

Old Oak and Park Royal Local Plan examination

Agenda Session 3: Effectiveness

Participants: Inspector, Corporation, DP9 (Old Oak Park Limited), Grand Union Alliance, Just Space, St Quintin and Woodlands NF, HGH (QPR FC and Stadium Capital Developments Ltd)

Summary of issues

- 1 Whether the Plan would be effective in the light of;
 - (a) doubts about viability of development (derived from the thirty-eighth and thirty-ninth Key Issues of table 5 of Key document 5 identified at Regulation 19(1) stage including representation 2/H9/2 from Old Oak Park Ltd concerning the viability of specialist housing amongst others) because of; requiring 10% homes as specialist housing; site specific constraints other 'non infrastructure' planning obligations; current uses in the area impacting on sales values; High rise development making it more challenging to deliver affordable housing; prescriptive employment policies for re-providing/relocating existing and providing new or affordable workspace and cost of capped rents; the impact of London water issues; the five notional site typologies tested by the AHVA are not reflective of the specific characteristics of the Local Plan area.
 - (b) doubts about funding of infrastructure (derived from the thirty-ninth Key Issue of table 5 of Key document 5 identified at Regulation 19(1) stage) because; there is not a clear approach to addressing the infrastructure funding gap (The Education and Health Needs Study indicates that developer contributions may not be sufficient to fund required off-site expansions of education facilities); the Mayor's Review of OPDC calls this into question; the Local Plan contains little consideration of financing mechanisms and has not set out a clear position on infrastructure costs; there is no information about funding developments on the Grand Union Canal; lack of government funding is a concern; lack of funding being provided for new projects by NHS England; delivery of Hythe Road London Overground Station is not confirmed
 - (c) fluidity of policies for Park Road and Old Oak Street and omission of partially formed proposals from figures or policies map (Derived from the eleventh Key Issue of table 5 of Key document 5 identified at Regulation 19(1) stage, a number of representations and Inspector's Q2, Q7, Q8, Q12, Q13, Q14, Q15, Q16 & Q17) because; the

proposed links from Willesden Junction Station in the diagram for P11 will not assist in improving connection between Old Oak and Harlesden; of the gradient and design of Old Oak High Street; the retention of Elizabeth Line Depot will require a long bridge over the depot; early delivery of the High Street will not be possible; the High Street will be series of disconnected streets and will not encourage early activation in Old Oak North; Park Road should be main north south route in the development area; delivering Park Road as access only will increase traffic in Harlesden; a new vehicular route is required.

- (d) inchoate formulation of proposals for District-wide heating and cooling systems. Policy EU10(f) requires each and every major development to contribute to and or/deliver new heat, cooling and electricity networks in terms which do not suggest that there is any doubt but that such networks are proposed. For details of such networks, it defers to the IDP. But, the only specific proposals for decentralised energy in sections 4.3 and 4.4 of the IDP are at Car Giant and Scrubs Lane. These refer to Place Areas P2 and P10. But the infrastructure section of P2 makes no suggestion that a decentralised energy system is envisaged for that Place Area and there is no infrastructure section in P10. The rest of IDP section 4.3 confirms that Place Area P7 is not appropriate for an area wide network (but no exception is made in EU10(f)) and makes only nebulous suggestions for a strategic area-wide district heat network, a strategic Area-wide District heat network extracting heat from sewers and a strategic Area-wide District heat network extracting heat from other sources, three suggestions which seem ill-defined and mutually exclusive and unlikely to be effective in advising a potential developer of a particular site what that development is expected to provide.

The Corporation's response

The following is a summary of the OPDC's responses at Regulation 19(1) and 19(2) stages. Further responses are given in the Corporation's Responses to Matters and Issues 3a and 3b

(a) Viability

OPDC's SHMA identifies an 8.6% need for specialist housing. As with the level of affordable housing and family housing, the specialist housing requirements on sites will be considered as part of the planning application process and subject to development viability. This has been included in the policy, but text has also been inserted into the supporting text to clarify that site specific constraints such as land contamination should impact land values and that the costs for addressing these issues

should not necessarily be borne through reduced planning obligations or sustainability standards, in accordance with the Mayor's Affordable Housing and Viability SPG.

