



PRESS NOTICE, THURSDAY 4 JULY 2019. FOR IMMEDIATE RELEASE.

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OPDC confirms it requires 25% of Car Giant land for its first phase of development

- Admission is contrary to statements made by Liz Peace, OPDC Chair, to the London Assembly on 11 June that the OPDC intends to “*crack on and work around the Car Giant land ownership*” and that “*all we can do is play a waiting game and get on with what we can achieve around Car Giant*”.
- David Lunts confirms this land take includes Car Giant operational land and that the CPO process has already begun.
- OPDC refuses to release for scrutiny the conditions set by the Government for the release of £250 million HIF money.
- Further interim GLA funding of the OPDC imminent because of the length of time it will take to attempt to meet the HIF conditions.
- Neither of the TfL stations expected to be delivered. Liz Peace stated “*I would have thought the probably of them happening is very slight*”. David Lunts confirmed that “*neither station is funded*”.
- Car Giant vows to fight a CPO of its land, calls the OPDC strategy “*completely flawed*” and calls for the OPDC to “*pull their heads out of the sand*”.

The owner of Car Giant has spoken out following the Chair and Interim CEO of the Old Oak and Park Royal Development Corporation (OPDC) appearing in front of the London Assembly for the second time in four weeks.

On 11 June Liz Peace, Chair and David Lunts, Interim CEO, appeared for questioning in front of the Budget and Performance Committee. On 4 July 2019 they also appeared for questioning in front of the entire London Assembly at their Plenary meeting.

During these two meetings and since the 11 June, the following facts have emerged for the first time:

1. **No progress has been made on the Memorandum of Understanding** with other public sector landowners for the transfer of public land into the OPDC, despite public sector landowners owning 72% of the land within Old Oak Common and that agreement having been entered into under the previous administration of Boris Johnson (published on 16 March 2016). Liz Peace stated to the London Assembly on 11 June that “*we possibly took our eye off the ball in terms of pursuing negotiations with Network Rail*”.
2. **Neither of the TfL stations planned by the OPDC (Hythe Road and Old Oak Common) to improve transport connections in the area are likely to be delivered**, as TfL does not have the funding to deliver them and Hythe Road station fails to meet business case tests. Liz Peace stated to the London Assembly on 11 June “*I would have thought the probably of them happening is very slight*”. David Lunts confirmed on 4 July that “*neither station is funded*”.

3. **On 4 July 2019, David Lunts, confirmed that it's Phase 1a development scheme will require 25% of Car Giant land, including operational land in use for the running of the Car Giant business.** This runs contrary to statements made by Liz Peace, OPDC Chair, to the London Assembly on 11 June that the OPDC intends to "*crack on and work around the Car Giant land ownership*" and that "*all we can do is play a waiting game and get on with what we can achieve around Car Giant*".
4. **A series of conditions have been set by Government (MHCLG) before any of the £250 million of HIF money can be spent.** The HIF money has only been provisionally allocated but the OPDC is refusing to release these conditions for scrutiny.
5. **One of the HIF conditions is that the GLA legally underwrites the full £250 million.** David Lunts confirmed on 11 June 2019 that the risk profile had risen since the bid was submitted and that the GLA may be unable to underwrite this amount given the GLA's existing exposure to the London Legacy Development Corporation, Crossrail and other items.
6. **Another of the HIF conditions was confirmed as having an adopted Local Plan.** The Inspector examining OPDC's Draft Local Plan is asking probing questions as to the adequacy of the viability and other evidence that forms part of the supporting material for the plan. As a result OPDC has to provide significant further material to seek to explain and justify their position. One additional hearing session has already been held by the Inspector arising from concerns raised by Car Giant and another one is now to be held on 18 July.
7. **Until all conditions are met none of the £250 million is available to spend,** meaning the GLA continues to fund the OPDC on top of the £30 million already spent. On 4 July 2019 Liz Peace confirmed that further interim funding by the GLA would be announced shortly.
8. **Old Oak North actually requires "around £1bn" to unlock** and not the £250 million which was announced as giving "*certainty*" on the delivery of 10,000 homes at Old Oak North. The true cost of actually delivering Old Oak North still remains unknown.
9. **The £250 million would only fund 'Phase 1a' of development,** which is around 3,000 homes, but David Lunts has admitted that even this limited phase has "*significant viability challenges*".
10. **The OPDC has not proposed any relocation site options for Car Giant, let alone costed such a move.** With no site to move to Car Giant either needs to remain on site or have its business extinguished.
11. **The OPDC cannot afford the cost of extinguishing Car Giant,** which Liz Peace accepted was about £600 million.
12. **High and rising land values for industrial land mean that the development of the Car Giant site is unviable,** which was confirmed by Liz Peace and David Lunts at the 11 June Committee.
13. **Information submitted to the Local Plan Inspector shows that the OPDC has assumed the value of Car Giant land to be far too low.** The OPDC's 'Whole Plan Viability Study' values land on the basis of rental values of between £8 and £9 per sq ft. Current actual rents being paid by businesses right now on Car Giant land are up to £22 per sq ft at the Triangle Estate, up to £17 per sq ft at the Gateway Estate and up to £31 per sq ft at Cumberland Business Park.

14. **The OPDC has yet to share with Car Giant any assessments of how the Car Giant business could cope with a loss of 25% of its land**, yet are maintaining that the business will suffer minimum disruption despite confirming in January 2019 that it is yet to undertake any assessment of the Car Giant business operation. This was four months after the HIF bid was submitted.

Geoff Warren, Owner of Car Giant, said:

“Today the plan of the OPDC has finally become clear. As we have been warning, the OPDC is intent on taking 25% of Car Giant land including operational land which is in essential use for the running of our business. This strategy is completely flawed. We have repeatedly told them that our business cannot function properly without this land but the OPDC simply refuses to listen.

“It has also emerged that a series of challenging conditions have been set by the Government before the £250 HIF money will be released, but the OPDC is refusing to make these public.

“We have learned that the two TfL stations envisaged for the area won’t in fact be delivered and that that there has been no progress on the Memorandum of Understanding with other public sector landowners for the transfer of public land into the OPDC, despite that agreement having been announced under Boris Johnson’s admiration in March 2016.

“Car Giant has no wish to be obstructive but we cannot simply disappear into thin air.

“We have no site to relocate to and the enormous costs of us moving of having our business extinguished cannot be afforded. The OPDC are purposely avoiding the proper process of assessment and consultation and we will fight any attempt to CPO our land. The plans they are bringing forward are simply not viable to deliver.

“The OPDC need to pull their heads out the sand and it is time for honesty with Londoners about the true cost and difficultness in seeking to bring forward new homes at Old Oak Common.”

Car Giant issued a press notice on 7 February 2019 (‘Old Oak Cock-Up’) which clearly set out that the HIF money was only a small fraction of what was in fact actually needed and that the OPDC’s development plans were unviable and undeliverable.

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=oE8II9OmiIA>.

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 emergency GLA funding
- Total: £29,417,000.

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