease Limited's involvement in the Order Land and progress delivering the Regeneration Scheme to date.
  - (e) Lendlease Limited's relevant experience and track record in delivering large scale, residential led regeneration projects over long periods.
  - (f) Information on relevant key terms of the DA including those terms committing Lendlease to deliver the Regeneration Scheme.
  - (g) Lendlease's commitment to deliver the Scheme and the financial capacity and resources available to deliver a project of this scale and duration.
  - (h) Commentary on the viability of the Scheme and Lendlease Limited's approach to value creation.
  - (i) Proposed timetable for delivery of the Scheme.
  - (j) Lendlease's approach to business relocation.
  - (k) Discussions and negotiations with Tottenham Hotspur Football Club ("**THFC**") and Lendlease's position on crowd flow concerns raised by THFC.
  - (l) Lendlease's position on statements made by the Tryfonos Objectors.

- (m) My conclusions as to why, in my opinion, the CPO is demonstrably in the public interest and should be confirmed.

Terminology

- 1.9 Specific abbreviations are noted in the text on first use and these abbreviations are also set in the Glossary [CD 5.10].
- 1.10 References are also made to the core documents, by the abbreviation, for example, "CD 5.9". Other proofs are referred to by their document number, for example "CD 9.1".

## 2. LENDLEASE'S INVOLVEMENT IN HIGH ROAD WEST

### Initial Interest in the Regeneration Scheme

- 2.1 As set out in further detail in the evidence of Peter O'Brien [CD 9.1], during 2016 and 2017 the Council undertook a procurement process for the selection of a development partner for the delivery of the Regeneration Scheme.
- 2.2 The brief set out by the London Borough of Haringey (the "**Council**") was defined by the objectives of the Council, which are set out in full in Peter O'Brien's evidence [CD 9.1].
- 2.3 Prior to bidding for the Regeneration Scheme opportunity, an extensive due diligence exercise was undertaken on the Regeneration Scheme, Tottenham and the North London area to assess whether the Regeneration Scheme aligned with Lendlease Limited's business strategy. This exercise identified:
  - (a) A Need for Investment – the area suffered, and continues to suffer, from entrenched social, economic, and environmental challenges. The area has consistently underperformed in areas of health, educational attainment, income, deprivation, and crime relative to similar locations as further set out in the evidence of Peter O'Brien at section 3 [CD 9.1]. This environment contributed to the much-publicised riots of 2011 which clearly illustrated the need for investment and change.
  - (b) The Opportunity for Tottenham – North Tottenham is an area rich in culture and heritage, existing for centuries along the old Roman road, Ermine Street. The road was the historic route from central London to Lincoln, representing a major strategic route as the main thoroughfare for the area. Today the High Road houses several district centres with local businesses supported by a diverse cultural, food and arts offering at its heart. However, as noted above, the area has faced issues of deprivation in recent years, contributed in part by the decline and relocation of manufacturing and industries that originally saw the area prosper through the 19<sup>th</sup> and early 20<sup>th</sup> century. Today, several programmes are underway to help celebrate and enhance Tottenham's culture and heritage.
  - (c) Transport – High Road West is well located to take advantage of existing transport infrastructure. The High Road and White Hart Lane station ("**Station**") offers convenient access in and out of London via road and rail and a well establish series of bus routes facilitate further mobility. The proposals to upgrade the Station in 2017 (now complete) and introduction of faster trains further increase the connectedness of the site. Further improvement to public transport infrastructure to support expanding development in this area of North London were, and remain, conceivable.

- (d) Catalysts for growth – in addition to the Station improvements, the redevelopment of the Tottenham Hotspur football stadium, which has won multiple design and building awards completed in 2019 having cost approximately £1 billion. Lendlease Limited recognised that the world class stadium and THFC's commitment to the area would act as a significant catalyst for future growth and change. This would be supported by the underlying skills and talents of the diverse range of local communities and businesses which could be enhanced and offer further opportunities for regeneration.
- (e) Potential for this part of North London – Despite its location and potential, this area of north London had not benefitted from the investment that had historically benefitted comparable locations such as Stratford and Wembley: the potential for investment was significant. With the recent announcement of nearby Meridian Water and Tottenham Hale regeneration schemes, the cumulative benefits of multiple major urban regeneration projects coming forward simultaneously amplified the area's potential.
- (f) The extent of commitment to change – Lendlease Limited evaluated the commitment to change from key stakeholders, including public bodies. The riots of 2011, the adoption of the Tottenham Strategic Regeneration Framework by the Council in March 2014 and the establishment of the High Road West Masterplan Framework in response to a Tottenham-wide consultation in 2011 illustrated the community and political commitment to change.

2.4 Lendlease Limited's interest in the Scheme and the Regeneration Scheme is rooted in its understanding formed by this analysis. Based on my expertise and knowledge of regeneration, Lendlease Europe assessed that the Regeneration Scheme met all the key credentials, making it a strong fit for Lendlease's Limited's business strategy.

#### The Bid for the Regeneration Scheme and Selection as Development Partner

2.5 Based on Lendlease Limited's understanding of the area, our experience in this sector and our ability to add value, we were attracted to bid to be the partner to the Regeneration Scheme. There were several factors that underpinned our interest in the opportunity and provided us with confidence that Lendlease Limited could offer a compelling bid proposition:

- (a) Lendlease Limited has an established a credible track record of delivering comparable schemes in similar locations in London, notably at Elephant and Castle, Stratford and Deptford. These are all locations that historically have suffered from an equivalent lack of investment when compared to the Regeneration Scheme, where there is an opportunity for Regeneration Growth that could be delivered hand in hand with social, economic and environmental improvements.
- (b) Lendlease Limited focuses on large scale, mixed-use regeneration propositions, typically with strong, multi-faceted transport networks, providing access to jobs and

services such as the Regeneration Scheme. Geographically, the business is focussed on working in global, gateway cities, where the resilience of the property market is greater as a result of the economic and social function of those cities.

- (c) Together with the opportunity for value growth, catalysts for growth (such as the London 2012 Olympics in Stratford) provide a platform for growth and investment and have the potential to benefit the local community and stakeholders when they can be utilised to leverage more extensive regeneration. As set out above, Lendlease Limited identified several catalysts for growth in and around the Regeneration Scheme.
- (d) Lendlease Limited has the desire and expertise to establish firm roots when investing in neighbourhoods, evidenced by the long-term nature of our presence on our projects as set out in section 4. We recognise that good regeneration takes decades; requiring long term investment and placemaking. As such, the brief set by the Council aligned with our long-term approach of working with partners to deliver regeneration.
- (e) As a listed company, Lendlease Limited's success is reliant on the quantum and quality of the pipeline we have to deliver against. The Regeneration Scheme is an opportunity that significantly contributes to this pipeline, our core business strategy and our values.
- (f) Lendlease Limited evaluates the commitment to change from stakeholders, including key public bodies. The 2011 riots, the subsequent jointly commissioned report, and strategic and planning policy documents introduced in the years following the 2011 riots, provided clear and tangible evidence that the groundwork was in place for a sustained commitment to change and investment in the Regeneration Scheme.
- (g) The Lendlease Limited board was fully supportive of the bid.

2.6 Collectively, I assessed that the Regeneration Scheme met the core requirements associated with Lendlease Limited's business strategy and there was a strong business case to submit a bid for the opportunity. We saw the opportunity for a coalescence of the Council's objectives and the Lendlease model of regeneration. This coalescence, which is heavily focussed on long-term commitment, has provided the basis for the two organisations to work together collaboratively over the last seven years.

2.7 The business' commitment and appetite to become the Council's partner was reflected in the quality of the bid, and our subsequent tenacity in standing side-by-side with the Council to overcome the inevitable challenges that accompany any major regeneration project. These have included aspects as broad as the (at the time) newly introduced requirement for a resident ballot and Covid-19. It is this culture and commitment that sets Lendlease Limited apart from our competitors.

- 2.8 Lendlease Limited formally committed to the Regeneration Scheme in 2017 when the Boards of Lendlease Europe and Lendlease Limited agreed to enter into the procurement process to secure the opportunity. Following the commencement of the procurement process in May 2016, the top six bidders received an Invitation to submit Outline Solutions in August 2016, from which the Council shortlisted three parties in January 2017. Following a period of continued dialogue, Lendlease Europe was confirmed as the preferred bidder in September 2017 to act as the Council's development partner.
- 2.9 The DA was signed in December 2017 between the Council, Lendlease and Lendlease Limited.

#### Subsequent Progress Towards Delivery

- 2.10 Since entering into the DA, Lendlease Limited and Lendlease have committed significant resource in seeking to bring forward the delivery of the Regeneration Scheme. This has facilitated the achievement of the following:

(a) *Consulting on the Regeneration Scheme –*

In 2018, Lendlease working in partnership with the Council carried out several rounds of public consultations on detailed proposals for the Regeneration Scheme. During the consultations Lendlease contacted over 1,000 residents, businesses and members of the wider community which resulted in approximately 2,500 interactions and conversations.

Between 2018 and 2021, a total of 22 pre-planning consultations events were held with local residents, businesses and stakeholders. These covered a broad range of topics and were conducted with directly affected residents and those neighbouring the Regeneration Scheme. Topics included design, masterplanning, phasing and delivery timetable. Residents also had the opportunity to visit other Lendlease projects, including Elephant Park. In addition, five workshops with the Council's Quality Review Panel workshops were held to review design quality.

A resident ballot was completed in 2021, which demonstrated that the majority of voting residents on the Love Lane Estate supported the regeneration of the estate as part of regeneration of the Order Land.

Formal consultation continued following submission of the planning application in 2021. More recent consultation has included changes to phasing proposals, updates on the development timescales, consultation on play area proposals and co-design of the home layouts and kitchen finish palettes for the new affordable homes on Plot A.



(b) *Establishing relationships with the local community –*

Lendlease Limited's approach to consultation and engagement has always been to embed ourselves within the local community as far as possible, to build strong relationships by gaining an in-depth understanding of their needs and aspirations. Accordingly, the more formal consultation events as set out above have been supported by more informal engagement as set out below.

Community and stakeholder engagement work is ongoing and Lendlease's partnerships with residents and the business community are active. The project has already delivered several socio-economic activities and a further programme of events are planned for the next year. Activities have been based on our first-hand understanding of the needs of the local community:

- (i) The establishment of relationships with groups and charitable organisations with an interest in the Order Land which has included site visits on weekdays, evenings and weekends to ensure Lendlease's understanding of the community is well rounded.
- (ii) Funding towards the Tottenham High Road revitalisation programme to provide shopfront investments to the High Road properties.
- (iii) A refresh of the Grange Community Centre to provide a safe and accessible community hub for the local community.
- (iv) Attendance, and joint funding in partnership with the Council of reoccurring community events for the Love Lane Estate including summer community BBQs, Christmas events and Coronation celebration events, creating opportunities for social integration and community empowerment.
- (v) Funding toward cost-of-living crisis support hampers for residents of the Love Lane Estate and donations to the Selby Centre in support of the wider area.
- (vi) Collaboration with the local college and charitable organisations to create local employment opportunities through a work placement programme for local young people and the provision of a digital access hub to increase digital literacy, skill development and employment outcomes for the local community.
- (vii) A partnership with Sports Inspired to increase the physical activity levels of primary school children in two local primary schools and the DJ academy outreach project to improve the lives of young people through participation in sport and music.

