

Contains Confidential or Exempt Information	YES (Part) Confidential Appendix 2 is exempt from disclosure by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
Title	The Green Southall update
Responsible Officer(s)	Gary Alderson, Executive Director, Place
Author(s)	Eleanor Young, Regeneration Adviser
Portfolio(s)	Cllr Julian Bell, Regeneration, Cllr Mik Sabiers, Housing and Planning
For Consideration By	Cabinet
Date to be Considered	16 March 2021
Implementation Date if Not Called In	30 March 2021
Affected Wards	Southall Green
Keywords/Index	Southall Big Plan, The Green

Purpose of Report:

This report is to update members on the Green, Southall Regeneration proposals and to seek authority to vary the CPO red line boundary in the light of public consultation responses and to seek authority to enter into consequential amendments to the Development Agreement with Peabody to support the changes proposed to the scheme.

1. Recommendations

1.1 Cabinet is recommended to:

- 1) Note points raised in the public consultation upon the original scheme
- 2) Agree the proposed revisions to the scheme as summarised in paragraphs 2.3-2.9 below and in Appendix 1.
- 3) Note the financial implications contained within Confidential Appendix 2, which identify a contingent liability flowing from the changes to be approved in this report, which may give rise to an unbudgeted cost, should the liability crystallise in due course
- 4) Note and support as landowner the scheme proposed to be submitted in March / April 2021 for consideration by the planning committee
- 5) Approve the maximum CPO red line boundary (in Appendix 1) for a future CPO and authorise officers to commence preparations for the making of the CPO

- 6) Delegate authority to the Executive Director, Place, following consultation with the Director of Legal and Democratic Services, to approve the making of CPO in due course
- 7) Agree proposed changes to the Development Agreement with Peabody consequential on the scheme revisions and
- 8) Delegate authority to the Executive Director, Place, following consultation with the Director of Legal and Democratic Services, to enter into the Deed of Variation to the Development Agreement.
- 9) Note the potential inclusion of land at Featherstone Terrace as part of the scheme and delegate to the Director of Growth and Sustainability the authority to enter into a licence agreement with Peabody in respect of this land.

Background

- 1.2 Cabinet has previously considered two reports on this scheme. The first in March 2017 gave approval to seek a development partner for a scheme in Old Southall town centre involving a mixture of council owned and private land. The proposal was to advertise via the OJEU under procurement laws applicable at the time and the procurement process commenced in July 2017.
- 1.3 In July 2018 a further report explained the procurement process had been concluded and recommended the appointment of Peabody as the Council's preferred partner. A Development Agreement with Peabody was signed in April 2019.
- 1.4 Links to these previous reports can be found at the end of this report.

2. Reason for Decision and Options Considered

- 2.1 In March 2017, Cabinet agreed to seek a development partner for Council owned and adjoining land in the Green, Southall. In July 2018, Cabinet approved the selection of Peabody as the Council's development partner and a Development Agreement was entered into in April 2019. Since then, Peabody has consulted on a planning application, which was due to be submitted for approval in early 2020 and Peabody and the Council engaged with landowners affected by the proposed CPO. However, the Covid pandemic and the need for the Council to respond to that by providing a range of new public services, meant that senior officers and members were not able to consider these objections, along with Peabody, until Summer 2020.
- 2.2 A particularly strong set of objections was received to the proposal to include the Tudor Rose within the red line boundary of the CPO scheme and to demolish the existing building.
- 2.3 The objections to the demolition of the Tudor Rose, related mainly to the loss of what is clearly considered to be an important cultural and community asset. Peabody and officers have carefully considered the impact of removing the Tudor Rose from the scheme and Council officers are now recommending that the

building be retained, although some improvements both to its setting and façade are proposed to enhance the success of the future scheme.

2.4 As part of the redesign of that element of the scheme it is now recommended that other properties, not included in the current red line area, in particular a substation and a small part of the car park of St Anselm's Church, be included.

