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| New Granville Limited Liability Partnership |
| Proof of Evidence |
| THE LONDON BOROUGH OF BARNET (GRANVILLE ROAD ESTATE) COMPULSORY PURCHASE ORDER 2018 |

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| Reference: AA RW1.1 |
| Ross Williams  June 2018 |

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# 1. Introduction

**Personal Details**

1.1 My name is Ross Williams. I am the Development Manager for the Granville Road regeneration project and have been in this role for 2 years. I am responsible on behalf of New Granville LLP for the delivery of the regeneration of the Granville Road Estate (referred to as the Phase 2 Scheme in the Statement of Case (CD1) and the Acquiring Authority's Glossary of Terms (CD34)), including managing the Principal Development Agreement and stakeholder and community engagement.

1.2 I hold the following qualifications: BSc. (Hons) Geography and Planning, MSc. Real Estate and Property Management.

1.3 I have 4 years’ experience in delivering regeneration schemes with Sherrygreen Homes Limited and have worked on the delivery of this project along with the delivery of a 517 unit, mixed use scheme in the London Borough of Enfield.

1.4 Sherrygreen Homes are part of the Sherrygreen Group of companies and are undertaking the development management aspect of this project.

**Role in relation to Scheme**

1.5 My responsibility in regard to the Phase 2 Scheme covers:

* Managing the Principal Development Agreement, including the performance of the Developer’s obligations under it.
* Managing and coordinating the wider project team.
* Reporting to the LLP’s Board quarterly on contractual and financial matters
* Maintaining development risk registers and managing all project risks and issues.
* Managing delivery in line with the scheme’s development programme.

# 2. Scope of Evidence

2.1 In my evidence I will:

I. Describe the structure of the Developer and its arrangements with the Council

II. Describe the experience of the Developer

III. Describe the Scheme and the project phasing

IV. Confirm the Developer’s commitment to delivery

# 3. The Developer

3.1 The Regeneration Project is being and will continue to be delivered by the Council’s development partner, New Granville Limited Liability Partnership, (the Developer), a consortium of Mulalley & Company Limited and CHA Ventures Limited.

3.2 New Granville Limited is formed of two partners, Mulalley and One Housing Group. Mulalley is the construction arm subsidiary of Sherrygreen Limited. One Housing Group is a registered provider of affordable housing. Mulalley and One Housing Group have formed a joint venture to deliver this and other regeneration projects in London. This experience is described below.

3.3 This proof will demonstrate the financial credentials and experience of each partner, supporting the expectation of redevelopment within programmed timescales agreed with the Council.

3.4 The joint venture agreement was entered into on 19 December 2013. It is a commercially confidential agreement, but in essence, it outlines the structure of the LLP and establishes a process for funding the development.

3.5 There is nothing in the joint venture agreement which in the ordinary course of business will affect the delivery of the Phase 2 Scheme.

3.6 The evidence below confirms that New Granville LLP is in a very secure position, being funded as it is through two large established companies that are active in the development and regeneration sectors (Mulalley and One Housing Group) providing an extremely stable and secure financial footing.

**FINANCIAL POSITION**

**Mulalley**

3.7 Mulalley is part of the Sherrygreen Group of companies. Mulalley's Board is prudent and risk adverse. In order to ensure no unforeseen “worst case” scenario could impact on Group Trading, it has secured a Rolling Credit Facility of £35m, allowing access to additional funds without requiring any third-party authorisation, supervision or security.

3.8 Importantly, the latest balance sheet strength increased to nearly £99m (2017) and will still total a minimum of £100m in 2018. Cashflow from activities is continuously increasing and trading continues to be strong and profitable.

3.9 It is worth noting the quality of the Group’s assets, with a high proportion of fixed assets including £56,199,000, of investment properties let to a range of good quality covenanted tenants including HMG, Jewson’s and NatWest Bank Plc.

**One Housing Group**

3.10 One Housing Group funds its development schemes through a mix of (principally) bi-lateral agreements with lenders and two participative group bond issues. Additionally, the Group uses retained cash surpluses and grant funding.

3.11 The Group also raises and uses funds through separate Special Purpose Vehicles (SPVs) for scheme specific funding and also utilises joint venture arrangements with partners.

3.12 At the start of the 2016-17 financial year (which runs from April to March) the Group had credit and cash facilities totalling £902m of which £61m was undrawn

3.13 In the past two years 2015-16 and 2016-17 the Group has arranged new borrowings totalling £150m with a separate £80m for the SPV’s.  This financial year it will finalise new borrowings of £185m, with a further combined total of circa £26m in separate lines of facilities for SPVs.