The establishment of strong relationships with the local community has been Lendlease's approach since entering into the DA in 2017. It is representative of Lendlease Limited's view that understanding of the existing context is essential to deliver the best outcomes for regeneration and value creation as further detailed in section 40.

(c) *Negotiations and acquisition of third-party interests –*

In accordance with the terms of the Compulsory Purchase Order Indemnity Agreement entered into between the Council, Lendlease and Lendlease Limited on 20 December 2017 ("**the CPOIA**"), Lendlease commenced negotiations for the acquisition of third-party land interests within the Order Land (excluding the Love Lane Estate) in January 2018. Lendlease appointed CBRE as its property surveyor to advance negotiations. CBRE has been supported by Lendlease employees, including an allocated team member dealing with the negotiations. To date, a number of third-party acquisitions have completed as detailed in the proof of James Franklin [CD 9.9]. All of these transactions have been underwritten by Lendlease Limited under the terms of the CPOIA.

(d) *Securing the Planning Permission –*

In October 2021, the planning application for the Regeneration Scheme was submitted to the Council. The Council's Planning Committee resolved to grant permission in July 2022. Planning permission reference HGY/2021/3175 was granted by the Council on 31 August 2022 ("**the Planning Permission**") following completion of the Section 106 Agreement ("**the Section 106 Agreement**") on the same day.

(e) *Undertaking works to Plot D –*

In March 2022, Lendlease demolished and cleared the former British Queen pub site on Love Lane.

The commencement of these works secured funding from the Mayors Land Fund as detailed in the evidence of Peter O'Brien [CD 9.1].

(f) *Undertaking works to Plot A –*

In March 2023, Lendlease commenced works to Plot A which is an area to the west of the railway line which contains 100 Whitehall Street and the former Whitehall & Tenterden Community Centre ("**Plot A**"). Plot A is the first plot within the Scheme to come forward.

The commencement of the works secured funding from the GLA's Affordable Housing Grant programme to the Council as explained in the proof of Peter O'Brien [CD 9.1].

This funding is available to the Council to be provided to Lendlease for the purpose of delivering the affordable housing homes within the Scheme.

Lendlease has since demolished the former Whitehall and Tenterden Community Centre located within Plot A and installed initial utility infrastructure.

Prior to the commencement of these works, Lendlease discharged the relevant parts of all pre-commencement conditions associated with Plot A including condition 3 (phasing plan), 4 (construction logistics plan), 5 (demolition & construction environmental management plans), 6 (control of dust), 7 (non-road mobile machinery), 8 (rail protection), 10 (ground contamination), 11 (arboricultural methods statement), 24 (highway pre-condition survey) and 88 (business and community liaison construction group).

- (g) The Scheme has to a large extent been de-risked, with the Planning Permission obtained, grant funding secured from the GLA and an agreed purchase price for the minimum 500 social rented Council homes within the Scheme agreed with the Council.
- (h) Procurement of a main contractor for Plot A, is well advanced and remains on target to deliver in accordance with the delivery programme as set out in section 8.

2.11 Lendlease's involvement in the Regeneration Scheme has required the involvement of in-house experts (many dedicated solely towards delivery of the Scheme) covering development, finance, project management and construction. Lendlease has also engaged numerous experienced consultants who have dealt with matters relating to design, planning, community engagement, construction and site assembly.

2.12 The progress to date has enabled Lendlease to establish the foundations of a high quality, mixed-use and inclusive development that will help tackle some of the barriers that many people in this area of North Tottenham face; including lack of access to employment opportunities, high quality housing and safe neighbourhoods for the community to thrive in. With construction of the first plot due to commence shortly, detailed design work on the next plots is due to commence in late 2023.

### 3. THE LENDLEASE COMPANIES

#### About Lendlease Limited

- 3.1 Lendlease Limited is a global real estate development, construction, and investment business. It has an exceptional track record and expertise in delivering complex and large-scale urban regeneration schemes. The business benefits from offering a vertically integrated supply solution; delivering investment, development, construction, and operational expertise into schemes, either individually or in partnership. This approach is well aligned with public sector partners, creating an environment that supports patient capital and derives returns from the broader successes of regeneration, including social, economic and physical improvement.
- 3.2 Lendlease Limited was established in Australia in 1958 and listed on the Australian Securities Exchange in 1962. Since then, Lendlease Limited has grown significantly and has delivered over 4,500 projects in four continents and 17 countries across the globe through its development and construction skillsets.
- 3.3 Since its formation over 60 years ago, Lendlease Limited has developed a reputation for delivering urban regeneration and balanced business; creating environmental, social, and economic outcomes to support communities. This remains a core focus of the business today.
- 3.4 As at 30 June 2023<sup>1</sup>, Lendlease Limited has:
- (a) International pipeline of development projects valued at £65.7 billion;
  - (b) Funds under management of £25.6 billion;
  - (c) Invested development capital of £1.2 billion;
  - (d) Cash assets of £0.48 billion.
- 3.5 Lendlease Limited has been an established operator in the United Kingdom since 1991. In this time, it has delivered a number of iconic schemes, including the Bluewater Shopping Centre in Kent, 2012 London Olympics Athletes' Village, 2009 – 2015 refurbishment of the Houses of Parliament, the regeneration of Perry Barr in Birmingham and the regeneration of Elephant and Castle in London.
- 3.6 Lendlease Limited is suitably experienced and capitalised to deliver the Scheme.

#### Lendlease Limited's Business Strategy

- 3.7 Lendlease Limited's overall business strategy is to target urban renewal of large-scale, mixed-use projects in global gateway cities such as London.

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<sup>1</sup> Amounts are approximate having been converted from Australian dollars.

- 3.8 Such a strategy reflects Lendlease Limited's belief that the most desirable cities will continue to be the driving force of economic, social and cultural life. Lendlease Limited believes that the appeal of cities is more compelling today than ever, driven by the extensive social infrastructure and amenities they offer.
- 3.9 Placemaking is core to this development strategy. Lendlease Limited creates places that resonate with people and contribute to the quality and liveability of the cities it operates in. It does this by working in partnership with government, institutions, landowners, investors, and the local communities within which we operate.
- 3.10 Lendlease Limited recognises that these regeneration projects have long lead times, often requiring significant upfront investments alongside an ability to adapt to changing market circumstances associated with projects of such durations: success requires long term commitment, strong partnership and flexibility to adapt to changing circumstances. It is this very complexity that both limits the market and provides the opportunity for value creation.
- 3.11 In summary, Lendlease Limited's business strategy ethos remains as set out by its founder, Dick Dusseldorp, over 60 years ago that long term potential for value creation is maximised by achieving social, environmental and economic outcomes in partnership with stakeholders. Lendlease Limited's business strategy is to employ its placemaking and regeneration expertise through its integrated business model to deliver urban projects in global gateway cities, such as London. This strategy is aligned to our business ethos.
- 3.12 Large multi-phased sites such as the Scheme and the Regeneration Scheme provide the opportunity to apply the breadth of Lendlease Limited's skill to the greatest effect.
- 3.13 For the reasons set out above and Lendlease Limited's understanding of the Regeneration Scheme as set out in in section 2, the Scheme and Regeneration Scheme align with Lendlease Limited's strategic approach.

#### About Lendlease

- 3.14 The Scheme will be delivered by Lendlease, which was incorporated to deliver the Regeneration Scheme, and the Scheme, in December 2017.
- 3.15 It was considered that an entity incorporated expressly for delivering the Regeneration Scheme would be appropriate in light of the Regeneration Scheme's location, scale and long-term nature.
- 3.16 Lendlease is a wholly owned subsidiary of Lendlease Europe, which in turn is a wholly owned subsidiary of Lendlease Limited.
- 3.17 Lendlease is the "developer" for the purposes of the DA pursuant to which it has committed to deliver the Scheme. Its performance is guaranteed by Lendlease Limited, which entered into

both the DA and CPOIA as guarantor. By entering into the DA and CPOIA as guarantor, Lendlease Limited has covenanted to deliver the Scheme on the same terms as Lendlease.

#### 4. RELEVANT EXPERIENCE

##### Experience and Track Record

- 4.1 Lendlease Limited is a major participant in urbanisation (including urban regeneration) in Europe with a proven track record in the delivery of significant large scale, complex and long-term regeneration projects.
- 4.2 Lendlease Limited has a current pipeline of European development schemes, primarily in the UK, valued at more than £27.1 billion<sup>2</sup> (as of 30 June 2022<sup>3</sup>) across nine major urban projects including the Thamesmead Waterfront, Euston Station, Silvertown Quays, International Quarter London and Elephant Park projects in London; the Smithfield development in Birmingham; and Milano Santa Giulia and Milan Innovation District in Italy. These projects amount to a residential pipeline of 31,027 homes and 1,439,000 sqm of commercial floorspace.
- 4.3 Lendlease Limited's track record and ability to deliver large scale urban regeneration projects, primarily with public partners (as is the case for the Regeneration Scheme), includes:
- (a) **Elephant Park, London, UK** – Lendlease Limited, in partnership with the London Borough of Southwark, is currently bringing forward the regeneration of Elephant & Castle. The project is materially completed with 2,500 homes, 9,000 sqm of retail space and a new public park delivered to date. With a further 400 homes due to complete in 2024, final completion of the project is anticipated for 2028.
    - (i) Planning permission for redevelopment of the site was granted in 2013 for a mixed-use development comprising of residential homes together with retail, business, leisure and community uses.
    - (ii) Elephant Park has delivered significant public benefits to an area of London previously associated with issues of deprivation. As of 2022, Elephant Park has won over 30 awards in respect of regeneration, design, planning, placemaking, landscape, safe-play, construction and safety. It is targeting to be the UK's first climate positive development when it completes.
    - (iii) The project is anticipated to generate £55 million of social value having already delivered over £36 million of social value by 2021 comprising:
      - (A) £10.7 million of wellbeing, health, and quality of life uplift for communities, alongside £5.9 million investment into community and employability

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<sup>2</sup> Amounts are approximate having been converted from Australian dollars.

