

PROOF OF EVIDENCE

Evidence of:

MR ALAN HOLLAND

On behalf of:

SEGRO (PERIVALE PARK) LIMITED

In relation to:

**THE MAYOR'S OFFICE FOR POLICING AND CRIME (PERIVALE) COMPULSORY PURCHASE
ORDER 2020**

Date:

20 April 2021

1 DETAILS OF WITNESS

Personal Introduction and Qualifications

- 1.1 My name is Alan Holland. I have been the Managing Director for SEGRO's Greater London business since 2013.
- 1.2 I have worked for SEGRO for over twenty years and I am part of SEGRO's Leadership Team. I am a Director of SEGRO (Perivale Park) Limited ("**SEGRO Perivale Park**").
- 1.3 In terms of my professional qualifications, I have a Degree in Land Management from the University of Reading. I have been a Member of the Royal Institute of Chartered Surveyors since 1998.

My Career Experience and Current Responsibilities

- 1.4 Throughout my entire career, I have worked in the industrial and logistics sectors, predominately with a focus on the London and South East markets.
- 1.5 In my current role as Managing Director for Greater London, I focus on the industrial and urban logistics property sector across the Greater London area. I have overall responsibility for and strategic oversight of:
- (a) the financial success of SEGRO's Greater London-focussed business activities;
 - (b) the operational performance of SEGRO's Greater London portfolio;
 - (c) asset management and development opportunities in Greater London;
 - (d) investment opportunities in Greater London;
 - (e) broadening, improving and expanding SEGRO's relationship with existing, new and future customers (SEGRO's tenants) and ensuring that our customers receive the best service; and
 - (f) stakeholder engagement, including liaison with SEGRO's stakeholders, including local communities, public bodies and London Boroughs.

2 SEGRO

Introduction to SEGRO Group

- 2.1 SEGRO plc is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. SEGRO owns or manages 8.8 million square metres of space (95 million square feet) valued at £15.3 billion, serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

- 2.2 For over 100 years SEGRO has developed warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing located close to major population centres and business districts. SEGRO provides high-quality assets that allow its customers to thrive.

Perivale Park Industrial Estate

- 2.3 SEGRO Perivale Park is the registered freehold owner of the Perivale Park Industrial Estate ("**Perivale Park**").
- 2.4 Part of Perivale Park is the subject of The Mayor's Office for Policing and Crime (Perivale) Compulsory Purchase Order 2020 (the "**CPO**") made by the Mayor's Office for Policing and Crime ("**MOPAC**"). The land within Perivale Park which is subject to the CPO is known as the "**Order Land**".
- 2.5 MOPAC occupies part of the Order Land under two leases granted on 21 October 2005 which expire on 28 September 2021.
- 2.6 Perivale Park was originally constructed in the 1970s and contains approximately 33 industrial units. It covers approximately 34 acres and is located alongside the A40, within 2 miles of the North Circular Road. Perivale Park is situated in the administrative area of the London Borough of Ealing ("**LB Ealing**").
- 2.7 The units on Perivale Park are used for a wide variety of industrial and storage and distribution uses, with some ancillary office uses.
- 2.8 Perivale Park is in a strategically important location for SEGRO and our customers; complementary to existing properties in SEGRO's Greater London portfolio, Greenford Park and Park Royal, which sit either side of Perivale Park.
- 2.9 Britel Fund Trustees Limited and Postel Properties Limited ("**Hermes**") placed the freehold of Perivale Park up for purchase in February 2020.
- 2.10 Hermes and SEGRO agreed Heads of Terms for the sale and purchase of Perivale Park on 28 May 2020.
- 2.11 I led the 'deal team' when SEGRO Perivale Park acquired the Perivale Park Industrial Estate on 5 June 2020, working closely alongside Ben Gomez-Baldwin.