3.14 The financial strength of One Housing Group is reflected in its financial accounts showing (to March 2017) a turnover of £256m an operating surplus of £80m and a bottom line surplus of £82m with a balance sheet showing total net assets of £2bn.

**EXPERIENCE AS DEVELOPERS**

3.15 Mulalley and One Housing Group have substantial experience as developers, both individually and as joint development partners.

3.16 In addition to the joint experience listed below the two companies are currently partnering on the New Ladderswood Estate Regeneration, which will deliver 517 new houses and apartments within the Ladderswood estate in the London Borough of Enfield, with a gross development income of approximately £200 million.

**Mulalley**

3.17 The current combined development pipeline for Mulalley & Sherrygreen Homes comprises 1,400 new homes, of which 1,000 are for private sale. New sites, joint ventures and development opportunities are continually being sought.

3.18 Examples of current schemes, which demonstrate Mulalley's development experience, include:

* **Amersham Vale – Lewisham - £35m**

This involves the design and construction of 120 mixed tenure new homes on a former school site at Amersham Vale. A new park will also be delivered at Amersham Vale and retained by the Council for the benefit of the local community. The site forms part of a wider masterplan for Deptford Town Centre and a delivers a key objective for the Council (as the ongoing site operator) in achieving a substantial land payment to repay some of its costs of developing earlier sites, including a new school and public library.

* **Essex Wharf – Waltham Forest - £37m**

This mixed tenure development provides 124 new homes at the edge of the new Olympic Park area, in the form of 87 Private Sale units and 37 Affordable Units, of which 9 were for Shared Ownership and 28 for Affordable Rent. The development consisted of four blocks, ranging from five to seven storeys, linked by a podium deck with semi basement undercroft car parking and associated servicing facilities.

* **Barnardos Garden Village – Barkingside - £38m**

The scheme comprises the redevelopment of land owned by the charity and provided 144 new homes ranging from 1-bed apartments to 4-bed family dwellings.

**One Housing Group**

3.19 One Housing Group (OHG) is a leading provider of housing, care and support across London and the South East managing over 16,000 homes in 26 London Boroughs and surrounding counties and providing care and support to over 5,000 customers. Of the existing homes, 8,799 are general needs affordable homes, 3,041 are leasehold, 1,992 are shared ownership, 2,268 are supported housing, 382 intermediate and keyworker, and 354 are market rent properties.

3.20 The group have consistently achieved high housing outputs and are currently securing opportunities to build another 1,500 affordable homes by 2021. Over the past three years they have completed construction of 446 private units, 340 shared ownership units and 1,082 general needs rented units.

3.21 One Housing Group have also completed several landmark awarding winning schemes in Highgate, Hackney and Ealing. OHG are also involved in a number of upcoming flagship schemes such as King’s Cross Central and the regeneration of the Ladderswood estate - two significant regeneration projects.

3.22 Currently there are 1,931 units under development including 1,013 affordable units. Examples of these are:

* **Acton Town Hall - £29m**

This project involves the restoration of the Grade 2 Listed Town Hall building that had been used in recent years by Ealing Council as offices. One Housing Group are converting the building into 71 new homes including 57 Private sale and 14 shared ownership units. The scheme has a range of units from studios to 3 bed duplex apartments and can offer a mix of new build homes as well as historic units with a contemporary fit out. The project will provide much needed homes at an affordable level with 85% of units being marketed as Help to Buy properties.

* **St Anns Police station** – **£10m**

The project is in Haringey and includes the refurbishment of the old Police Station building to provide Private sale & shared ownership apartments along with the addition of new build town houses. There are 28 units in total including 6 Shared Ownership properties and Help to Buy is available.

* **London Road – Isleworth - £9.5 million**

This scheme provided 41 affordable units as part of a S106 with London Square. The units are a mixture of 9 Shared Ownership units and 32 General Needs units. The project redeveloped a former industrial site into 8 blocks of low-rise flats.

* **Phoenix Place - £26m**

Due to complete in 2022 this is a S106 scheme with Taylor Wimpey and provides 85 affordable units with a mix of tenures: Affordable, Intermediate and Shared Ownership.

# 4. Arrangements between the Developer and the Council

4.1 In 2012, following a competitive tendering exercise advertised in the Official Journal of the European Union, the Council selected Mulalley and One Housing Group as its development partner to undertake regeneration proposals for Granville Road to form New Granville LLP.