<sup>3</sup> 30 June 2022 values have been used pending publication of the Lendlease Limited FY2023 Major Urban Projects summary report which has not been published as of the date of this proof of evidence.

causes such as support for local voluntary community and social enterprises and meanwhile projects.

- (B) Approximately £12 million of direct workforce wages were paid to residents within the borough from unemployed, underrepresented and or vulnerable backgrounds.
  - (C) 2,500 direct individual workers, including 251 apprentices, secured work through construction, with over 1,400 jobs being made available for local people and 10,000 people receiving training.
  - (D) A total direct and indirect economic impact of approximately £1.2 billion
- (iv) Funding for the regeneration has included equity alongside capital provided by investment partners. In 2018, Lendlease Limited and the Canadian Pension Plan Investments Board (“**CPPIB**”) announced a partnership targeting investing £1.5 billion in the build-to-rent (“**BTR**”) sector. In 2020, CPPIB and Lendlease Limited each invested circa £82.5 million across two plots within the project as part of this partnership.
- (b) **International Quarter London, London, UK** – Lendlease Limited is working on the redevelopment of the nine-hectare site located at the gateway to the Olympic Park in Stratford, London.
- (i) Lendlease Limited has been working on the scheme since 2007, with planning permission secured in 2010. The project is more than half completed with final completion anticipated for 2031.
  - (ii) Construction commenced in 2014. Since then, over one million square feet of development space has been delivered, including over 333 homes, together with office space, retail spaces, public realm and community facilities.
  - (iii) The project focuses on empowering the local community to leverage employment and business opportunities generated by the development and has provided 1,333 local jobs and delivered 301 apprenticeships. The project has won awards for its sustainability achievements including Outstanding BREEAM awards across multiple buildings.
  - (iv) The project has drawn funding from established investment partners of Lendlease Limited. The forward sale of a block with a GDV of £244 million was agreed with Legal and General Investment Management in 2016. A further £615 million of investment into two blocks was agreed with DWS Group in 2018. Since then, the established joint venture between Lendlease and CPPIB to invest in the London office market has invested £215 million into the newest commercial



space in 2021. The four further office buildings planned for the project are anticipated to be funded 50:50 through the joint venture.

- (c) **Deptford Landings, London, UK** – Lendlease Limited is bringing forward the residential-led mixed-use redevelopment of a 4.7-hectare site in Deptford alongside the London Borough of Lewisham.
  - (i) The site was acquired in 2014 and will deliver more than 1,400 homes and 10,000 sqm of commercial, retail and leisure space. It is anticipated to complete in 2029.
  - (ii) Construction commenced in 2018, with 203 homes delivered to date, and a further 251 are currently under construction. The most recent plot has exceeded its social value target to create new jobs by over 21% and continues to meet its targets for employing apprenticeships.
  - (iii) The project has a focus on nature and ecology which has included the planting of over 300 new trees and the creation of a new linear park.
  - (iv) In line with the project's funding strategy, a forward funding transaction was completed with Real Star on the latest block which has a GDV of £120 million.
- (d) **Silvertown, London, UK** – This project involves the 27-hectare urban regeneration of the Royal Docks Enterprise Zone in east London.
  - (i) Lendlease Limited has been working on the project since 2018 with initial site works having commenced and an anticipated completion date of 2035.
  - (ii) The project is anticipated to provide 417,000 sqm of office space, over 6,000 apartments and 23,000 sqm of retail floorspace and includes the refurbishment of key historic assets, including grade II listed Silo D and the iconic Millennium Mills building in the Royal Docks, which will enrich the area's prominent industrial heritage and identity.
  - (iii) Silvertown is being developed by The Silvertown Partnership ("**TSP**") which is a 50:50 joint venture between Lendlease Limited and Starwood Capital. TSP has committed to delivering 50 per cent of the homes as affordable and has partnered with the Guinness Partnership to deliver the affordable housing in the first phase of the development.
  - (iv) In addition to the TSP joint venture, funding for the project has drawn upon Lendlease Limited's close working relationship with the public sector. The GLA is supporting the affordable housing with a grant of £80 million and Homes

England has agreed a £233 million infrastructure loan to fund new pedestrian and cycle links.

- (e) **Thamesmead Waterfront, London, UK** – The development, in partnership with Peabody, proposes a cross-river extension of the Docklands Light Railway to Thamesmead as part of a 100-hectare development.
  - (i) The development will revitalise the existing Thamesmead town centre and surrounds, injecting new life into the area with 11,500 new homes, 37,000 sqm of office floorspace and 45,000 sqm of retail floorspace.
  - (ii) Lendlease Limited was confirmed as preferred bidder in 2020 and the project is expected to complete in the 2040s.
  - (iii) Lendlease Limited has entered into a 50:50 joint venture partnership with Peabody with further funding options are being explored with local partners.
- (f) **Smithfield, Birmingham, UK** – A joint venture between Lendlease Limited and Birmingham City Council (“**BCC**”), Smithfield presents a once in a lifetime opportunity to create a new community in the heart of Birmingham.
  - (i) The 17-hectare city centre site is due to deliver more than 3,000 new homes, establish a new home for the historic Bull Ring Markets, deliver a new public square and public parklands alongside space for local art. There will also be 82,000 sqm office and 44,000 sqm of retail floorspace.
  - (ii) Lendlease Limited was confirmed as preferred bidder in 2021 and is working toward a project completion date in in 2035.
  - (iii) The existing Bull Ring Markets within the site comprise of approximately 200 individual traders and businesses. The project will create a new and modern home for the historic markets for market traders to relocate into, ensuring the character and heritage of Smithfield remains embedded within the regenerated site.

4.4 Lendlease Limited has extensive experience of delivering large scale urban regeneration in collaboration with public sector partners. Such projects have historically drawn on established relationships with investment partners to provide funding alongside Lendlease Limited equity.

4.5 The Scheme, which is to be delivered in partnership with the Council and funded in part with third party investment partners, aligns with the existing and completed projects within Lendlease Limited’s completed and current development pipeline. Lendlease is therefore well placed to deliver the Scheme, realising the long-held aspirations of the Mayor of London, the Council and the local community.

### Approach to Value Creation

- 4.6 As set out in section 3, Lendlease's business strategy is underpinned by an ethos of creating environmental, social, and economic outcomes.
- 4.7 It remains our view today that the most desirable locations are those that enable and create inclusive communities; neighbourhoods that consist of a mix of tenures, delivering homes that are affordable to a wide range of households. It is Lendlease's experience that inclusive communities generate the maximum social, environmental, and economic value and we have adopted this approach on the Regeneration Scheme as set out in section 2.
- 4.8 Lendlease Limited has a long-standing publicly stated commitment to creating social value. As of 30 June 2023, we had delivered over 74% of our five-year target to create £131 million<sup>4</sup> of social value by 2025. This social value target is focused on initiatives that go above and beyond any project or asset contractual obligations.
- 4.9 Outside of its corporate commitments to social value, Lendlease has a proud legacy of creating successful neighbourhoods, where local residents quickly establish roots and networks:
- (a) Lendlease Limited established a dedicated not-for-profit company, BeOnsite, in 2017 to support Lendlease Limited projects. BeOnsite supports people facing life challenges that make it difficult for them to get onto the job ladder, helping them to build a career within the built environment. Over the last decade, Be-Onsite has registered over 1,960 candidates, trained over 890 individuals and directly employed over 650 people. 57% of BeOnsite's employees come from a BAME backgrounds compared to an average of 3% in the construction industry. BeOnsite was awarded the Queen's Award for Enterprise in 2022, the most prestigious business award in the country.
  - (b) The provision of local employment opportunities, training and investment in local communities as set out in detail in section 4.
  - (c) Prioritising local businesses and independent retailers to support established cultures and communities. In 2014, recognising the value of existing businesses, Lendlease established a joint venture with Stow Projects to create Artworks Elephant<sup>5</sup> at Elephant Park. This was a community-led space for dozens of start-ups and local entrepreneurs that offered a flexible, affordable, and safe place for them to operate and grow. The initiative enabled local people to test their business concepts and model with low-cost rent and a low risk model compared to the market. In addition to the social value created, Artworks has contributed toward the commercial success of Elephant Park, with five of the businesses relocating to retail units within Elephant Park upon completion.

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<sup>4</sup> Amounts are approximate having been converted from Australian dollars.

<sup>5</sup> <https://www.lendlease.com/us/insights/supporting-independent-businesses-at-elephant-park/>

Feedback from residents has shown that the rich variety of retailers has contributed to their decision to live at Elephant Park.

4.10 Lendlease is actively seeking to create an inclusive community in the Scheme as evidenced by its actions to date:

- (a) Linked specifically to the Regeneration Scheme, Lendlease has committed £10 million of social and economic investment into the local community.
- (b) The Planning Permission has been structured to provide a mixture of housing options to suit all requirements through the provision of social rent, intermediate, and private housing tenures.
- (c) The proposed minimum quantum of affordable housing, and particularly social rent housing, has been dramatically increased since Lendlease entered into the DA in 2017. This increase means that the established community within the Love Lane Estate is able to remain together as part of the development proposals. This approach was pursued in response to consultation feedback from non-secure tenants living in temporary accommodation which represents the largest resident group on the Love Lane Estate who form part of this established community as further detailed in section 4 of the evidence of Peter O'Brien [CD 9.1].
- (d) As set out in section 8, sufficient social rent housing will be provided to re-house all existing residents of the Love Lane Estate within the Regeneration Scheme and the current delivery programme anticipates all existing residents of the Love Lane Estate being re-homed within the Scheme by 2028.
- (e) As set out in section 9 below, recognising the value of existing businesses, Lendlease is proactively seeking engagement with local businesses on the High Road to discuss potential for relocation in the Scheme on discounted terms.
- (f) The acceleration of social infrastructure such as the Library and Learning Centre and Moselle Square ahead of market housing, will ensure high quality public facilities, helping to address issues of deprivation, are made accessible sooner.

4.11 In summary, Lendlease has a proud history of creating inclusive communities as an inseparable part of its business strategy. Lendlease is taking the same approach to the Scheme.

#### Delivering Urban Regeneration Through Economic Change

4.12 Large scale urban regeneration project such as the Regeneration Scheme and the Scheme are typically developed over many years and often decades. During these periods, the relative strength of the economy oscillates between highs and lows informing each stage of the

property cycle. Given their long lead in times and delivery programmes, Lendlease Limited expects to experience different economic conditions during the lifetime of an urban regeneration project; indeed, not to do so, would be highly unusual.