2.5 Since Summer 2020, Peabody has been working hard to revise the planning application to take account of public concerns about the original scheme and to develop a suitable alternative proposal. As part of this work, a dialogue has taken place with representatives of St Anselm's Church, and will be carrying out a further public consultation on a revised draft scheme commencing in early March 2021.

2.6 Further pre-application discussions have taken place with the Council and the scheme as proposed is expected to fulfil the policy requirements as set out in the local plan.

2.7 In particular Peabody has undertaken a process to assess the implications of retaining the Tudor Rose and the necessary changes to development boundary. This process has led to a redesign to some elements of the original scheme. The key metrics of the proposed redesigned scheme are a total number of residential units of 564 of which 269 will be Affordable Housing (50% by habitable room) of which 157 will be for London Affordable Rent and 112 shared ownership. There will now be 2773.7 m² non-residential provision (flexible uses class). There is no overall loss of housing units arising from the changes although the scheme changes have in-part meant a reduction in the non-residential uses by 854m² due to the removal of the proposed units fronting onto the Green and on the western edge.

2.8 The time between the original proposal and the redesign has allowed Peabody to review the quantum of commercial proposed in-light of the COVID-19 pandemic. This is ensure that the quantum and potential uses accurately reflect the likely demand.

2.9 The loss of commercial space can be offset to some extent by reconfiguring the parking proposed. This reconfiguration also allows for slightly more cycle parking and for the cycle parking to be lifted up from the ground floor allowing for active uses throughout. To achieve this, Peabody is also considering including some at grade parking on Council land at Featherstone Terrace (which would be made available under a licence agreement). To enable this, the existing tenants of that site, which consist of a number of Somali led community groups, which serve a wide client base mostly comprised of recent immigrants, including GOSAD the umbrella organisation, would need to be relocated. A temporary location could be found nearby or within an undeveloped part of the site, with the potential opportunity for permanent accommodation within the development. This proposal would also simplify in the longer term consequent leaseback arrangements with the Council for parking spaces as it would put all council controlled car parking spaces outside the buildings and in publicly accessible land.

2.10 A meeting took place in late February with two of the groups involved to discuss the principle of this move, which was positive. A number of next steps were agreed, including that the groups would receive a timeline for the development implementation; individual meetings would be held with the four groups involved to discuss their requirements and that there should be continuity of service provision for users from a temporary location during the construction period. It was agreed these outcomes can be secured via the s106 agreement and a licence agreement entered into between Peabody and the Council.

2.11 With regard to the CPO generally Peabody and their agent commenced discussions with all affected property owners in 2019 and these negotiations continued throughout 2019 and into 2020, although these discussions have been impacted by Covid restrictions.

2.12 Whilst a number of property owners have been happy to enter into discussions to sell their property and progress has been made in understanding details of properties and their use and occupation, it has not been possible to reach agreement on terms to acquire on any site at this stage. Other property owners have stated that they are not willing to sell their property to Peabody or the Council. Therefore, in order to ensure all necessary property and rights can be assembled for development to commence in line with the current programme, a compulsory purchase order remains necessary to facilitate the scheme delivery.

2.13 Negotiations will continue throughout this process.

Appendix 1 shows the new development boundary proposed and the new maximum red line boundary for the CPO which reflects this proposal.

2.14 Although no formal responses to the planning consultation were received from landowners and occupiers apart from Tudor Rose, other landowners within the site have contacted the Council directly to discuss the proposed scheme. This is in addition to the discussions undertaken by Peabody's agents. In particular, the owners of the Medina Dairy and the Milan Palace / Monsoon Banqueting suite have informed the Council that they are representing a number of other landowners and wish to propose an alternative development over part of the site. The Council has previously been concerned to ensure other previous proposals which affect only part of the site are not 'piecemeal' and has not supported these. No recent plans have been submitted or considered by planning officers. While correspondence between these representatives and the Council demonstrates that the principle of redevelopment is supported by these land owners, none has yet agreed to sell their land parcels to the Council and so it is considered that a CPO will be required to assemble the full site within the timescale required. These parties are currently in discussion with the Council about the sale of their site and a meeting took place in early March 2021 with discussions due to continue thereafter.