The Whole Plan Viability Study, included in the evidence base, has assessed all the Local Plan policies to identify those policies likely to impact on development viability, such as affordable housing, infrastructure (including Community Infrastructure Levy), environmental standards, open space requirements and employment policies (including affordable workspace and commercial floorspace at Old Oak Common Station). The conclusion of the Whole Plan Viability Study is that in the round, the policies contained in the Local Plan would be viable.

The appropriate balance needs to be judged on a case by case basis. The Affordable Housing Viability Assessment shows that on some sites with higher values and medium infrastructure requirements, targets will be attainable, but on others that may have lower values, higher infrastructure costs and higher on-site constraints, they will not. This balance or recognition of viability is enshrined in the NPPF and the need for viability to be a factor in affordable housing delivery is recognised in the NPPF, London Plan and in policies SP4 and H2 of OPDC's Local Plan. Policy DI1 sets out that OPDC will pursue many other avenues for the funding of infrastructure than purely S106/CIL and that the expectation is not that development should be funding all the infrastructure required to deliver the spatial vision.

Existing Use Values (EUVs) range across the site. Some sites have relatively low EUVs whilst others have relatively high EUVs. OPDC considers that EUVs are broadly comparable with many other regeneration sites in London. The EUVs of different sites have been factored into OPDC's viability work supporting the Local Plan - specifically the Affordable Housing Viability Assessment and the Whole Plan Viability Study.

OPDC recognises that delivering affordable housing in tall buildings can be challenging and this is reflected in the assessments of different densities within OPDC's Affordable Housing Viability Assessment supporting study. However, OPDC also recognises that affordable housing can be delivered across a range of building heights subject to addressing relevant challenges.

Evidence for the consideration of costs and challenges to the deliver tall buildings/height densities is set out in OPDC's Whole Plan Viability Study. This tests the ability of a range of development types throughout the OPDC area to viably meet the policy requirements of the Local Plan in accordance with national and best practice guidance. This identifies that viability looks less favourable in the higher density schemes at lower values and higher benchmark land values. However, it goes on to highlight that such schemes will most likely only come forward where the values achievable are able to meet the costs of delivering tall/high density schemes. Therefore, it would be reasonable to expect such schemes to achieve above the mid sales values and more likely the higher sales values.

The Whole Plan Viability Study has tested the cumulative impact of the policies in the Local Plan. The requirements for applicants to demonstrate robust engagement with affected businesses throughout pre- and formal application process is aligned with OPDC's SCI. The requirement to co-locate floorspace only applies to broad industrial type activities which are compatible with the Place land use policy. With regards to potential site-specific viability impacts, Policy DI1 makes it clear that, OPDC will appropriately balance the priorities for a range for contributions, this would include any requirements for affordable workspace. This would be assessed on a case by case basis.

The policy is seeking to ensure that any agreed or intended objectives will be met and effectively monitored, therefore some certainty is required about who and how the space will be managed over time. Approved workspace providers would help provide evidence of this, however, the text has been amended to clarify that an approved Management Scheme could achieve the same objective. Policy DI1 makes it clear that, OPDC will appropriately balance the priorities for a range for contributions, this would include any requirements for affordable workspace. This would be assessed on a case by case basis.

Change proposed. The supporting text has been amended to confirm that the nature of the provision will be considered on a site by site basis. The policy is informed by the recommendations in the Future Employment Growth Sectors Study and Industrial Estates Study. OPDC may consider preparing an Affordable Workspace SPD to provide more detailed guidance on this area of policy. An SPD can also be updated more regularly than a Local Plan document to respond to changes over time.

OPDC shares the consultees concerns about water issues and for this reason has addressed water issues in Policy EU3 and in the Integrated Water Management Study which accompanies the Plan. As well as seeking funding from developers, in accordance with Policy DI1, OPDC will pursue alternative funding sources to deliver required infrastructure.

In accordance with National Planning Policy Guidance (NPPG), assessing the viability of Local Plans does not require individual testing of every site or assurance that individual sites are viable. In accordance with NPPG, and the Harmon Report on Viability Testing in Local Plans, notional site typologies can be used to determine deliverability at a policy level where they are representative of the whole area. The five notional sites test different EUVs based on existing land uses in the area, a range of densities that broadly accord with densities set out in the Development Capacity Study and sales values that were deemed appropriate by independent experts (Deloitte) on behalf of OPDC. This would accord with the requirements in the NPPG. It is also clear in the AHVA and in the Local Plan itself that individual sites may require more detailed site and scheme specific viability analysis when they come forward through the development management process.