4.13 Having multi-decade, global experience in such schemes has granted Lendlease Limited the knowledge and expertise in managing the risks associated with these macroeconomic changes. This expertise has been embedded into the Scheme in a multi-faceted way:

- (a) We partner with public sector bodies, who are there for the long term. By doing this we can access public sector loans and grants that can help to support a project through the different stages of delivery. Public sector partnerships and grant funding on the Scheme are as set out in section 2.
- (b) We provide a multitude of uses, and specifically residential tenures, providing a buffer to typical supply and demand trends, and allowing counter-cyclical products such as affordable housing to be delivered at times of economic downturns. The delivery programme for the Scheme has been adapted to consider this as set out in section 8.
- (c) Planning consents should contain appropriate levels of flexibility to accommodate a range of uses so that emerging proposals can adapt to evolving trends and market demands. The flexibility of the Planning Permission for the Regeneration Scheme is set out in Tom Horne's evidence [CD 9.5].
- (d) Any contract with public partners must include provision to adapt the project and bring in investment partners in response to changing marketing conditions. The DA for the Scheme makes provision for investment partners via the Approved Funder mechanisms as set out in section 5.

4.14 Given the long delivery periods for urban regeneration projects, it is common for them to experience one or more property cycles. As such, it is necessary for urban regeneration projects to adapt to reflect the relevant stage of the property cycle and relative demand for development.

4.15 Lendlease Limited is highly skilled in navigating and delivering complex urban regeneration projects through economic and property cycles irrespective of market changes:

- (a) **Elephant Park, London, UK** – Following signing of the regeneration agreement in 2010 we couldn't have predicted that over the next 13 years that the UK would leave the European Union, that there would be a global health pandemic nor a war in eastern Europe. Despite the economic impact of these huge events, we have been able to maintain consistent delivery of housing across Elephant Park with over 2,300 homes, 30 retail and leisure operators including 11 affordable retail units being delivered to date. This was achieved by in part by introducing investment partners as detailed in section

0 to diversify tenures by delivering BTR housing, alongside traditional market and affordable housing.

- (b) **Silvertown, London, UK** – following several stalled attempts by the previous incumbents of this significant 6000-home regeneration scheme, TSP was able to agree over £300 million of investment from public sector partners to enable the early delivery of social infrastructure and unlock one of the largest development sites in London. Despite current market conditions as detailed in section 7, and an unsettled macro-economic environment (as a result of Covid-19 and cost inflation), TSP was able to commence the first phases of affordable housing in June 2023.
- (c) **International Quarter London, UK** – Despite uncertainties of the future of company offices in London following the UK's vote to leave the European Union in 2016, Lendlease delivered an office building every year between 2017 and 2019 totalling over 1,000,000 square foot of new commercial space. Lendlease de-risked the delivery of this office space via a number of pre-let agreements with a number of government tenants to facilitate investment from investment partners as detailed in paragraph 4.3(b) and to provide certainty on delivery. The delivery of new buildings on IQL has continued since then with the completion of a feature retail building in 2021 and further office block under construction despite uncertainties created by the COVID-19 pandemic since 2020.

#### Delivering the Scheme Through Economic Change

4.16 As noted above, it is necessary to adapt urban regeneration projects over time in response to changing market conditions and project needs to ensure the consistent delivery long-term. Based on our experience of comparable projects, Lendlease has made changes to the delivery of the Scheme in response to the current stage of the property cycle:

- (a) The demand for affordable housing in the borough of Haringey is high and increasing. The Council's housing waiting list has materially grown since the origination of the Regeneration Scheme as set out in the evidence of Peter O'Brien [CD 9.1]. Such an increased demand for affordable housing in times of economic uncertainty is reflective of Lendlease Limited's experience on other developments – the demand for affordable housing tends to be counter-cyclical. Conversely, the demand for market housing in times of economic uncertainty is weaker and stronger in times of economic prosperity.
- (b) With a view to prioritising the delivery of the affordable homes (and specifically those homes for existing residents of the Love Lane Estate), the phasing plan for the Scheme has been developed to accelerate the delivery of affordable housing and delay the delivery of market housing. This enables Lendlease to deliver the Scheme in a manner and timeframe aligned to when demand for the different tenures of housing will be at its

highest. This decreases development and delivery risk associated with the Scheme, creates potential for Regeneration Growth as set out in section 7 and enables Lendlease to maintain consistent delivery of the Scheme.

- (c) The social infrastructure within the Scheme, including the Library and Learning Centre, Moselle Square and associated retail amenities, has been brought forward in the delivery programme. This will enable Lendlease to establish the Scheme as a “place” prior to the provision of market housing, thus creating potential for Regeneration Growth as set out in section 7 and ensuring the facilities and opportunities they provide are available for the wider community and residents of the earlier phases.
- 4.17 The availability of grant funding and the Council's agreed purchase terms for the affordable housing, as stated in section 2, enables Lendlease to fund upfront investment in affordable housing and social infrastructure. This ensures consistent delivery of the Scheme and maximises Lendlease's opportunity for placemaking and the potential for Regeneration Growth as set out in section 7.

## 5. **DEVELOPMENT AGREEMENT**

### Overview

- 5.1 On 20 December 2017, the Council and Lendlease entered into the DA. Lendlease Limited entered into the DA as guarantor.
- 5.2 The purpose of the DA is to secure the delivery of the Regeneration Scheme in a manner that acknowledges the long-term nature of the project. As set out further in section 10 of the evidence of Peter O'Brien [CD 9.1], the DA, within fixed parameters, contains flexibility to enable the project to maintain momentum whilst responding to property cycles, changing market aspirations and the potential to secure investment from third party investment partners.
- 5.3 The DA secures the delivery of the Council's "Core Requirements" (set out in Recital C of the DA) and the "Council Facilities". This includes the delivery of the Library and Learning Centre, improvements to the landscape and public realm including a major new link between the Station and THFC's stadium, a minimum quantum of commercial space, a new energy centre and 1,400 new homes, of which 500 are to be social rented.
- 5.4 The Planning Permission grants consent for the delivery of the Core Requirements and Council Facilities.
- 5.5 Lendlease is the developer for the purposes of the DA. The DA requires Lendlease to carry out the Regeneration Scheme, subject to the fulfilment of certain conditions which the Council and Lendlease are required to use all reasonable endeavours to satisfy.
- 5.6 The details of the DA are set out further within the evidence of Peter O'Brien [CD 9.1] but in summary the conditions are:

### Site wide conditions

- 5.7 The Council and Lendlease are under an obligation to use all reasonable endeavours to satisfy the site wide conditions.
- 5.8 As set out in the evidence of Peter O'Brien [CD 9.1], two out of three of the site wide conditions have been satisfied.
- 5.9 The remaining site wide condition to be satisfied is the planning condition which requires satisfactory planning permission to have been granted for the Regeneration Scheme that is free from legal challenge.
- 5.10 As discussed in the evidence of Tom Horne [CD 9.5], the Planning Permission was granted on 31 August 2022 and two applications for judicial review were submitted in the six-week challenge period. Both applications were refused permission on the papers. The application submitted on behalf of THFC was renewed. Permission was refused again by Lieven J at a



renewal hearing on 21 and 22 March 2023. THFC appealed that decision. On 6 June 2023 the Court of Appeal granted permission to apply for judicial review on two grounds relating to heritage and terms of a crowd flow access licence. A hearing at the High Court has been scheduled for 10 October 2023. Further commentary on the judicial review grounds, including an explanation as to why, if successful, they do not present an impediment to the delivery of the Scheme can be found in the evidence of Tom Horne [CD 9.5].

#### Phase conditions

- 5.11 As set out in section 8, the Scheme will be delivered in phases.
- 5.12 Following satisfaction of the final site wide condition, the obligation on the Council to grant a lease of a phase of the Scheme, thereby enabling the delivery of that phase, is subject to certain phase conditions being satisfied. The Council and Lendlease are required to use all reasonable endeavours to satisfy the relevant phase conditions to enable the delivery of the Scheme. The phase conditions are summarised below.

#### *Planning condition*

- (a) The planning condition requires satisfactory detailed planning permission to have been granted for the relevant phase.

The Planning Permission grants detailed consent for Plot A and outline consent for the remainder of the Scheme. As set out in section 2, Lendlease has discharged all pre-commencement conditions associated with Plot A. Reserved matters applications for each phase will be submitted in accordance with the delivery timetable. As explained in further detail in the evidence of Tom Horne [CD 9.5], it is not considered that any of the conditions attached to the Planning Permission, or, planning obligations contained within the Section 106 Agreement, present an impediment to reserved matters approval being obtained as the Scheme progresses.

#### *Affordable housing grant condition*

- (b) The affordable housing grant condition applies to any phase that contains affordable housing homes. The condition requires an agreement for affordable housing grant to have been entered into in respect of the affordable housing homes within that phase.

As set out in further detail in the evidence of Peter O'Brien [CD 9.1], in December 2021, the Council entered into an agreement with the GLA for the provision of Affordable Housing Grant.

The Affordable Housing Grant satisfies the affordable housing grant condition for the whole Scheme.

*Vacant possession condition*

- (c) The vacant possession condition requires vacant possession of the phase by agreement, appropriation or otherwise.

The Council own and control Phase 1A. Vacant possession of the majority of Plot A has been secured. The remainder of the Phase is in the control of the Council. Demolition of the first building on Phase 1A, the Whitehall and Tenterden Community Centre, occurred in June 2023.

Confirmation of the Order will facilitate the satisfaction of the vacant possession condition for the remainder of the Scheme.

*Building contract condition*

- (d) The building contract condition requires a building contract to have been entered into in respect of all of the works contained within the phase or (subject to the remaining phase conditions having been satisfied) the first plot within the phase.

In connection with Plot A, the tender process to select a contractor is complete, and acceptable tender proposals have been received from multiple contractors. A full building contract cannot be let until the planning condition has been satisfied, but there are no other impediments to this condition being satisfied.

*Delivery methodology condition*

- (e) The delivery methodology condition requires a methodology to be agreed for the delivery of the development demonstrating that any effect on operations, housing and/or commercial activity in other parts of High Road West is fully mitigated during the delivery of Phase 1.

The delivery methodology condition for Plot A has been satisfied.

*Pre- and post- planning viability condition*

- (f) The pre-planning viability condition and post-planning viability condition only apply to phases which contain market homes (other than Phase 1 which includes Plots A and D of the Planning Permission).

The pre-planning viability condition, where applicable, requires Lendlease to demonstrate that the relevant phase and overall Regeneration Scheme are viable before submission of reserved matters for that phase.

The post- planning viability condition requires Lendlease to demonstrate the viability of the relevant phase and the overall Regeneration Scheme following grant of reserved matters for that phase.

As set out in section 8, the initial phases of the Scheme (Plots A, B and C1) are envisaged to be 100% affordable housing. As such, the first phase that that will trigger the pre or post planning viability conditions is Plot C2 which is due to be commenced in 2027.

The DA provides for variations in the financial performance of the Regeneration Scheme during the course of its delivery.