2.15 The need to consider revisions to the planning application and CPO boundary has added around 6-9 months to the original programme on top of a 6 month delay incurred in the first half of 2020 due to Covid which means that revisions are required to the Development Agreement including the amendment of longstop dates to reflect the shared position of the Council and the Developer. There are also some implications to costs as additional funding has been spent developing a new application which are reflected in the proposed revisions. Lastly there are some new risks to the affordable housing delivery as the scheme now needs to progress quickly to meet the funding criteria for the GLA affordable homes programme which requires starts on site by March 2023. The details of the proposed amendments to the Development Agreement, by way of a Deed of Variation are set out for members' consideration in **Confidential Appendix 2**.

3. Key Implications

4. Financial

4.1 Financial implications are set out in detail for consideration in **Confidential Appendix 2**. Due to changes to the Development Agreement proposed by way of a Deed of Variation, the Council will need to disclose a contingent liability in the accounts with regard to this matter. Should the liability crystallise, then a fully funded provision would need to be set aside in the accounts. At present there is no budget set aside to fund this provision in the event that the liability arises.

5. Legal

5.1 Legal implications have been considered throughout the report and in **Confidential Appendix 2**.

6. Value For Money

6.1 The original disposal of the land was considered to represent good value for money for the Council following advice from external surveyors, Lambert Smith Hampton. Going forward, Avison Young is appointed by the project team, with a shared duty of care to the Council and Peabody to negotiate and agree land acquisitions on behalf of both the parties. All land acquired, whether by agreement or via a CPO, will be acquired at market value reflecting the statutory requirements and case law of the Compensation Code, and the MHCLG Guidance (July 2019) on Compulsory Purchase Compensation and the Crichel Down Rules. In addition, owners of sites acquired by CPO will be entitled to non market value compensation including statutory loss payments, disturbance and reinvestment costs as well as reimbursement of the costs of taking professional advice. This means the Council and Peabody are not able, lawfully, to exploit or take advantage of land owners in the CPO area, who must get fair compensation for their land. The Development Agreement itself contains provision for a viability check to ensure that both the Council and Peabody are receiving fair value from the land and the development prior to commencement.

7. Sustainability Impact Appraisal

7.1 Sustainability issues will be considered as part of the planning process.

8. Risk Management

8.1 Risks with not proceeding as recommended are that the scheme will stall and the Council will risk being in breach of the Development Agreement. Beyond that the main risks are:

- Failure to achieve planning permission. This has been mitigated through pre-application advice and responding to points raised in public consultation
- Failure to acquire land required. This is being mitigated by getting ready to make a CPO order.
- Failure to deliver affordable housing in timetable. This is being mitigated by progressing with planning and the making of the CPO order.
- Market Failure / delay. This will be monitored and managed on an ongoing basis. The viability check in the DA allows for flex to the scheme out puts and our some delays in delivery to accommodate financial / market risks.

9. Community Safety

9.1 The new scheme would significantly improve the quality of the public realm and built form in Southall the Green and would enhance community safety.

10. Links to the 3 Key Priorities for the Borough

10.1 The council's administration has three key priorities for Ealing. They are:

- Good, genuinely affordable homes
- Opportunities and living incomes
- A healthy and great place

This scheme would contribute to all three but particularly the first one.