3 SCOPE OF MY EVIDENCE

- 3.1 My evidence relates to the objection submitted on behalf of SEGRO Perivale Park to the CPO and seeks to provide detail about SEGRO's Perivale Park's redevelopment aims as well as providing the planning context for the site. My evidence should be read together with the evidence of Ben Gomez-Baldwin.

4 PLANNING CONTEXT

- 4.1 Perivale Park is allocated in LB Ealing's Development Strategy 2026 – Development Plan Document (adopted 3 April 2012) (the "**Local Plan**") as a "Strategic Industrial Location".
- 4.2 At page 15, the Local Plan states that "*Strategic Industrial Locations...comprise the borough's strategic employment land and are the primary focus for general industrial and warehousing uses*".
- 4.3 LB Ealing's planning policy in relation to employment land along the A40 corridor from Northolt to Perivale is "*to retain and attract new business development along the A40 Corridor by maintaining a sufficient supply of industrial land, and encouraging sustainable, commercial development*" (policy 3.2).
- 4.4 The Local Plan also goes on to note that the "*London Plan specifies the retention of 'strategic industrial locations' in Northolt-Greenford-Perivale, comprising industrial areas developed in the inter-war years*". The Local Plan further notes that "*these areas continue to meet demands for business premises and employment opportunities in Ealing and outer West London*."
- 4.5 The Mayor of London's London Plan (March 2021) (the "**London Plan**") identifies Northolt-Greenford-Perivale as a Strategic Industrial Location ("**SIL**"). Policy E5 requires SILs to "*be managed proactively through a plan-led process to sustain them as London's largest concentrations of industrial, logistics and related capacity for uses that support the functioning of London's economy*".
- 4.6 Paragraph 6.5.2 of the London Plan, states "*To ensure that London can retain an efficient logistics function it is particularly important to secure and enhance strategic provision in SILs in west London, especially at Park Royal and around Heathrow*".
- 4.7 The Order Land is not safeguarded for use by MOPAC for the purposes of delivering MOPAC's Vehicle Recovery and Examination Service ("**VRES**") or any other purpose and neither the Local Plan, nor the London Plan, make reference to the importance of the Order Land or the VRES to MOPAC and the wider borough and city.

5 SEGRO'S BUSINESS PLAN AND DEVELOPMENT OPPORTUNITIES

Business Plan

- 5.2 5.1 SEGRO was attracted to Perivale Park because it is a large unbroken site (meaning that it is a large site with a single freehold) and presented a number of opportunities for SEGRO to bring its skills to bear in order to further improve the site, for example by undertaking development, (including ,by adding industrial space and warehousing; intensifying uses; or delivering an ultra-urban mixed-use development); and by enhanced asset management (by improving lease terms and the customer/tenant mix). SEGRO acquired Perivale Park on the basis of a ten-year business plan and associated financial appraisal that assumed SEGRO would be able to bring forward an early redevelopment of the 7.8 acre MOPAC compound/car park site (known as the Bilton Centre) within the first three or four years of SEGRO's acquisition, being approximately three years after the current MOPAC lease expiry date.

Redevelopment Proposals

- 5.3 Having undertaken a high-level development viability appraisal, SEGRO's considers that it would be able to redevelop the Order Land to provide approximately 200,000 sq ft of high-quality, modern, sustainable (carbon neutral), single-storey industrial/warehousing space and provide a significant number of employment opportunities for the area - this would support local economic development and regeneration. There would be potential opportunities to intensify the use of the land in future with additional storeys being developed on top of the single-storey building. SEGRO has completed pre-application discussions with planning officers at the London Borough of Ealing.