If the pre-planning or post-planning viability condition cannot be satisfied for any phase the parties are able to refer to the “Mitigation Matters” procedure at clause 34 of the DA. This enables the parties to consider and agree proposals for mitigating non-satisfaction of the pre-planning or post-planning viability condition for any phase thereby enabling the delivery of the Regeneration Scheme. Such mitigations can include Lendlease reducing the level of return. Any proposed mitigation must ensure that the Council Facilities and Core Requirements are delivered.

As such, in the event Lendlease is unable at any relevant point during the performance of the DA to satisfy a viability condition, the DA provides sufficient flexibility to enable the Regeneration Scheme to proceed.

#### *Socio economic output condition*

- (g) The “socio economic output condition” applies to all phases other than Phase 1. The condition requires Lendlease to have achieved the outputs and key performance indicators identified in the Socio Economic and Skills Strategy in relation to the preceding phases.

#### *Milestone condition*

- 5.13 The “milestone condition” requires Lendlease to have achieved a certain level of progress in respect of earlier phases before subsequent phases can commence.
- 5.14 I am confident that there is no impediment to the parties’ ability to satisfy the outstanding conditions at the appropriate time, thereby enabling the delivery of the Scheme.

### Delivery Obligations

- 5.15 In addition to the “milestone condition” (which requires certain progress to have been made on earlier phases prior to the drawing down of further phases), Schedule 3 of the DA contains further obligations requiring Lendlease to use all reasonable endeavours to commence and complete each phase within the timescales previously agreed with the Council. This ensures the timely delivery of the Scheme and the social, economic and environmental benefits associated with it.

### Compulsory Purchase Order Indemnity Agreement

- 5.16 Certainty over the availability of the land required to deliver the Scheme and the Regeneration Scheme is required from the outset to provide certainty that the proposal to comprehensively regenerate the Order Land and create the associated public benefits is deliverable before future phases are implemented.
- 5.17 In light of the fragmented ownership of the land required to deliver both the Scheme and the Regeneration Scheme, the DA contemplated the use of compulsory purchase powers to deliver vacant possession of the land subject to the Council and Lendlease having first entered into a CPO Indemnity Agreement.
- 5.18 On 20 December 2017, Lendlease (as development partner) and Lendlease Limited (as guarantor) entered into the CPOIA with the Council.
- 5.19 The details of the CPOIA are more particularly set out in the evidence of Peter O'Brien [CD 9.1] but in summary the CPOIA established the structure for proceeding with the Order and the acquisition of the Order Land.
- 5.20 The CPOIA provides an indemnity from Lendlease to the Council (guaranteed by Lendlease Limited) in respect of all costs related to the Order, including the acquisition of land interests.
- 5.21 Notwithstanding the overarching indemnity, pursuant to the terms of the CPOIA the Council is responsible for forward funding the initial costs of acquisition associated with the implementation of the Order, up to a specified cap. Lendlease is then required to reimburse the Council the costs associated with each phase as and when a lease for each phase is drawn down pursuant to the terms of the DA.

### Redactions

- 5.22 We have disclosed copies of the DA and CPOIA with limited redactions. The redactions all relate to commercially sensitive information.
- 5.23 The nature of this sensitive information varies. However, it typically consists of elements such as the affordable housing purchase profile agreed between the parties, the target profit margin,

the residual land value calculation mechanism associated with the Scheme, fees due to Lendlease for items such as Development Management and Project Management services, and the quantity or timing of particular financial contributions. All of these elements carry a degree of commercial confidence for one or both of the parties, either because they represent a point of differentiation, or because they may limit one or other of the parties in securing best value at a later date or in connection with a future project.

- 5.24 The delivery of urban regeneration projects is complex for several reasons and there are few developers able to consistently deliver them. Each site requires differing approaches and bespoke solutions to address the commercial preferences of project partners, levels of risk and involvement with the community. A holistic approach is required as risks vary in importance between projects. The DA and CPOIA are reflective of our specific understanding of the area, as set out in section 2, and the Council's procurement process so they are bespoke to the Regeneration Scheme.
- 5.25 Lendlease Limited would be prejudiced if this information was placed in the public domain. Competitors would be able to access Lendlease's commercially sensitive information and see how we put together our bid for the Regeneration Scheme. As set out in section 3, Lendlease Limited's business model focuses on partnership-led development. By revealing the position we have accepted previously on the Regeneration Scheme, our ability to agree a position reflective of the specific circumstances of future projects would be undermined in negotiations with local authorities.

## 6. COMMITMENT AND RESOURCES TO DELIVER THE SCHEME

### Commitment to the Scheme

- 6.1 The Scheme will be delivered by Lendlease.
- 6.2 Lendlease and Lendlease Limited are fully and publicly committed to the long-term regeneration of the Order Land in accordance with the DA as set out in section 5.
- 6.3 As set out in section 2, Lendlease has demonstrated, and continues to demonstrate, this commitment by working in partnership with the Council to develop a vision and aspiration for the redevelopment of the Order Land.
- 6.4 Lendlease has been working to assist the Council as far as possible to enable it to complete private treaty negotiations and secure the necessary compulsory powers in order to be able to deliver the Scheme.
- 6.5 As set out in section 5:
- (a) The obligations within the DA commit Lendlease to delivering the Scheme, subject to discharging the site wide and phase conditions. Both Lendlease and the Council are required to use all reasonable endeavours to satisfy these conditions.
  - (b) Lendlease's obligations within both the DA and CPOIA are guaranteed by Lendlease Limited, evidencing our commitment to the delivery of the Scheme and the Regeneration Scheme at a corporate level.
- 6.6 The Regeneration Scheme is identified within Lendlease Limited's published 2022 accounts and is reflected in Lendlease Limited's business plan. It also featured in Lendlease Limited's Major Urban Projects report (30 June 2022) as a secured Major Urban Project. This means that Lendlease Limited is relying on delivery of the Scheme to commence from FY2023 onwards to contribute toward Lendlease Limited's annual completion targets and global development strategy.
- 6.7 Lendlease's commitment is further evidenced by its significant investment in time and money since entering into the DA and CPOIA as set out in section 2.
- 6.8 To this end, Lendlease has committed expenditure in excess of £15 million to date to deliver the Regeneration Scheme. This has been wholly funded by Lendlease Limited equity. Lendlease Limited has substantial further cash assets which can be made available for further investment into the Scheme as set out in section 3.
- 6.9 Since Lendlease's initial involvement in north Tottenham, it has shown extensive commitment to the Scheme. In addition to the significant expenditure outlined above, our commitment to the Scheme has remained firm through multiple unpredictable challenges such as the UK's

departure from the EU, an evolving political climate both locally and nationally, additional GLA capital funding requirements and the COVID-19 global pandemic impacting on the macro-economic climate.

- 6.10 As set out in section 4, Lendlease Limited's development business in the UK is characterised by major urban regeneration projects in collaboration with public sector partners. Part of Lendlease's success in working with public sector partners has been our commitment and ability to deliver projects notwithstanding changing market conditions. Delivery of the Scheme and the Regeneration Scheme is therefore strategically imperative to maintain Lendlease Limited's reputation as a partner of choice for public sector stakeholders.
- 6.11 In summary, Lendlease is wholly committed to the Scheme. Alongside substantial capital investment, Lendlease has shown sustained commitment to deliver the Scheme over the past seven years and continues to do so today.

#### Resources to Deliver the Scheme

- 6.12 In its capacity as guarantor under both the DA and CPOIA, Lendlease Limited has ultimate responsibility for delivery of the Scheme. It currently provides funds to Lendlease so that it can continue to deliver the Scheme and Regeneration Scheme.
- 6.13 As a well-established global development company, Lendlease Limited is in a strong financial position to deliver the Scheme.
- 6.14 Lendlease Limited's assets are set out within section 3.
- 6.15 In addition to significant cash assets, Lendlease Limited has access to a wide range of other funding options and has a strong track record of developing large scale urban regeneration projects in partnership with investment partners using a combination of different funding models as set out in detail in section 4.
- 6.16 In its capacity as a global developer, Lendlease Limited has access to investment partners across the world. As well as partnering with UK institutions, Lendlease has a track record of partnership with international investors who invest capital into Lendlease Limited's projects across regions. Lendlease Limited has partnered with a number of high-profile investment partners in the UK and abroad<sup>6</sup>:
- (a) CPPIB is Canada's crown corporation pension provider managing funds of over £330 billion. Recent investments include those made in Elephant Park and International Quarter London as set out in section 4.

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<sup>6</sup> Amounts are approximate having been converted from the relevant local currency.

- (b) Daiwa House is Japan's largest homebuilder. Recent partnerships include the £330 million investment to deliver BTR in Melbourne, Australia.
- (c) Aware Super is one of Australia's largest superannuation funds. Recent investments include a 75% investment in 1 Java Street which is a £0.6 billion residential project in New York.
- (d) Abu Dhabi Investment Authority is the sovereign wealth fund owned by the Emirate of Abu Dhabi. Recent partnerships include the Abu Dhabi Investment Authority taking a 70% stake in the £1.9 billion Paya Lebar Quarter project in Singapore.

6.17 As set out in section 5, the DA envisaged the use of investment partners to deliver elements of the Scheme and the Regeneration Scheme from its outset in 2017. Such approach reflects Lendlease's business model.

6.18 In summary, alongside substantial internal funds, Lendlease Limited has strong and longstanding relationships with a range of UK and international investment partners who wish to participate in Lendlease Limited projects with comparable characteristics to the Scheme. This provides Lendlease with a variety of funding options such that Lendlease is confident it is able to secure the resources required to deliver the Scheme.

#### Funding and Delivery Options to Bring Forward the Scheme

6.19 Based on the current delivery timetable, the first three plots to be delivered (A, B and C1) will deliver all the affordable housing within the Scheme as set out in section 8. These plots are envisaged to comprise 100% affordable housing and will deliver a minimum of 500 social rented Council homes.

6.20 Affordable housing within the Scheme has been pre-sold to the Council at an agreed price as governed by the DA. In addition to this, funding has been secured from the GLA to support to provision of affordable housing within the Scheme for which the majority has been drawn down and is available now as set out in the evidence of Peter O'Brien [CD 9.1].

6.21 The design and phasing of the Scheme and the Regeneration Scheme has been designed to ensure that blocks can be delivered (and therefore funded) independently. Such independence provides the flexibility to use different investment partners, funding sources and delivery mechanisms.

6.22 Based on the current delivery timetable, construction of plots containing market homes is not due to commence until 2027 as set out in section 8.