4.2 On 19 December 2013 the Council and Developer entered into a Development Agreement (“the DA”) which sets out arrangements between the Council and Developer in relation to the Phase 2 Scheme, including respective responsibilities, notifications and approvals, land transfers and financial arrangements. The DA is a commercially confident document. I will however refer to the conditions precedent in the DA in order to explain why I consider that the Phase 2 Scheme is likely to be delivered if the order is confirmed.

4.3 A supplemental agreement to the DA was entered into between the Council and Developer 30 June 2015 to reflect the consequences of the planning appeal, to redefine delay events and extend the long stop dates to the original agreement. These have since been further extended.

4.4 On 18 July 2016, the Council and Developer entered into an agreement pursuant to section 106 of the Town and Country Planning Act 1990 (the ‘S106 agreement’) in respect of the scheme (CD21).

4.5 Planning permission (the Planning Permission) (CD20) was granted for the Phase 2 Scheme on appeal (the Appeal) on 8 August 2016 by Richard Schofield BA(Hons) MA MRTPI, a Planning Inspector appointed by the Secretary of State for Communities and Local Government following a six-day public inquiry.

4.6 The Council and Developer entered into a CPO Indemnity Agreement (CPOIA) on 5 July 2017, under which the Developer undertook to indemnify the Council in respect of costs incurred in promoting, making and securing the compulsory acquisition of the Order Land and the compensation payments arising from those acquisitions.

4.7 The CPOIA also requires the Developer to indemnify the Council in respect of costs related to the making and promotion of additional Orders, again including land acquisition costs, required to deliver the Scheme.

4.8 The DA contains a number of overarching pre-conditions relating to the Scheme overall, such as the receipt of planning permission. Following satisfaction of these pre-conditions, the DA will be deemed unconditional. These conditions are:

* The granting of planning permission and completion of a S106 agreement – This condition has been met
* Achieving of 3rd party acquisitions – This Order will facilitate this
* Secretary of State’s consent to appropriation and disposal – Appropriation of the public open space has been completed, however the ‘Order Land’ cannot be dealt with until LBB has vacant possession of the site
* The Stopping Up Order being granted – This is ongoing and further detail is provided in paragraph 6.11.
* A works notice being served – The Council and Developer are working together to achieve this.
* The Master Plan and Master Programme being finalised – The Master Plan has been finalised and the Master Programme will be finalised once vacant possession of the whole site is secured. This will be submitted to the Council for approval and will be done at the appropriate time.
* The Council providing the Partner with a certified copy of its resolution authorising the Council to enter into the DA – This has been provided and the DA completed.
* Achieving vacant possession of Beech Court – The LLP has acquired all of the leasehold units in the block and the Council is in the process of securing vacant possession of the remaining units

4.9 A number of pre-conditions have therefore already been met, and the Council and Developer are jointly working towards discharge of the remainder. The Developer is unaware of any reason as to why this should not be achieved.

4.10 The conditions also require vacant possession of the land to be secured. Whilst the Council and Developer remain committed to assembling the site by acquiring the necessary interests by agreement, the Order is necessary to ensure this condition is met within a reasonable timescale.

4.11 A S278 agreement will be entered into between the Developer and the Council, in order to deliver the required improvement works to areas of public highway. The Developer is unaware of any reason that the S278 agreement will not be completed and does not believe that it presents any impediment to the delivery of the Phase 2 Scheme.

# 5. Scheme Description

5.1 As explained in the evidence of Jo McCafferty (AA/JM1.1) section 4.1, the Order Land as shown on the Order Maps (CD5) is required in order to allow the completion of the Phase 2 Scheme and the associated infrastructure works in accordance with the Planning Permission.

5.2 The extent of the land required for the completion of this scheme and within The Order has been a product of careful consideration by the Council, the Developer and both parties’ professional teams.

5.3 The Planning Permission (CD20) for the scheme was granted for:

*“Demolition of Beech Court, garages and other ancillary buildings and the erection of new buildings (including an extension to Nant Court) between two and six storeys in height (with additional basement levels in places) to provide 132 new dwellings in total (all use class C3), comprising 74 flats and 58 houses, together with associated reconfiguration of the site access arrangements and alterations to parking, landscaping, refuse, recycling and other storage facilities and the provision of new play and communal amenity space.”*

5.4 A non-material amendment application (reference 17/5054/NMA) (CD22) was approved by the Council as local planning authority on 15 November 2017. The amendments to the Planning Permission was to re-arrange the substation/pump room and replacement Pramshed building adjacent to existing Granville Point Tower, and for the relocation of bike store for the new 'Block C'.