In accordance with National Planning Policy Guidance, for an area-wide viability assessment for policy purposes, a broad assessment of costs is required. The AHVA includes the level of Community Infrastructure Levy identified in the Preliminary Draft Charging Schedule. It cannot consider

all the infrastructure costs as these will be identified through the development management process and depend on external funding available to support infrastructure delivery. Policy DI1 in the Local Plan identifies a key priority to secure additional public and private funding sources to support infrastructure delivery, in addition to developer contributions.

(b) Infrastructure funding

It is not the role of the Local Plan to develop a clear cashflow funding model for all infrastructure delivery. The funding gap alluded to within the Development Infrastructure Funding Study did not consider all funding sources or cashflow or growth/inflation. Policy DI1 indicates that there will be other sources of infrastructure funding sought, not just developer contributions. It sets out the expectation that there would need to be a balance between different priorities.

Since the publication of the mayoral review, OPDC has been undertaking a series of activities to address the issues raised. OPDC reports to every Board meeting updating on progress against the mayoral review outcomes. OPDC's Local Plan is supported by a Whole Plan Viability Study and Affordable Housing Viability Assessment which assesses the viability of development in planning terms. OPDC recognises in Policy DI1 that not all infrastructure will be funded by Section 106 and CIL contributions and OPDC is proactively looking at alternative funding sources.

The Plan covers a 20 year period and given these timescales, in many instances, infrastructure costs are unknown. The IDP identifies infrastructure requirements and where known, costs have been included. The IDP identifies what the likely funding sources for the delivery of the on-site health facility would be. OPDC is currently working with partners including HS2, Network Rail and TfL to confirm a funding package for the Hythe Road station.

(c) Park Road and Old Oak Street

There are two links to Willesden Junction station proposed to route north to Harlesden Town Centre in the Local Plan; one to the east and one to the west. OPDC are promoting two entrances to the station to ensure that both routes are equally used and the connections to Old Oak benefit Harlesden Town Centre.

The Old Oak North Development Framework Principles has been developed by OPDC based on the outputs of the AECOM masterplan consortium of consultants. The consultants undertook a robust assessment of the technical constraints of Old Oak North, Willesden Junction and the required retention of the Elizabeth Line Depot to identify deliverable connections to surrounding areas. This work has shown that delivering an all modes route north of Park Road to Harlesden is very challenging at the time of the publication of the Local Plan. Therefore the Local Plan proposes it to be a high quality walking and cycling route to ensure a strong connection to Harlesden. The work has also successfully demonstrated that Old Oak Street as a legible connection can be delivered with a retained depot to connect Old Oak North and Old Oak South. To support placemaking Policy P1 supports activation of the frontages of the depot and delivery of meanwhile uses.

Old Oak North Development Framework Principles demonstrates that connections from Scrubs Lane, Old Oak Common Lane via key routes will support early activation of Old Oak North.

(d) Policy EU10(f)

Policy EU10(f) seeks to provide a mechanism for applicants to access the most up to date information within the IDP. Updates to the IDP will also be reflected appropriately within the Local Plan through the review process.

Matters for discussion

- 1) Have I correctly understood the thrust of the representations?**
 - (a) viability**
- 2) Do the viability studies which OPDC has undertaken reasonably justify the effectiveness of the plan in general terms?**
- 3) Does the evidence justify modifications to reduce burdens on specific types of development?**
- 4) Are modifications to the proposals and policies relating to specific sites required and justified by evidence?**
 - (b) infrastructure**
- 5) Is there sufficient evidence to show that there is a realistic prospect of the infrastructure proposals in the plan being adequately funded?**
 - (c) Park Road and Old Oak Street**
- 6) What exactly is the nature of the proposal for Old Oak Street and Park Road?**
- 7) Will they provide effective connections between development sites and the hinterland around OPDC for (a) buses, (b) cyclists (c) pedestrians?**
 - (c) Policy EU10(f)**
- 8) Should there be a refinement of policy EU10 and possibly the Place Policies to reflect what is actually proposed in different parts of the OPDC area?**

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Inspector

22.02.19