

Sadiq Khan  
Mayor of London  
City Hall  
The Queen's Walk  
London, SE1 2AA

6 February 2020

Dear Mr Mayor,

**Correction to Mayor's Question Time response No: 2020/0037**

I am writing to seek a correction to an inaccurate written response provided at Mayor's Question Time issued on 22 January 2020. The question and response are pasted below.

**OPDC Stakeholder Engagement Question No: 2020/0037 Caroline Pidgeon Do you have confidence in the way in which OPDC has engaged with key stakeholders, including CarGiant and the Department for Transport?**

*Answer by the Mayor: Yes. OPDC has engaged with Cargiant since its establishment in 2015. OPDC developed its masterplan and HIF submission based on Cargiant's earlier plans to relocate and develop its Old Oak land. By early 2019, Cargiant had decided to remain at Old Oak due to the rapid increase in local land values which had made relocation unviable for them. Throughout this period, OPDC sought to engage with Cargiant and maintained regular correspondence with them. OPDC is now liaising closely with Cargiant to engage with its plans for investing in its business to support a shift to the processing and sale of electric vehicles. OPDC's relationship with the Department of Transport is guided by its Memorandum of Understanding, which remains in place.*

Whilst I am grateful for the fresh approach now being adopted by the OPDC, and also of your personal statement of support for Car Giant in front of the London Assembly, I do need to state that this response is fundamentally misleading and inaccurate in several regards.

Firstly, in stating that the OPDC's masterplan and HIF bid were developed 'based on Car Giant's earlier plans to relocate'. Secondly, in stating that the rapid increases in land prices had made the relocation of Car Giant unviable. Thirdly, in suggesting that the Car Giant position was only known 'by early 2019'. And finally, in stating that the OPDC 'sought to engage' with Car Giant 'throughout this period'.

In order to understand why these are inaccurate and misleading statements, it is important to briefly understand the sequence of events that took place.

It is the case that following the establishment of the OPDC, Car Giant voluntarily took it upon ourselves to seek to facilitate the relocation of our business in order to ensure the survival of the company – given that the GLA and the OPDC had published policy for our removal and our land freed up for development.



We worked with the OPDC closely for over two years, including under a Planning Performance Agreement and spent £8.7 million developing and consulting on plans, which we called 'Old Oak Park'. That plan had been worked up in close cooperation with the OPDC and the GLA, connecting into the locations for strategic infrastructure which the OPDC had themselves provided. The plans were well received during extensive public consultation throughout 2015 and 2016 by the OPDC, the GLA, the local Boroughs and the local community.

There were two reasons why this Masterplan was never submitted as a planning application.

The first was that during 2017, the OPDC informed Car Giant that they were proposing to fundamentally change the location of strategic infrastructure, which would require a complete re-design of much of the Old Oak Park scheme. This was finally confirmed in writing by the then Chief Executive of the OPDC on 2 November 2017, who simply stated that *"the world has moved on"* which would *"have impacts for us all"*. However, at no point then or subsequently were the OPDC able to provide any certainty about the area's strategic infrastructure and therefore work to amend the Masterplan simply could not take place.

The second was that the OPDC conducted a viability exercise on the Old Oak Park plans which demonstrated that at 35% affordable housing, the developer of the scheme would make a loss of £420 million. That information was not shared with Car Giant at the time, with the OPDC subsequently confirming that it was in receipt of an interim viability report in August 2017 and the full report in February 2018. It was only shared with Car Giant in July 2018 – a full year after its first conclusions were known by the OPDC. An email from the OPDC to Car Giant on 29 June 2018 stated the following: *"We are keen to avoid any confusion that your previous pre-application proposal had been agreed and accepted by OPDC. In our view there was still a lot of work to do to demonstrate that your scheme could be made policy compliant, viable and therefore acceptable"*.

Given that our Masterplan could not be progressed, and that the OPDC anyway confirmed it was neither acceptable nor viable, Car Giant informed the OPDC that our development, design and planning teams had been stood down. This was done verbally in a meeting on 22 August 2018 and again in writing on 21 September 2018.

