cargiant

PRESS NOTICE, TUESDAY 17 SEPTEMBER 2019. FOR IMMEDIATE RELEASE.
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Disaster for the OPDC as Inspector finds development of the Car Giant site is 'unviable' and orders its removal from the Local Plan

- **Car Giant's long-standing warnings are backed by the Planning Inspector reviewing the OPDC's Draft Local Plan.**

- **He concludes that development of the Car Giant site "*is unviable and ought to be deleted from the Plan*" and that "*because of its significance within the plan as a whole, its inclusion makes the plan itself unsound*".**

- **Commenting on the impossibility of relocating or extinguishing the Car Giant business during the Plan period (2018-2038), he states: *"Car Giant is a highly successful and profitable business with prospects for growth. It employs about 800 people directly and a further 1,200 indirectly. Its extinction simply does not make sense in planning terms, nor does its relocation at an expense which would preclude the likelihood of paying for any contribution to necessary infrastructure or affordable housing*".**

- **The Inspector concludes that were the Car Giant site to be developed, it would still not yield enough profit to fund the relocation of Car Giant even it was contributing zero percent affordable housing and nothing to fund transport or other infrastructure, stating: "*I am convinced that site allocation 2* [the Car Giant site] *would not be viable and capable of effective delivery within the plan period even if it were relieved of all contributions to affordable housing and infrastructure*".**

- **The Inspector finds that most of the numbers relied upon by the OPDC to demonstrate development is viable are wrong and also therefore orders the drastic reduction in the number of homes and jobs. He states that "*the numbers put forward in the submitted plan are not 25,500 homes and 65,000 jobs*" and has concluded that these need to be reduced to "*14,200 and 37,590 respectively*".**

- **The lack of planning policies in support of development of the Car Giant site would also appear to strike a potentially mortal blow to the OPDC's £250 million Housing infrastructure Fund bid, where having an adopted Local Plan in respect of the Car Giant land is a condition of funding.**

The Planning Inspector conducting the review of the OPDC's Draft Local Plan has issued a devastating critique of the OPDC plans for the crucial Car Giant site and ordered the OPDC to remove its site allocation from the Plan.

In his Interim Findings report from 17 September 2019, he concludes that there is no possibility of the Car Giant site being viable to develop in the entire 20-year plan period to 2038 and that were it come forward it would neither pay for the relocation of the Car Giant business, nor be able to fund any affordable homes or contribute to infrastructure.

The findings appear to confirm everything Car Giant has been saying since it felt obliged to go public in February 2019, describing the situation as 'Old Oak Cock-Up' – comments which the Mayor of London described at the time as "*not worth the paper they are written on*".

In addition to drastically reducing the actual numbers of homes and jobs likely to come forward in the area, the findings also appear to put a significant dent in the OPDC's hopes of drawing down £250 million from the Government's Housing Infrastructure Fund.

Speaking in front of the London Assembly on 11 June 2019, David Lunts, Interim CEO of the OPDC confirmed that "*One of the conditions in the HIF bid is around having an accepted Local Plan*".

At the same meeting, Liz Peace, Chair of the OPDC, then added "*They* [MHCLG] *have set a list of conditions. That is their right. We are working through them. Some are easier to deal with than others but as I said in my introductory remarks, one of the key things is the EiP of the Local Plan. If that is going to be a problem that actually slightly dwarfs all the rest*."

Another condition which needs to be met before the OPDC can spend a penny of the £250 million is that the GLA legally underwrites the full £250 million, which David Lunts confirmed was a significant challenge as the risk profile since the bid was submitted has escalated. However, neither the HIF bid itself nor even the list of conditions set by Government which the OPDC need to satisfy before they can access the money have ever been made public.

Speaking about the findings, Geoff Warren, Owner of Car Giant, said:

"This is a complete and absolute disaster for the OPDC and vindicates everything Car Giant has been saying.

"The OPDC has overseen a scandalous waste of money in the pursuit of a flawed development strategy, despite us shouting from the rooftops that what they were planning could never be delivered.

"It is now time to stop throwing good money after bad.

"I am calling today for the OPDC to formally withdraw their bid for £250 million of Government money as it is painfully obvious that they cannot meet the conditions attached. The full set of conditions needs to finally be made public, so it is actually open to scrutiny, and they must publish their business plan and development strategy as the Inspector has found that that most of the numbers being relied upon by the OPDC are simply wrong.

"I am also calling for the OPDC to publicly recognise that development of the Car Giant site is at least 20 years away, as the Inspector clearly concludes, and to remove the threat of a CPO of our land so that our fantastic business can continue to flourish.

"The Mayor of London and the leadership of the OPDC have continued to quote figures of 25,500 homes and 65,000 jobs deliverable at Old Oak. which have been shown to be completely wrong, and it is surely now time for someone to heed my call for a full independent review of the OPDC spending and strategy."

NOTES TO EDITORS

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About Cargiant

- Cargiant was established in 1978 and is the world's largest independent car processing and retailing plant.
- Cargiant has been in the area since 1985 and is a mainstay of the west London business community and one of west London's largest employers, employing approximately 800 people directly and supporting many hundreds more jobs in the local area through its supply chain.
- Cargiant's 47 acre site is the largest privately owned landholding in the Old Oak and Park Royal area and is the central development area also connecting to other development plots.
- Only 36% of the Car Giant site is the customer retail sales area. The remaining 64% is covered by the industrial car processing plants occupying over 800,000 square foot of covered space.
- The factories range from paint shops to tyre shops, panel beaters, exhausts, windscreens, valet bays, light and heavy engineering, auto electricians, photo studio, plus many more, smaller process departments.
- A Car Giant 'bind the scenes' video is available at https://www.youtube.com/watch?v=oE8II9OmilA.

OPDC spend

The public spend and budgets of the OPDC confirm the following:

- 2015/16 spend: £4,108,000
- 2016/17 spend: £6,980,000
- 2017/18 spend: £8,183,000
- 2018/19 budget £7,900,000, plus an additional £2,300,000 of contingency GLA funding
- Total: £29,417,000.
- On 15 July 2019, the GLA announced that the budget for the OPDC in 2019/20 was being doubled, from £9.5m to £19.95m (see the decision notice here)

HS2

The Inspector's findings don't take into account the confirmed delay, possibly up to 5 years (2026 to 2031) to the opening of HS2 at Old Oak Common and the announced its review of HS2. Clearly such a delay has a further impact on values achieved in any future development and the potential cancellation of HS2 would lead to a complete review of all target set of the OPDC area.

Phase 1a

The original plan of the OPDC was to seek to bring forward the entire Car Giant site. When this proved impossible they embarked on a new strategy to being forward more limited development, called Phase 1a. However even the delivery of this phase is dependent on Car Giant land. Speaking to the London Assembly on 4 July 2019, David Lunts, Interim CEO of the OPDC confirmed Phase 1a was dependent on acquiring around 25% of Car Giant land. He stated: "*Within our Phase 1A plans, in other words our early delivery phase, which is associated directly with our Housing Infrastructure Fund investment, we are potentially going to be looking to acquire around 25% of Car Giant's land ownership*."
Car Giant has long objected to any attempt to compulsory purchase its land, arguing that this included land in daily, essential and operational use for the running of its business. The inspector concluded that the operation of the business must not be put at risk in any early development and, with no planning policy in place to support development of Car Giant land, it now seems highly unlikely that the OPDC could succeed with a future CPO again Car Giant, even were they somehow able to draw down the £250 million of HIF money.

ENDS