6.23 It is typical of Lendlease Limited's business strategy (as evidenced by projects referred to in section 4) to finalise funding solutions for later phases closer to the delivery date of that phase. However, I anticipate that later phases of the Scheme will be funded by a combination of pre-



sales, third party investment, revenue generated by sales from earlier phases, Lendlease Limited equity and potentially public sector partners:

- (a) As set out in section 4 Lendlease has a strong track record of raising funding from investment partners.
- (b) As set out above in this section, Lendlease Limited has established relationships with investors from all over the world. Such established relationships provide Lendlease with access to a wider portfolio of global investment partners when compared to a typical developer.
- (c) We expect that some later phases would be funded via raising of project specific debt or via forward funding structures.
- (d) The DA provides for future pre-sale agreements with the Council to purchase additional affordable housing.
- (e) Based on the current delivery programme, revenue received from the completion of phases earlier in the programme could be recycled to fund the delivery of later phases.
- (f) Lendlease Limited investing equity from its balance sheet. As set out above, Lendlease Limited has substantial cash assets which could be made available to deliver the Scheme.
- (g) Further public sector funding could be sought from Lendlease's established public sector partners such as the GLA or Homes England.

6.24 In any scenario, Lendlease's strategy is to retain control of placemaking opportunities, public realm, infrastructure provision, enabling works and long-term management of the project in order execute its ability to generate value growth.

6.25 In summary, there is funding available now to commence the Scheme without delay and Lendlease has access to a variety of funding sources and options for future phases. The range of funding options means that Lendlease is well placed to source the most appropriate funding solution to deliver each component part of the Scheme whilst considering the timing of funding requirements, market demands and project objectives.

6.26 In light of the above, I do not consider that funding is an impediment to delivery of the Scheme.

## 7. VIABILITY

### Viability Appraisal Results

- 7.1 Viability is covered in more detail in the evidence of Pascal Levine [CD 9.11], which is supported by a market facing viability appraisal of the Scheme ("**Scheme Appraisal**") as consented by the Planning Permission ("**Consented Scheme**") and the Regeneration Scheme ("**Regeneration Scheme Appraisal**") as consented by the Planning Permission ("**Development**") (together the "**Appraisals**").
- 7.2 The Appraisals use an Internal Rate of Return ("IRR") metric. IRR is a metric that Lendlease Limited commonly use on urban regeneration projects such as the Regeneration Scheme to compare projected returns across the business.
- 7.3 Both Appraisals generate a positive return, and the Scheme Appraisal illustrates that the Consented Scheme is independently financially viable and is not reliant on any proceeds from the remainder of the Regeneration Scheme. The projected returns of the Appraisals are broadly in line with the typical risk adjusted returns that Lendlease would expect from an urban regeneration project such as the Scheme and the Regeneration Scheme.
- 7.4 As is typical for large scale urban regeneration projects like the Scheme, viability is supported by the delivery of private market housing. As set out in section 8, the delivery of market housing has been sequenced to complete later in the Scheme delivery programme. There is therefore a strong commercial incentive for Lendlease to ensure that sustained delivery of the Scheme continues to enable the commercial benefits of this approach to be realised. This approach is further supported by the creation of Regeneration Growth (as defined in 7.10).
- 7.5 The projected returns of the Appraisals are affected by today's above average inflationary pressures on build costs and varied house price growth over the past 2-year period which is representative of the current stage of the property cycle. Such impacts are being experienced by all developments across the country.
- 7.6 The anticipated delivery period for the Scheme and the Regeneration Scheme will span respectively into the mid and late 2030's and so such market conditions are to be expected and normal. As set out in section 4 Lendlease has adapted its strategy to align with the current market conditions. This strategy provides Lendlease with the opportunity to maximise the potential for returns in the long term through the creation of Regeneration Growth (see paragraph 7.10 below).
- 7.7 As is typical with the cyclical nature of the property market, Lendlease considers that the Scheme has value upside potential such that the Scheme will continue to be an attractive business opportunity.

- 7.8 As with all development projects, those that have a higher proportion of risks, such as uncertainty associated with the timing and quantum of revenues, typically require greater potential returns to offset the risk associated with increased uncertainty on profit projections. Conversely, projects that have greater certainty on revenue timings and quantum, such as the Scheme, have greater profit certainty and thus can be justified with lower projected returns than would otherwise be sought.
- 7.9 It was anticipated that the performance of the Scheme will fluctuate over time. As set out in section 5, the pre- and post- planning viability conditions in the DA include the Mitigation Matters clause. The clause provides flexibility to proceed with delivery of the Scheme and Regeneration Scheme based on a long-term view, notwithstanding market conditions on any given date. The Mitigation Matters clause envisaged that performance would fluctuate over time which is reflective of Lendlease's experience of regeneration projects.

#### Our Approach to Regeneration and Value Creation

- 7.10 Lendlease Limited has significant experience identifying potential for value creation formed by a proven track record in delivering large scale urban regeneration schemes. Our expertise seeks to create momentum, belief, and credibility in order to generate value creation commensurate to the scale of long-term projects such as the Scheme and the Regeneration Scheme. In this proof I refer to value creation associated with large-scale urban regeneration as "**Regeneration Growth**".
- 7.11 As set out in section 2, our business strategy and interest in the Regeneration Scheme stems from our understanding of the area and our analysis of the scale of the area's potential.
- 7.12 The Scheme sits within an area of Tottenham that is substantively undervalued when compared to similar locations in the borough and in London. It is situated next to a world class stadium; home to one of the Premier League's established teams in Tottenham Hotspur and one of two London stadiums selected to host the 2028 UEFA European Football Championships. The aspirations of the football club have gone beyond the supply of football to provide a UK first destination for the NFL, a world's first partnership with F1 to provide leisure offerings and host concerts of globally renowned stars such as Beyonce. Alongside other infrastructure investments, such as the improved Station, the area is well positioned for significant potential growth in values.
- 7.13 Whilst the High Road and this area of Tottenham does not currently thrive in the way they did during the 19<sup>th</sup> and early 20<sup>th</sup> centuries, they have an established culture, identity and heritage that, with the appropriate investment and commitment to regeneration, is capable of flourishing into a thriving destination.

- 7.14 In my opinion, the combination of these two elements creates the bedrock for delivering a globally significant regeneration proposal that is anchored by its adjacency to the stadium driving Regeneration Growth beyond typical market expectations.
- 7.15 It is Lendlease Limited's experience that Regeneration Growth is created by the delivery of public benefits, particularly those which include provision of social infrastructure, high quality public realm and co-ordinated social value programmes in early phases. As set out in section 4 and 8, Lendlease, in consultation with the Council, has already made changes to the delivery of the Scheme to accelerate the delivery of affordable housing, the Library and Learning Centre and Moselle Square. The delivery of these public benefits will assist in creating an inclusive community and whilst such provisions require upfront investment, on long-term projects like the Regeneration Scheme, they create sustained Regeneration Growth over longer periods of time providing a commercial incentive to deliver these elements early. This is a strong commercial driver for Lendlease to deliver social infrastructure early and this is Lendlease's intention as set out in section 8.
- 7.16 Whilst the Appraisals have included an element of Regeneration Growth as set out in section 5 of the evidence of Pascal Levine [CD 9.11], for the reasons set out above, I believe that there is greater potential for Regeneration Growth than what has been included for in the Appraisals. The more prescriptive nature of valuation methodologies, such as those used in Appraisals, require a consistent and applied approach across projects and therefore are not best able to reflect the individual characteristics of a particular project. This difference is attributable to the additional value that Lendlease, as an urban regeneration specialist with a long-term mindset and established understanding of the locality as set out in section 2, can bring to an area with immense opportunity such as Tottenham.

#### Summary

- 7.17 The Appraisals forecast a positive return which is broadly in line with the typical risk adjusted returns that Lendlease would expect from an urban regeneration project such as the Scheme and the Regeneration Scheme.
- 7.18 Our business model for the Scheme is based on realisation of the development potential of the Order Land over an extended period, which is typical of major regeneration projects. Despite current market conditions, we take a longer-term view on returns and are confident in our ability to secure an acceptable return on our investment over time.
- 7.19 Lendlease is confident that there is greater potential for Regeneration Growth than illustrated in the base case of the Appraisals.
- 7.20 Lendlease has a strong commercial driver to deliver social infrastructure early in the delivery programme followed by market housing as this will deliver greater Regeneration Growth. This is Lendlease's intention.

## 8. OVERVIEW OF DELIVERY TIMETABLE

- 8.1 We have developed a phasing plan that reflects a realistic delivery programme for the Scheme and prioritises the delivery of new homes, notably affordable homes, and specifically replacement homes for Love Lane Estate residents. Once the Order is confirmed, we will enter the delivery phase of Plots B to G, including the submission of reserved matters applications and the discharge of the relevant conditions under the DA.

### Objectives of the Phasing Programme

- 8.2 The phasing programme has been developed in order to meet the following objectives:
- (a) Early delivery of replacement affordable housing homes to accelerate delivery of the new homes for existing Love Lane Estate residents. This ensures that the benefits of the Scheme are brought forward quicker and maximises the prospect that the existing Love Lane Estate resident community is maintained in a single area. The current phasing programme is envisaged to result in all existing residents of the Love Lane Estate being rehomed by 2028 and all the affordable housing within the Scheme being provided by 2029.
  - (b) Early delivery of the commercial units in Plot B and C1 to will facilitate single moves for those businesses on the High Road opting to relocate into the Scheme.
  - (c) Early provision of social infrastructure such as affordable housing, Moselle Square and the Library and Learning Centre to establish tangible positive change to the area. These will address issues of deprivation which have affect those living and working in this area of Tottenham and enhance the Scheme's reputation as a high quality and enjoyable place to live and work. The early provision of affordable housing also aligns with the aspiration of the GLA to accelerate the delivery of affordable housing.
  - (d) Early delivery of social infrastructure such as Moselle Square, affordable housing and the Library and Learning centre prior to the delivery of market housing creates potential for Regeneration Growth as referred to in section 7 in support the viability of the Scheme.
  - (e) The early provision of affordable housing, in addition to the replacement affordable housing, will relieve pressures on the Council's housing waiting list.

### The Phasing Programme

- 8.3 I have set out the current phasing strategy for the Scheme below, which includes the intended commencement and completion dates and a comparison of the anticipated completion dates as against the previous phasing strategy<sup>7</sup>. It should be noted that, with the exception of Phase

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<sup>7</sup> The previous phasing strategy was consented as part of the decision notice for the approval of details pursuant to condition 3 of the Planning Permission (ref: HGY/2022/2446) dated 27 October 2022.

1A which is wholly owned by the Council, the indicative start dates are subject to vacant possession of the necessary land being obtained.

8.4 The objectives of the current phasing strategy are as set out above. When comparing the current phasing strategy to the past phasing strategy:

- (a) With the exception of plot A, the anticipated completion date of all plots containing affordable housing (plots A, B and C1) have been brought forward by at least three years.
- (b) The anticipated completion dates of Library and Learning Centre in plot E and Moselle Square have been brought forward by at least two years.
- (c) With the exception of plot C2, the plots containing market housing (plots C2, D, G and F) are anticipated to complete between four to six years later.