Alongside these developments, Car Giant spent much of 2017 and all of 2018 and early 2019 seeking for the OPDC to undertake a proper assessment of the Car Giant business and of the costs involved in relocating the operation. This seemed to us to be utterly fundamental if the OPDC were to bring forward a scheme capable of delivery. This work was never done and as late as 22 January 2019 lawyers acting for the OPDC wrote to Car Giant stating that *"OPDC has not yet undertaken a detailed assessment of your client's operations"*.

The OPDC therefore had almost no understanding of our business or the impacts of taking large parts of our land from us, and little understanding of the costs or timetables in seeking our relocation. Despite this, the OPDC ploughed ahead with the submission of a HIF bid which was entirely reliant on Car Giant land for development.

Car Giant objected in writing to the OPDC submitting its HIF business case before it was submitted, and wrote a formal objection to the Secretary of State, copied to yourself and others, once it was submitted. As you are aware, we also felt the need to go public which we did in February 2019 and throughout 2019.



I would like to point out, in the strongest possible terms, that our objections were simply down to the facts of the matter – that it was not, and never has been, viable, feasible or possible to relocate our business. We did not have a sudden ‘change of heart’ and I did not ‘change my mind’ as has also been suggested. We realised, as did the OPDC through its viability process, that it simply cannot be done.

The fact that industrial land prices have since risen has only compounded the problem, but it is not the cause. Indeed, the plans proposed by the OPDC through its Local Plan submission envisaged even fewer homes, with higher social infrastructure provision, than our abandoned Old Oak Park plans. With higher costs and lower revenues than we had been proposing, it was no surprise to us therefore that the Local Plan Inspector concluded in September 2019 that the Car Giant site “*would not be viable or capable of effective delivery within the plan period even if it were relieved of all contributions to affordable housing and infrastructure.*”

Having briefly set out the sequence of events – and we have copies of all correspondence referred to above – I would now like to turn back to the Mayor’s Question Time response to explain why we feel it is inaccurate and misleading and requiring a correction to be made.

Firstly, this stated that the OPDC’s masterplan and HIF bid were developed ‘based on Car Giant’s earlier plans to relocate’.

- The OPDC’s first HIF submission (the ‘expression of interest’) was made by October 2017. Although we are unaware of the precise submission date, it was after the OPDC was in receipt of the interim viability report that they commissioned into Car Giant’s Old Oak Park plans and after knowing that no Masterplanning work was being progressed by Car Giant because the OPDC was unable to confirm the location of strategic infrastructure.
- The full HIF Business Case was then submitted to MHCLG on 10 September 2018. This was after the OPDC was in receipt of the full viability report and after knowing that Car Giant’s development team had been formally stood down.
- This submission was also made with the full knowledge that Car Giant was in formal objection to the bid, despite the bid itself mis-representing the Car Giant position as one of support. For the record a letter was issued to the OPDC on behalf of Car Giant on 29 March 2018 which stated the following:  
*“With regards to your statement regarding our support of the HIF bid in August 2017, we have written to you on numerous occasions explaining that the initial expression of support was only given subject to our seeing the detail of the HIF bid. We cannot support the next round of the HIF Bid until we have had sight of it and reference to our early support should not be made without the full context being used where it was only given subject to seeing the bid.”*
- Finally, this submission was made despite no assessment of the Car Giant business or the costs of relocation having been undertaken.
- We do not understand therefore how it can be the case that the HIF bid was based on ‘Car Giant’s earlier plans to relocate’ or why the OPDC would proceed on that basis.

Secondly, in stating that the rapid increases in land prices had made the relocation of Car Giant unviable.

- The dramatic rise in industrial land prices mostly occurred *after* the OPDC already knew that Car Giant’s abandoned Old Oak Park plans were unviable by a margin of £420m.
- It simply cannot be truthfully stated or implied that industrial land prices are the reason why it is unviable to relocate our business.
- The reason why it is unviable stems from what is actually involved in relocating Car Giant, which was never properly understood by the OPDC.



