

Summary of Session: 5 March 2015 Old Oak Common and the £15bn Boost

1. Introduction by Andrew Clarke, Peter Brett Associates

Andrew Clarke agreed to come along and talk about planning the right infrastructure for growth at Old Oak Common. This is the planned site for a new High Speed 2 and Crossrail station due to open in 2026. Along with neighbouring Park Royal, the area has been earmarked for regeneration in the London Plan, with the expected creation of up to 55,000 new jobs and 24,000 new homes.

As senior associate at PBA, Andrew Clarke is expert in infrastructure planning and CIL viability, and has worked in economic development and planning since 1998. He has led and project managed a range of infrastructure planning jobs, including projects at the high profile Vauxhall Nine Elms Battersea Opportunity Area, UK Central (Solihull HS2 station), and of course Old Oak itself.

Infrastructure requirements are often seen as a burden on regeneration, constraining viability and frustrating delivery. Andrew outlined his views on the supporting infrastructure we need to realise plans for these homes and jobs at Old Oak; the 'hard' outcomes the planning system can achieve (and what it can't); and the 'soft' outcomes that might be just as important in crystallising investment at the site.

2. Key points in Presentation

- Andrew began the discussion by suggesting that before embarking on a large regeneration project, one should establish “what you do and don't know, and what you can and can't do”.
- Old Oak is at the confluence of Crossrail, the Overground and Great Western. There is a £1.5 billion cost and £950 million funding, and Andrew suggests an imperative to get the funding gap down to £69 million – over a timeframe of 35 years though. This does look doable with Tax Increment Financing (TIF) arrangements, and the fact that £75 million business rates come in every year.
- So what will happen? The experts know little and are extremely cautious; there is both curiosity and scepticism. This is where knowing more about what we **don't** know; being increasingly flexible and building the doubt into the approach comes in. Planning frameworks will never be implemented exactly as originated; opportunity for planners to stick to their guns within Development Infrastructure Funding (DIF), such as affordable housing; if there are doubts in the plan, then obtain and absorb information; and it is true that planners need to talk more to the industry, with a policy of co-production planning that builds the developer into the process.

- With private sector land holdings and public sector finance – how do we ensure that the best values reach the tax payer (as in France) and that the value doesn't evaporate? With HS2 Regenco – the public and private sector need to pick up better tricks such as air rights, etc. In terms of civic value for London, the best developers do care – not all can be accused of self-interest. Pure planning can deal with externalities, whereas there are new mechanisms that are able to deliver and a value in doubting plans.
- Let's look at the quality of neighbours, i.e. Crossrail depot; the sequencing of infrastructure, including green space infrastructure in order to maximise the values; the rate of affordable housing – CIL; the land values when bidding, with forward guidance; managing information flows; missing markets through failure of co-ordination and complexity. The public sector must move from strategy to a road map – concrete actions; a delivery plan that has a critical path with milestones marking decisions that need to be made. An example would be Crossrail which was all lined up and happened quickly.
- There are two cognitive approaches: Group of experts – hedgehogs, bristly; foxes – not sure, doubtful – flexible adhocery. We are the foxes with this DIF study – more effective with time.

3. Key points in discussion

- This is a heroic project. Taking Nine Elms as a comparison, four things happened, and it's 30 years since Battersea Power Station. 1. Planning & extension of the Northern Line; 2. The American Embassy; 3. TIF – forward funding; 4. World's most powerful developer. Old Oak has none in place and the Opportunity Area Planning Framework (OAPF) only mentions CIL as funding stream which is back end loaded. The other issue is that the land ownership is a mess – utilities; rail (engineers run); and distinct landscape is unclear. There is the Car Giant opportunity – and the quality of the negotiations will be fundamental; we read about QPR discussions being more beneficial.
- There needs to be a public up front commitment for a practical and positive outcome and a stakeholder approach in common interest - the Mayoral Development Corporation can't do it on its own.
- 'Eminent Domain' – why isn't CPO part of the armourage? Why don't we intervene?
- Certainty is important around affordable housing and the levels available – it creates land value – and around the policy demand and the degree to which MDC should be flexible.
- Viability appraisal can very often be wide of mark. CPO is not used widely enough – threat of it would be useful.
- Framework of certainty – particularly for large infrastructure – is a land situation – CPO can contribute to uncertainty. It puts off large scale developers - once it looks like they may be used, a project can go on the back burner.
- Kings cross example of having influence over where things go. The hybrid bill – rigidity; the game changer – the bung; the degree of certainty – flexibility for the weather – sides. The bung went in to affordable housing - good rental accommodation - social and intermediate. Taking housing out of the equation and then managing - investors need certainty. Framework interesting tools. Business Plan – how to deliver the affordable homes. Then release – organic development generator – back bone.

- CPO – MDC will have powers and Old Oak does have infrastructure. This project needs a hedgehog.
- Planning is hopelessly inadequate: planners rolled over all the time; disjointed incrementalism; deduced idea; counter intuitive nature of certainty; failure to see where you are trying to get to; under continuous review. Real need for the role of local or third sector – peoples' involvement in planning - interested parties around the edge – a rationale.
- There is value on pre scheme. Kings Cross started in the teeth of the banking recession. Public sector set aside normal market conditions - University of Arts wouldn't have happened – it was an unusual set of circumstances. Kings Cross was able to take that longer view and the public sector was thinking like the private sector investor.
- Quality of thinking very reassuring – forces of good and light. Project about economics and growth. Subtlety and thoughtfulness grasped. Public sector should stand up and do it.