Current Phase	Plot(s)	Anticipated Start Date	Anticipated Completion Date	Previously Anticipated Comp. Date	Approximate Change in Comp. Date
Phase 1A	Plot A	Q4 2023	Q3 2025	2024	+ 1 year
Phase 1B	Plot D	Q3 2025	Q3 2032	2028	+ 4 years
Phase 2	Plot C1	Q3 2025	Q1 2028	2032	- 4 years
Phase 3	Plot B	Q3 2025	Q1 2029	2032	- 3 years
Phase 4	Plot C2	Q1 2027	Q3 2029	2032	- 3 years
Phase 5	Plot E and Moselle Square	Q2 2028	Q1 2030	2032	- 2 years
Phase 6	Plot G	Q2 2028	Q4 2030	2024	+ 6 years

Phase 7	Plot F	Q3 2028	Q2 2034	2028	+ 4 years
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## 9. **BUSINESS RELOCATION**

### Objectives for Business Relocation

- 9.1 The Scheme, as consented by the Planning Permission, has been designed to offer modern accommodation suitable for a range of retailers and commercial occupiers. We have designed the Scheme so that it provides for up to 8,000 sqm GEA of commercial space (Use Class E(a-e)), 2,150 sqm of office and industrial floorspace (Class E(g)) and 8,300 sqm of sui generis space.
- 9.2 We understand that the existing businesses on the High Road within the Order Land occupy about 1,800 sqm GEA of floorspace based on Valuation Office Agency information and property measures that have taken place as set out in the evidence of James Franklin [CD 9.9]. As set out in section 2 Lendlease values the established character and history of the area and considers that this is fundamental to the area's potential for regeneration. The extensive engagement with the local community as set out in section 2 has highlighted the importance of the High Road properties to the local community.
- 9.3 It is a priority that as many of the existing businesses on the High Road can relocate into the Scheme as possible. We believe that these businesses form a key part of the fabric of the area and our objective is that they are offered the opportunity to be a part of the Scheme. This will help deliver on the objective for the Scheme to create an extension to the existing local centre.
- 9.4 This commitment to existing businesses is a common thread through both the policy documents and Lendlease's own ambitions. Business relocation was committed to in the Council's 2014 Business Charter via the CPOIA and as part of our legal commitments within the Section 106 Agreement. The prioritisation of the relocation of existing businesses is an integral requirement of the Scheme, and will contribute to achieving the social, economic and environmental benefits associated with the Scheme. Our commitment to relocating existing businesses can be seen from our work on our other projects as set out in section 4 and the substantial dialogue that has been undertaken as detailed in the proof of James Franklin [CD 9.9]. We acknowledge that the process will be disruptive, and business owners will require close support through the process.
- 9.5 The proposed current delivery timetable and phasing of the Scheme described at section 8 has been designed to enable as many of the existing High Road businesses as possible to move into the Scheme.

### Section 106 Agreement Obligations

- 9.6 The Section 106 Agreement requires a business relocation strategy to be produced to assist with the temporary and permanent relocation of the existing businesses located along the High



Road within the Scheme. The business relocation strategy builds upon and incorporates the commitments contained within the Business Charter. It requires us to:

- (a) prioritise the relocation of existing businesses within the Scheme;
- (b) minimise the level of operational disruption on existing businesses;
- (c) work with existing businesses and secure local agent support in order to prepare potential relocation options based on the individual requirements; and
- (d) provide independent business and relocation advisory support.

9.7 We have also committed in the Section 106 Agreement to offer at least 40% of the commercial space within the Regeneration Scheme exclusively to existing businesses subject to prescribed terms. These prescribed terms include a minimum lease term of 5 years and the choice of discounted rent for the first five years, a rent free period, a capital contribution or any combination of these amounting to an equivalent value. Such offer has been communicated to all of the High Road businesses within the Scheme.

9.8 The Section 106 Agreement requires a health centre to be provided within the Scheme if, prior to the demolition of the existing health centre on the High Road, a health centre has not been provided within the vicinity of the Scheme pursuant to one of two extant planning permissions submitted by THFC.

9.9 Notwithstanding the terms of the obligation, we intend to relocate the existing health centre on the High Road within the Scheme. As set out in further detail in the evidence of James Franklin [CD 9.9], Lendlease has approached the current occupiers of the health centre with a view to agreeing its relocation within the Scheme.

#### Efforts to Assist with Business Relocation

9.10 Pursuant to the terms of the CPOIA, the Council and Lendlease agreed that Lendlease would take responsibility for seeking to obtain vacant possession of that part of the Order Land located outside of the Love Lane Estate – i.e. the High Road. As noted above, Lendlease appointed CBRE as its property surveyor to lead the negotiations with the business owners and occupiers of the High Road properties and we also have an allocated in-house resource for these negotiations.

9.11 With a view to providing businesses with as much support and information as possible, we have continued to engage with the existing businesses and specifically on options for relocating within and outside of the Scheme.

9.12 As set out in section 4 of James Franklin's evidence [CD 9.9], Lendlease and CBRE have been engaging with the owners of the businesses located on the High Road since 2018. Since then,

meetings have taken place with all but one of the freehold and all long leasehold owners of the business premises.

- 9.13 Notwithstanding Lendlease's willingness to relocate businesses into the Scheme, should operators of the High Road properties wish to relocate elsewhere, we have engaged with a local agent to provide quarterly reports summarising details of available retail properties within a three-mile radius of the Scheme, the last report having been produced in October 2023.
- 9.14 As the Planning Permission was granted in outline for all but Plot A, the detailed design of Plots B to G has not yet been finalised and approved. However, the phasing of the Scheme (as permitted by the Planning Permission) and the fact that vacant possession of the High Road properties is not required before Q1 2025 means that we can progress the detailed design in parallel with relocation discussions with existing businesses. This ongoing dialogue will influence our detailed design as it will identify which of the existing businesses intend to relocate within the Scheme.
- 9.15 We will also consider any requests for advance payments of compensation and/or service of a notice of entry or general vesting declaration earlier than required, with a view to providing impacted business owners with early access to funds to further facilitate relocation.

## 10. OBJECTORS

THFC and Canvax Limited, Goodsyard Tottenham Limited, Meldene Limited, Tottenham Hotspur Stadium Limited, Paxton17 Limited, Stardare Limited and High Road West (Tottenham) Limited (the “THFC Companies”)

10.1 The THFC Companies own a residential flat within the Scheme and a number of parcels of land within the remainder of the Regeneration Scheme as set out in the evidence of James Franklin [CD 9.9].

10.2 Section 15 of the evidence of Peter O’Brien [CD 9.1] sets out the grounds of THFC’s objection and where each ground is responded to. In this proof I comment on:

- (a) *The purported economic, social and environmental benefits are overstated and there is a real prospect that many will not actually be delivered.*
- (b) *There was no meaningful consultation or engagement with THFC (from either the Council or Lendlease) regarding either the design or composition of Scheme or in respect of the impacts of the Scheme on the operation of the Tottenham Hotspur Stadium prior to the making of the planning application (on which the CPO is now based) and only limited consultation since.*

*The purported economic, social and environmental benefits are overstated and there is a real prospect that many will not actually be delivered.*

10.3 As set out in the evidence of Tom Horne [CD 9.5], the Section 106 Agreement contains obligations requiring the delivery of Moselle Square and the Library and Learning Centre. Notwithstanding this, it is Lendlease’s intention to deliver both of these key public benefits early within the Scheme’s delivery programme as set out in section 8. Lendlease has a commercial incentive to deliver these pieces of social infrastructure early in the Scheme as they create potential for Regeneration Growth as set out in section 7.

10.4 A fuller summary of the economic, social and environmental benefits of the Scheme is included in section 9 of the evidence of Peter O’Brien [CD 9.1].

*There was no meaningful consultation or engagement with THFC (from either the Council or Lendlease) regarding either the design or composition of Scheme or in respect of the impacts of the Scheme on the operation of the Tottenham Hotspur Stadium prior to the making of the planning application (on which the CPO is now based) and only limited consultation since.*

10.5 There has been sustained engagement with THFC since 2013 on a broad range of topics:

- (a) As set out in section 16 of Peter O'Brien's evidence [CD 9.1], the Council have been engaging with THFC on proposals for the Regeneration Scheme including acquisition of their land parcels since 2013 up to the date that Lendlease was appointed as development partner.
  - (b) During 2017-2021 Lendlease, supported by Studio Egret West since 2018 and DP9 since 2019, have been engaging with multiple stakeholders, including THFC, in relation to the preparation, submission, approval of the Planning Permission as set out in sections 3, 4 and 8 of Tom Horne's evidence [CD 9.5] and section 6 of Lucas Lawrence's evidence [CD 9.7].
  - (c) CBRE, led by Lendlease, has been engaging with THFC since 2018 for the acquisition of their land parcels within the Regeneration Scheme and since 2022 for the acquisition of their land parcels specifically within the Scheme as set out in section 5 of James Franklin's evidence [CD 9.9].
  - (d) Lendlease has been engaging with THFC on several strategic topics including the acquisition of their land parcels within the Regeneration Scheme since 2017 as detailed below.
- 10.6 Since 2017, Lendlease has held approximately 60 meetings with THFC in relation to the Regeneration Scheme. Lendlease have engaged with THFC on numerous topics in a variety of different ways including emails, meetings, calls, workshops and site visits. Engagement had been had at all levels of seniority in both organisations including the chairman of THFC and the European CEO of Lendlease Limited.
- 10.7 Engagement has covered a wide range of topics including proposals for the High Road West masterplan before and after the submission of the planning application.
- 10.8 Lendlease has discussed the potential for acquisition of THFC's landholdings required to deliver the Regeneration Scheme since 2018. In this period, Lendlease has made two offers to THFC for the acquisition of its land and property required to deliver:
- (a) the Regeneration Scheme in September 2020; and
  - (b) the Scheme in January 2023.
- 10.9 Both offers were declined as further detailed in section 5 of James Franklin's evidence [CD 9.9]. We, alongside CBRE, have continued to seek to engage with THFC for acquisition of their interests in the Scheme and the Regeneration Scheme.
- 10.10 Part of THFC's objection relates to crowd flow and obligations in the Section 106 Agreement which require Lendlease to use reasonable endeavours to grant an access licence to THFC across the Order Land for events in the THFC stadium.

- 10.11 Lendlease is aware of this obligation. We are willing to enter into the access licence with THFC on reasonable terms. We do not foresee any difficulty in principle in granting such a licence to THFC.