- Specifically, the relocation of our business would require the purchase of a 45-acre site in the immediate area (in order to maintain our staff and customer base) which would be in multiple ownership and which would require a CPO to complete the land assembly from owners unwilling to sell. The leases of the tenants on that land would then need to be bought out, almost certainly requiring another CPO to achieve as those business occupiers would also be unwilling to relocate. The land and buildings would then need to be cleared and made as one. New buildings, bespoke to Car Giant, would then need to be built and fitted out with tens of millions of pounds of specialist equipment. Car Giant would then need to move in one go, leaving behind a 45-acre vacant site at Old Oak which had been built bespoke to Car Giant and which would take around 15-20 years to develop out. And all of this would need to be funded up-front before any revenue from future development, with enormous finance costs even if a lender could be found willing to take that level of risk.
- This could and should have been understood by the OPDC long before a HIF bid was submitted, and it is telling that when properly assessed by an independent inspector, he found in favour of what Car Giant had long been saying.
- We advised the OPDC from the start that their HIF bid could never be delivered and we have been proved utterly correct in that assessment.

Thirdly, in suggesting that the Car Giant position was only known 'by early 2019'.

- As already set out in this letter, the Car Giant position was known long before early 2019, and certainly by late 2017.
- The OPDC were aware of the impossibility of viably developing the site even before this, being in receipt of the initial viability report in August 2017.

Finally, in stating that the OPDC 'sought to engage' with Car Giant 'throughout this period'.

- We strongly object to any suggestion that the OPDC were engaging with Car Giant in this period.
- The OPDC undertook the entire HIF bid process in complete secrecy from Car Giant, despite the obvious implications for our business.
- The OPDC refused to share the HIF bid or any of its contents with Car Giant unless we signed a patently unreasonable NDA which contained a clause legally preventing us from objecting to the bid should its contents be unfavourable. We refused to do so and when we proposed to sign an industry standard NDA instead, the OPDC refused.
- Indeed, the first time we have seen any of the contents of the bid was when it was made public in mid-January 2020. We believe the documents were uploaded onto the OPDC website on 16 January 2020, although we were only made aware that they were now in the public domain by a third party on 20 January 2020.
- As already explained, the OPDC refused to undertake an assessment of our business operations, despite proceeding with a bid for money to compulsorily purchase land in constant use for those business operations.
- The OPDC also refused to respond to our requests for other information that would be necessary to make any future meetings between the OPDC and Car Giant meaningful.
- Whilst it is true therefore that there was indeed 'correspondence' between Car Giant and the OPDC, that correspondence was in relation to us objecting to the OPDC's plans and requesting information. It cannot accurately be stated that such correspondence demonstrated a willingness to engage on behalf of the OPDC.

Given the seriousness of the issues raised and the importance of this issue to Londoners, I am formally requesting that the answer provided to Question No 2020/0037 be rescinded and a new answer issued which accurately reflects the facts referred to in this letter.



I do hope this is helpful and should you have any queries regarding the contents of this letter or the matters referred to, please do not hesitate to contact me at [gwarren@cargiant.co.uk](mailto:gwarren@cargiant.co.uk).

Yours sincerely,



**Geoffrey Warren**

Proprietor, Car Giant Limited

CC:

- Jennette Arnold AM, Chair of the London Assembly
- Susan Hall, Chair, London Assembly Budget & Performance Committee
- Len Duval, Deputy Chair, London Assembly Budget & Performance Committee
- Sian Berry, London Assembly Budget & Performance Committee
- Gareth Bacon, London Assembly Budget & Performance Committee
- Unmesh Desai, London Assembly Budget & Performance Committee
- Florence Eshalomi, London Assembly Budget & Performance Committee
- Caroline Pidgeon MBE, London Assembly Budget & Performance Committee
- Fiona Bywaters, London Assembly Committee Services Manager
- David Bellamy, Chief of Staff, Mayor of London
- David Lunts, Interim Chief Executive, OPDC
- Liz Peace, Chair, OPDC
- William Hill, OPDC
- Natalie Campbell, OPDC
- William McKee, OPDC
- Jules Pipe, OPDC
- Shevaughn Rieck, OPDC
- Michael Simms, OPDC
- Professor Helen Ward, OPDC
- Victoria Quinlan, OPDC
- Rahul Gokhale, OPDC
- Cllr Julian Bell, OPDC
- Cllr Muhammed Butt, OPDC
- Cllr Stephen Cowan, OPDC