5.5 As described by Nicola Bird (AA/NB1.1 section 2) the Phase 2 Scheme comprises part of the Council’s wider redevelopment of land and buildings on the Granville Road Estate.

5.6 The new housing will form a linear development fronting Granville Road and Llanelly Road, mirroring the prevailing traditional layout of streets and development to the east. Dwelling sizes will range from two bedroom to four bedroom properties. A new cul-desac is proposed on the former site of Garth House, backing onto Cloister Road.

5.7 The houses will be a mix of 2 and 3 storeys. Each house will benefit from a private rear garden and separate entrance off the street, with further area to the front utilised for refuse and cycle storage.

5.8 One 5-storey flat block (Block A) will occupy the site of Beech Court in the site’s north west corner, with a further 6-storey detached block with 2- and 3-storey elements (Block C) north of Templewood Point. Proposed Block B is a 3-storey block of flats adjoining Nant Court immediately north and forming a new gateway along the Nant Road westerly approach to the site, flanked by a row of four new houses on the northern side.

5.9 A new road layout is proposed for the development, allowing access through the site and joining Llanelly Road with Granville Road to the north. This new layout is designed with built-in traffic calming measures, including a road layout that includes a sharp turn through the site, slowing traffic and precluding direct views through the estate. Careful design of hard surfacing treatments will create a less formal and traditional highways character. The altered junction priority at the north of the site will require vehicles to turn off Granville Road and Nant Road to enter the estate.

5.10 The existing pedestrian and cycle routes through the site are to be retained and enhanced through the provision of increased overlooking and appropriate boundary treatment. Secure cycle parking will be provided for residents of the new properties within the communal public realm areas.

5.11 Vehicle parking is to be provided through a combination of on-street parking, surface parking courts and basement parking below the two-proposed detached flat blocks (Blocks A and C). In total, 330 spaces will be provided across the site, apportioned and allocated to serve proposed and existing dwellings on an equal basis, with no difference in provision between the two and provision based purely on dwelling size. This includes 28 disability spaces. Additionally, two dedicated car club spaces are to be provided on site. Existing residents will be provided with 196 formal parking spaces, an increase of 46 spaces from the current formal provision and more than observed levels of parking across the estate.

5.12 The Phase 2 Scheme works programme is itself split into two phases:

* Phase 1 is the southern end of Granville Road Estate including the construction of new dwellings at 'The Close' and a new block called 'The Square', together with landscaping and infrastructure.
* Phase 2 is the northern end of Granville Road Estate including new dwellings along 'The Row' and new blocks called 'The Court' and 'The Gateway', together with landscaping and infrastructure.

5.13 The Planning Permission (CD20) was granted subject to 42 conditions.

5.13.1 It must be commenced by 8 August 2019 (condition 1). In order to lawfully to commence the development the following pre-commencement conditions need to be discharged:

* Condition 3 dealing with approval of external materials
* Condition 4 dealing with levels
* Condition 13 dealing with ground investigation
* Condition 15 dealing with biodiversity enhancement
* Condition 16 dealing with managing the impact on breeding birds
* Condition 17 dealing with sustainable drainage
* Condition 19 producing a piling method statement
* Condition 21 dealing with air pollution mitigation measures
* Condition 23 dealing with noise impact mitigation
* Condition 24 dealing with extraction / ventilation
* Condition 25 producing an acoustic report for extraction / ventialtion
* Condition 27 dealing with approval of building materials
* Condition 28 dealing with approval of boundary treatments
* Condition 29 dealing with approval of landscaping
* Condition 32 dealing with approval of the safe-guarding
* Condition 39 dealing with the approval of the Construction Management Plan

5.14 Substantial preparation works have been undertaken in order to discharge these conditions, although at this point in time none have formally been discharged. However, there is no reason why these pre-commencement conditions will not be satisfied at the appropriate time. The Contractor and Project Design Team are aware of what is required in order to satisfy these conditions and discussions have taken place with the Council’s Planning Department regarding a strategy to discharge these conditions to enable the Phase 2 Scheme to commence as soon as practicable.

5.15 The obligations in the section 106 agreement dated 18 July 2016 (CD21) are conditional on commencement of development (clause 3.1.2), save for the following provisions which came into effect on completion of the section 106 agreement:

* clause 4.2 payment of legal fees
* clauses 9-14 dealing with dispute resolution and notices
* Schedule 3, para 1.1 requiring prior notice of commencement
* Schedule 3, para 12.5.1 requiring notice to be given of the identity of the Car Club operator.