Benefits of Redevelopment

- 5.4 SEGRO's redevelopment of the Order Land would provide high quality industrial space to meet the demands of modern businesses and it would have a transformational impact on the regeneration of Perivale Park, bringing benefits for those working at or visiting Perivale Park as well as the local area .
- 5.5 SEGRO's redevelopment would provide sustainable, carbon neutral space with flexible layouts to suit a variety of uses and appeal to a range of occupiers from small-medium sized enterprises to blue-chip companies.
- 5.6 As part of the redevelopment process, SEGRO will be undertaking a master planning analysis of the Order Land to demonstrate its redevelopment potential in terms of land use and quantum of development. This will permit an assessment of its impact on the surrounding area and the London Borough of Ealing as a whole. This analysis will clearly demonstrate the minimal economic contribution that the acquisition of the Order Land for MOPAC's purposes would make to the local area, when compared to a comprehensive redevelopment of the Order Land for uses appropriate to the local area.

Wider Community Benefits and Social Responsibility


- 5.7 As a long term investor, SEGRO builds relationships with local communities where it has a presence – it does this by working closely with local planning authorities and business organisations as well as directly with charities and community groups. Many of the areas in which SEGRO owns industrial are located close to areas of deprivation and for many years the company has focused on helping vulnerable and long term unemployed back into work through a range of training and development programmes. Since 2016, SEGRO has funded 67 charities to help deliver training for 3464 vulnerable Londoners, of which, 425 secured employment, 42 apprenticeships and 1259 went onto further develop their skills.
- 5.8 In 2020, SEGRO launched its Centenary Fund, a £10 million fund to be spent over ten years and established to celebrate SEGRO's 100 years of business, and contributed over £1.5 million to support its communities across Europe through pandemic. It achieved this by making financial donations (close to £1m) as well as employee volunteering and in kind contributions such as offering free warehouse space for emergency PPE and foodbanks to help those most in need. In total, SEGRO supported 100 charities and 77,000 people benefitted from SEGRO's Centenary Fund. In London, SEGRO's funding helped over 8,800

people to benefit from emergency aid, food and support and a further 625 to receive skills and employability training.

- 5.9 In addition to its community investment programmes, SEGRO works hard to make sure that its assets and developments, which are often situated close to residential areas, are valued by the local community and recognised as local employment and economic hubs. SEGRO continues to help local residents to take full advantage of the opportunities offered by SEGRO's contractors developing sites and customers (tenants) occupying SEGRO's buildings - this can have a positive impact beyond the development and ownership of modern warehouse and industrial space.
- 5.10 SEGRO provides community training and employment opportunities in partnership with its customers and contractors. We encourage our construction contractors to source materials from local suppliers to help local SMEs to benefit from our developments and create on-site training and job opportunities during the construction phase of the projects that we are involved with.
- 5.11 SEGRO will continue to build on its commitment to support the communities in which it has a presence. In 2021, SEGRO launched its Responsible SEGRO Framework, which will enhance the support offered to local unemployed people as well as helping to inspire young people about the world of work, encouraging more local business to compete for SEGRO contracts and funding communities to deliver their own neighbourhood environmental and biodiversity projects.

6 CONCLUSIONS

- 6.1 In his proof of evidence Ben Gomez-Baldwin has dealt with the detailed aspects of the tests which MOPAC must meet in order to secure a confirmed CPO in respect of the Order Land and the reasons why SEGRO considers that these have not been met in this case.
- 6.2 The last and most overriding of these test is as to whether there is a compelling case in the public interest for the compulsory acquisition of the Order Land. It seem to me that any proper consideration of this test must take account of first whether the requisite other tests (such as a proper search for alternatives and addressed by Ben Gomez-Baldwin) have been met but then also where the balance lies in terms of public benefit between the loss of any benefit to the public which may result from compulsory acquisition against any public benefit in that acquisition.
- 6.3 Plainly the discharge of MOPAC's statutory functions is a matter of public benefit. However given the nature of SEGRO and the publicly beneficial use it intends to make of the Order Land as detailed above in this Proof of Evidence the inevitable loss of that benefit which would result from the CPO means that MOPAC's case in the public interest is less than compelling (quite apart the further negative effect of other matters such as a failure to properly explore alternatives to CPO on the case for compulsory acquisition).

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Signed _____ 20 April 2021

Alan Holland