11. Equalities, Human Rights and Community Cohesion

11.1 A full EAA has been carried out for the scheme and this has been updated (attached as Appendix 3)

12. Staffing/Workforce and Accommodation implications:

12.1 None

13. Property and Assets

13.1 This report affects property identified for disposal at Featherstone Terrace Car Park.

14. Any other implications:

14.1 None

15. Consultation

- 15.1 Peabody and the Council took a two stage approach to the community engagement, with Avison Young taking a lead on communication with the affected land owners as part of the on-going Land Assembly discussions.
- 15.2 The two stages were –
- An initial public exhibition to introduce the proposals inviting feedback in June 2019
 - A second exhibition to feedback how the detailed proposals had changed, responded to the initial feedback and a second invitation for feedback in September 2019.
- 15.3 Invitations to both exhibitions were sent the local community through adverts and articles in local newspapers alongside the distribution of leaflets almost 2,500 properties surrounding the site. A consultation website was also launched to provide further information on the proposals, supported by a consultation office contactable by email and phone.
- 15.4 Invitations were also sent to all key elected representatives including all councillors at the Council, Mr Virenda Sharma (MP for Ealing Southall) and Dr Onkar Sahota (London Assembly Member for Ealing and Hillingdon). In addition invitations were also sent to 50 community groups, clubs and organisations including Ealing Civic Society and Southall Community Alliance.
- 15.5 64 people attended the first exhibition and 56 people attended the second exhibition. Attendees of both exhibition included local residents, business owners, local police and community groups including Ealing Civic Society, St Anslems Church, Ealing Friends of the Earth, Southall Faith Forum and the Tudor Rose. Detailed bilateral discussion took place with the Tudor Rose and supporters of retaining the building during later 2019 and 2020.
- 15.6 No feedback forms were submitted during the first exhibition and four were submitted during the second exhibition. Two enquiries were sent to the consultation email address throughout both whole consultation period.
- 15.7 All comments received were generally very positive with comments being made regarding volume of traffic in Southall and specifically The Green itself as well recognising the opportunity for sustainable travel.
- 15.8 As referenced earlier in the report, to conclude the consultation process a further online consultation event will be held between February 2021 and March 2021 to provide an opportunity for local residents to view and comment on the final proposals. A newsletter will be distributed to all affected landowners (again via Avison Young) and c400 of the surrounding properties in addition to all key elected representatives and the 50 community groups previously identified.

16. Timetable for Implementation

Task	Timeline
Planning Application preparation	To date
Planning Application submission	End Mar 2021
CPO preparation	Mar- July 2021
Make CPO	July 2021
Target Planning Committee Date	August 2021
CPO Inquiry if required	March 2022
CPO decision	June 2022
VP and start on site	Autumn 2022

17. Appendices

Appendix 1 – map showing development / CPO boundary

Confidential Appendix 2 – changes to Development Agreement and financial implications

Appendix 3 - EAA

18. Background Information

[March 2017 Cabinet Report](#)

[July 2018 Cabinet Report](#)

Development consultation website - <https://www.thegreensouthall.co.uk/>

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Gary Alderson	Executive Director, Place	11/2/21	12/2/21	Throughout report and appendices
Lucy Taylor	Director, Growth and Sustainability	11/2/21	15/2/21	Throughout report and appendices
Jackie Adams	Head of Legal (Commercial)	4/2/21	10/2/21	Throughout the report and appendices
Russell Dyer	Assistant Director Accountancy	4/2/21	10/2/21	Confidential Appendix 2
Cllr Julian Bell	Lead Member for Regeneration	11/2/21	15/2/21	Throughout report and appendices
Cllr Mik Sabiers	Lead Member for Housing and Planning	11/2/21		
External				
Chris Lyons	Development Manager, Peabody	4/2/21	10/2/21	Background, Consultation process, Appendix 1
Virginia Blackman	CPO adviser, Avison Young	4/2/21	10/2/21	Background, CPO process, Appendix 1
Nick Hurley	Browne Jacobson LLP	4/2/21	18/2/21	Confidential Appendix 2

Report History

Decision type:	Urgency item?
Key Decision	No
Report no.:	Report author and contact for queries:
	Eleanor Young, Strategic Regeneration Adviser