The Tryfonos Objectors

- 10.12 The Tryfonos Objectors own property within the Scheme as detailed in section 5 of James Franklin's evidence [CD 9.9].
- 10.13 The Council have been engaging with the Tryfonos Objectors since 2014 up to the date that Lendlease was appointed as development partner as detailed in section 15 of Peter O'Brien's evidence [CD 9.1].
- 10.14 CBRE and Lendlease have been engaging with the Tryfonos Objectors since 2018 with the intention of acquiring the necessary interests by mutual agreement as detailed in section 5 of James Franklin's evidence [CD 9.9].
- 10.15 Section 15 of the evidence of Peter O'Brien [CD 9.1] sets out the grounds of the Tryfonos Objectors' objection and where each ground is responded to. In this proof I comment on:
- (a) *Lack of evidence as to whether Lendlease is obliged to deliver Moselle Square and/or the Library and Learning Centre.*
  - (b) *Early acquisition of the property is not justified*

*Lack of evidence as to whether Lendlease is obliged to deliver Moselle Square and/or the Library and Learning Centre.*

- 10.16 Delivery of the Library and Learning Centre is part of the Core Requirements of the DA as set out in section 5. Whilst the DA provides flexibility as to where it is located, it is Lendlease's intention to deliver it within Plot E as indicated in the illustrative masterplan submitted in support of the planning application for the placemaking reasons set out in the evidence of Lucas Lawrence [CD 9.7]
- 10.17 Both Moselle Square and the Library and Learning Centre are key elements of the Scheme which Lendlease will deliver through implementation of the Planning Permission. Lendlease is commercially incentivised to deliver Moselle Square and the Library and Learning Centre as set out in section 7.

*Early acquisition of the property is not justified*

- 10.18 As stated in section 5, certainty over the availability of the land required to deliver the Scheme is required now to provide certainty that the proposal to comprehensively regenerate the Order Land and create the associated public benefits is deliverable.
- 10.19 The Tryfonos Objectors' Statement of Case includes a number of further objections, these are responded to below with reference to their paragraph numbers.
- (a) Paragraphs 22 and 49 (The Scheme's reliance on the delivery of the open market homes in the remainder of the Regeneration Scheme / Viability of the Scheme in isolation) – The Appraisals have shown that the Scheme is independently financially viable as stated in section 7.
  - (b) Paragraph 38 (Dates for vacant possession of the Tryfonos Objectors' properties) – Section 8 sets out the proposed delivery programme for the Scheme. "Not before" dates have been provided to the Tryfonos Objectors as stated in the evidence of James Franklin [CD 9.9] to provide greater certainty on the earliest vacant possession dates.
  - (c) Paragraph 50 (Comparisons to the Vicarage Field CPO) – Lendlease do not consider the comparison to Vicarage field is appropriate or justified. The final position of the financial viability assessments submitted in support of the Planning Permission (**CD 4.36**) evidenced a positive return (an IRR of 11.62%). The Appraisals have been prepared explicitly for the purposes of the Order. The projected returns of the Appraisals as described in section 7 illustrate that the Regeneration Scheme still generates a positive return and that the Scheme is independently financially viable.
  - (d) Paragraph 51 (Commitment to deliver and Lendlease Limited withdrawing from projects) – Lendlease Limited has delivered 4,500+ projects in its 60 year history, as stated in section 3. Lendlease Limited did not withdraw from the projects cited by the Tryfonos Objectors as detailed below. With regard to the Regeneration Scheme, as stated in section 6 Lendlease has made a substantial commitment through the DA to deliver the Scheme and the Regeneration Scheme including expending significant costs and resource to the delivery of the project over the past seven years. Lendlease Limited would not have made such commitments to the Scheme had we not been committed to delivery. Additionally, the delivery of major urban regeneration projects such as the Scheme is core to Lendlease Limited's publicly stated business strategy as outlined in section 3 and the Scheme is independently financially viable as stated in section 7.
    - (i) Allianz Stadium, Sydney – Lendlease Limited did not withdraw from this project. Lendlease Limited was unsuccessful in the second stage of a two-stage competitive tender process.

- (ii) Preston Tithebarn, Preston – Following commencement of Lendlease Limited's involvement as development partner in 2009, market conditions fell sharply in the wake of the global financial crisis. Lendlease Limited continued to progress proposals alongside Preston City Council to deliver the scheme but the decision by John Lewis, the anchor tenant for this shopping centre development on the site of the Preston Bus Station, to withdraw from the project in 2011, rendered the proposed scheme undeliverable. Lendlease Limited withdrew from that form of the project in 2011 but continued to work with the council to rethink proposals for the site. Following English Heritage applications for listing of the Preston Bus Station in 2000, 2009 and 2013, however, the bus station was granted grade II listed building status in 2013 preventing redevelopment of the site.
- (iii) Perry Barr Athletes Village for the 2022 Commonwealth Games, Birmingham – Lendlease Limited was appointed to perform a management contracting role to deliver accommodation on in the Perry Barry area on behalf of BCC as developer in 2018. In 2020 BCC decided to move away from the single-site athletes' village after reviewing the impact of the global health pandemic. Since then, Lendlease Limited has continued to work with BCC as principal contractor to deliver the of the regeneration in the Perry Barr area which completed in 2023.

#### Rail for London Limited ("RfL")

- 10.20 The Order seeks to compulsorily acquire new rights over Plots 55, 59 and 62, all of which comprise RfL's Interests.
- 10.21 Lendlease has already entered into a basic asset protection agreement with RfL in relation to Plot A.
- 10.22 Lendlease has held positive discussions with RfL which seek to mutually agree the use of RfL's land for the purpose of implementing the Scheme and is hopeful that Lendlease and RfL will be able to reach an agreement prior to the commencement of the public inquiry for the Order.

#### Network Rail Infrastructure Limited ("Network Rail")

- 10.23 The Order seeks to compulsorily acquire new rights over Plots 28, 29, 55, 56, 57, 58, 59, 62 and 101, all of which comprise Network Rail's Interests.
- 10.24 Lendlease has already entered into a basic asset protection agreement with Network Rail in relation to Plot A.
- 10.25 Lendlease has held positive discussions with Network Rail which seek to mutually agree the use of Network Rail's land for the purpose of implementing the Scheme and is hopeful that Lendlease and Network Rail will be able to reach an agreement prior to the commencement of the public inquiry for the Order.

## 11. CONCLUSIONS

### The Lendlease Companies

- 11.1 Lendlease Limited is a global real estate development, construction, and investment business. It has an exceptional track record in delivering complex and large-scale urban regeneration schemes. Lendlease Limited has delivered over 4,500 projects and developed a reputation for delivering urban regeneration creating environmental, social, and economic benefits.
- 11.2 Lendlease Limited's overall business strategy is to target urban renewal of large-scale, mixed-use projects in global gateway cities such as London through its integrated business model.
- 11.3 Large multi-phased sites such as the Scheme provide the opportunity to apply the breadth of Lendlease Limited's skill to the greatest effect.

### Relevant Experience

- 11.4 Lendlease Limited has extensive experience of delivering large scale urban regeneration in collaboration with public sector partners. The Scheme aligns with the existing and completed projects within Lendlease Limited's completed and current development pipeline such that Lendlease has the resources and experience required to deliver the Scheme.
- 11.5 Lendlease Limited has the knowledge and expertise in managing the risks associated with the macroeconomic changes that one would expect to experience during the lifetime of an urban regeneration project.

### Lendlease's Involvement in High Road West

- 11.6 Prior to bidding for the opportunity to become the Council's development partner, an extensive due diligence exercise identified that the Regeneration Scheme was a strong fit for Lendlease's Limited's business strategy.
- 11.7 Since entering into the DA, Lendlease has committed significant resources to the delivery of the Scheme facilitating, among other things, extensive consultation and engagement with stakeholders, acquisition of third party interests and the grant and subsequent implementation of the Planning Permission.

### Development Agreement

- 11.8 On 20 December 2017, the Council and Lendlease entered into the DA and the CPOIA.
- 11.9 The DA requires Lendlease to carry out the Regeneration Scheme, subject to the fulfilment of certain conditions. Lendlease sees no impediment to satisfying the outstanding conditions at the appropriate time, thereby enabling the delivery of the Scheme.



### Commitment and Resources to Deliver the Scheme

- 11.10 Lendlease and Lendlease Limited are fully and publicly committed to the long-term regeneration of the Order Land. Lendlease has committed expenditure in excess of £15 million to deliver the Regeneration Scheme and has substantial cash assets which can be made available for further investment into the Scheme.
- 11.11 There is funding available now to commence delivery of the Scheme. There are agreed prices with the Council for affordable housing within the Scheme and funding has been secured from the GLA to support to provision of affordable housing.
- 11.12 I anticipate that later phases of the Scheme will be funded by a combination of pre-sales, third party investment, revenue generated by sales from earlier phases, Lendlease Limited equity and potentially public sector partners.
- 11.13 Lendlease Limited is in a strong position to deliver the Scheme and I do not consider that funding is an impediment to delivery.

### Viability

- 11.14 Market facing viability appraisals of the Consented Scheme and the Development have been provided. Both Appraisals generate a positive return, and the Scheme Appraisal illustrates that the Consented Scheme is independently financially viable.
- 11.15 The projected returns of the Appraisals are broadly in line with the typical risk adjusted returns that Lendlease would expect from an urban regeneration project such as the Scheme.
- 11.16 Lendlease is confident that there is greater potential for Regeneration Growth than illustrated in the Appraisals. This difference is attributable to the additional value that Lendlease, as an urban regeneration specialist can bring to an area such as Tottenham.

### Overview of Delivery Timetable

- 11.17 Lendlease has developed a phasing plan that reflects a realistic delivery programme for the Scheme.
- 11.18 The phasing programme has been developed to meet the objectives of early delivery of replacement affordable housing homes for existing Love Lane Estate residents; commercial units to facilitate single moves for those businesses on the High Road; Moselle Square and the Library and Learning Centre and additional affordable housing to relieve pressures on the Council's housing waiting list.

Business Relocation

- 11.19 It is a priority of the Council and Lendlease that as many of the existing businesses on the High Road can relocate into the Scheme as possible and we have committed through the Section 106 Agreement to offer at least 40% of the commercial space within the Regeneration Scheme exclusively to existing businesses subject to prescribed terms.
- 11.20 Lendlease and CBRE have been leading the negotiations with the business owners and occupiers of the High Road properties since 2018 during which time a number of properties have been acquired by agreement.

Objectors

- 11.21 There has been sustained engagement with local stakeholders since Lendlease's involvement with the Scheme. Whilst no agreement has been reached with the remaining objectors to date, we believe the greatest value can be achieved by working in collaboration with local stakeholders and so we will continue to engage with them to seek the best outcome for this part of north Tottenham.
- 11.22 We shall continue to seek to reach an agreement with remaining objectors prior to the commencement of the public inquiry for the Order.