5.16 There is no reason why these section 106 obligations should not be satisfied as and when they arise.

5.17 There are therefore no planning impediments to the Phase 2 Scheme’s commencement, and timely delivery.

5.18The Developer has, to date, undertaken a substantial amount of design work on the scheme, covering:

* the architectural design,
* the structural design,
* the mechanical and engineering design.

5.19 The Developer has also commissioned a number of pre-construction surveys including:

* unexploded ordnance
* intrusive ground investigations
* drainage surveys
* existing utilities surveys
* updates to the arboricultural report
* reviews of fire strategy.

5.20 Site surveys for diversionary works have been undertaken and negotiations with statutory providers are ongoing.

# 6. The Developer’s Commitment to Delivery

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

**FINANCIAL COMMITTMENT**

6.2 Under the Development Agreement the Developer is responsible for funding the development. On behalf of the Developer I can confirm that funding arrangements are in place to fund the delivery of the Phase 2 Scheme and that the Developer remains fully committed to doing so.

6.3 The Developer has already invested £5.2 million in the scheme which has been spent on an initial land deposit payment to the Council; CPO fees; design work undertaken by the Contractor; purchasing the 5 Beech Court leasehold properties; and planning and other professional fees.

6.4 The Developer instructed Terraquest, a land referencing company, to prepare a schedule of all the interests in the Order Land in March 2017.

6.5 The Developer has confirmed that it has recently reviewed its projected returns from the Phase 2 Scheme and that it remains viable.

**SITE ASSEMBLY**

6.6 The Council has been responsible for attempting to acquire the Pramsheds required to facilitate the development, and delegated responsibility of acquiring the long leasehold interests within Beech Court to the Developer.

6.7 New Granville LLP have worked to assemble the Beech Court interests via off-market transactions and direct negotiation with the individual leaseholders and as a result the Developer has acquired by agreement the 5 leasehold interests within Beech Court being numbers 7, 9 12, 16 and 20. Four of these were let privately by the Developer, however these tenancies have recently been terminated in order to secure vacant possession ahead of anticipated construction works.

6.8 All of these units acquired by the LLP are currently vacant and secured, in preparation for works to commence on site.

**SALES AND MARKETING**

6.9 The Developer has undertaken a wide range of activities relating to the sales and marketing of the private housing that will be delivered as part of the Phase 2 Scheme, including:

* Holding pitches for the branding of hoarding, brochures, microsite and media advertising
* Terms and conditions have been agreed with sales agents for their appointment
* The LLP’s plot sales solicitor has been appointed
* The LLP’s recommended mortgage broker has been appointed
* Sales and marketing reports have been undertaken in order to identify the target market, advise on sales prices and required specifications.

6.10 The Developer has calculated the likely project costs together with an appropriate contingency and these costs have been included in the business plans of the Developer’s constituent companies to ensure that there is sufficient finance available to deliver the Scheme.

6.11 There is a very significant commercial and financial incentive for the Developer to complete the Scheme. Consequently, the Developer is committed to the completion of the scheme.

**OTHER CONSENTS**

6.12 Application has been made for a Stopping Up Order to enable the construction of the scheme. This relates to certain highways and footpaths within the scheme and was publicised on 26 October 2017. A number of objections were received. The Council and Developer are currently working together to implement a process of providing the post completion public rights of way within the completed scheme in order to adequately respond to the objections received.

6.13 The Council has confirmed that it will use its powers under section 26 of the Highways Act 1980 to make public footpath creation orders that will provide the public rights of way through and around Granville Road Estate post-construction. Considering the adopted approach, the Developer does not believe that this presents any impediment to the delivery of the Phase 2 Scheme.

6.14 There will be a need for party wall agreements because construction of block B adjoins Nant Court, which is an existing building within the estate. The Developer has substantially progressed negotiations regarding Party Wall Agreements, however these have not yet been signed in order to prevent their expiry before works have been undertaken.

# 7. Conclusion

7.1 In my evidence I have:

* Described the structure of the Developer and its arrangements with the Council
* Described the experience of the Developer
* Described the Scheme, project phasing and progress to date
* Confirmed the Developer’s commitment to Delivery

7.2 I can confirm from the Developer's point of view that, other than the completion of land assembly there are no planning, financial or other impediments to the delivery of the Phase 2 Scheme.

# 8. Declaration

I believe that the facts stated in this proof of evidence are true.

Ross Williams

26 June 2018