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Date: 25 June 2019

Strategic Planning and Design Team
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By email

Dear Sirs

EDMONTON LEESIDE AREA ACTION PLAN (APRIL 2019): MAIN MODIFICATIONS

Please find enclosed representations submitted on behalf of our client, IKEA Properties Investments Ltd.

Yours sincerely

Tim Waring
Director

Enc

Cc: Tim Farlam IKEA
 Insiyah Khushnood IKEA
 Claire Hepher-Davies Quod





REPRESENTATION TO THE EDMONTON LEESIDE AREA ACTION PLAN (APRIL 2019): MAIN MODIFICATIONS

Contents

1	Introduction	1
2	Recommendations to the Main Modifications	2

Appendices

Appendix 1 Paper Produced by Lambert Smith Hampton (26 February 2019)

1 Introduction

- 1.1 IKEA Properties Investments Ltd ('IKEA') made representations to the Edmonton Leaside Proposed Submission Area Action Plan (January 2017) ('AAP') and appeared at the Examination of the AAP in Autumn 2018.
- 1.2 IKEA are supportive of the over-arching principle of the regeneration of Meridian Water, and the London Borough of Enfield ('LBE') growth ambitions for the area. IKEA, however, raised objections to the AAP on two principle grounds:
 - 1.2.1 The overly prescriptive nature of the AAP policies of the draft Submission Plan, would inhibit the continued operation, visibility and accessibility of the IKEA store (particularly in relation to the Causeway route, now described as the Central Spine, and its design); and
 - 1.2.2 The AAP was not underpinned by the necessary transport evidence. Notably, there was no evidence to demonstrate that Meridian Water is able to sustainably accommodate the proposed Central Spine and overall quantum of proposed development, and consequently it was not demonstrated that IKEA's operational would not be adversely affected.
- 1.3 Following the Examination of the Plan, the Inspector shared much of IKEA's views, and suggested substantial modifications to the AAP. This included, most notably, reducing the scale of growth to that supported in the adopted Local Plan (Core Strategy, adopted 2010), namely, reducing the scale of growth from 10,000 new dwellings to 5,000 new dwellings, and the creation of 1,500 new jobs, (compared to 3,000 jobs).
- 1.4 The Inspector recognised that the necessary evidence base to support the level of growth was not available and, therefore, recommended deferring any judgement on the growth beyond that supported in the Core Strategy until the necessary evidence was available.
- 1.5 The Main Modifications proposed to the AAP as a consequence of the Inspectors recommendations are largely supported by IKEA, although this Statement identifies areas that remain unsound and require further modification to make the AAP sound.

2 Recommendations to the Main Modifications

2.1 These representations are concerned with the following aspects of the AAP:

- 2.1.1 *Policy EL1: Housing Meridian Water.*
- 2.1.2 *Policy EL6: The Central Spine and Central Corridor.*
- 2.1.3 Reasoned justification, *Paragraph 5.8.5 and 5.8.6.*

Policy EL1

- 2.2 Policy EL1 has three key limbs, namely (i) maximising housing growth, (ii) delivering affordable housing at a maximised viable level and (iii) delivering appropriate mix of housing types.
- 2.3 IKEA support the objectives of Policy EL1 in respect of the above 3 limbs. IKEA, however, object to the proposed changes to the affordable housing targets of Part A of the Policy.
- 2.4 The Policy is proposed to be modified to increase the minimum proportion of affordable housing within schemes, raising the minimum level from 35% to 40%. Whilst it is noted in the Policy that the achievement of the level of affordable housing at 40% will be subject to grant availability, there is no publicly available evidence on the viability of affordable housing at a level of 40%.
- 2.5 Quod have requested the viability evidence, but at the time of preparing these representations, this has not been received. In fact, we are informed that the only information that has been produced is a brief paper prepared by Lambert Smith Hampton (dated 26 February 2019). The paper is attached at **Appendix 1**.
- 2.6 The LSH paper illustrates that 40% of affordable housing provided with grant funding is broadly financially equivalent to 35% without grant funding. It does not, however, demonstrate either would be viable.
- 2.7 Furthermore, the LSH paper is predicated on a masterplan-wide assessment and does not account for individual plots brought forward by individual developers.
- 2.8 Of further note is the fact that GLA have not committed to any grant funding for any starts on site after Q1 of 2022.
- 2.9 The NPPF places great emphasis on the viability of delivering development under Local Plan policies, expecting these to be underpinned by appropriate evidence.
- 2.10 In view of the above, it is not appropriate to increase affordable housing provision to 40%, without an appropriate evidence base. We, therefore, respectfully request that the relevant part of Policy EL1 should be modified as follows:

“All residential development proposals at Meridian Water will be expected to achieve ~~a minimum of~~ 35%-40% of units to be affordable housing, subject to grant availability, in line with the Council’s scheme-wide viability evidence and adopted Core Strategy and site-specific viability considerations.”

Policy EL6

- 2.11 Policy EL6 is concerned with the design and role of the Central Spine, ie, the east west connection across Meridian Water.
- 2.12 IKEA support the Policy's approach to the Central Spine (and the Corridor within which it is set) which is demonstrated for indicative purposes only within the AAP and its detailed design to be promoted separate from the AAP.
- 2.13 LBE are soon to submit a planning application for the detailed design of the Central Spine (and a separate application for Meridian Water 2, ie, c2,000 new homes). IKEA are engaging with LBE on this detailed design, and it is hoped that an appropriate design can be achieved that does not injuriously affect IKEA's operations.
- 2.14 It is, however, noted in the Policy at Part A (paragraph 2) that the detailed design and identification of the route will be set out in both a detailed planning application and a new Masterplan Supplementary Planning Document (SPD). It is, however, unnecessary for the detailed design to be specified both within a detailed planning application and an SPD, and the following clarification is suggested to the second paragraph of Policy EL6:
- "The identification of the route of the Central Spine within the Corridor shown in Figure 5.1 and its detailed design will be set out in a detailed planning application and/or ~~as well as in a new Masterplan Supplementary Planning Document...~~"*
- 2.15 Policy EL6 specifically supports the need to take account of third party land interests, albeit it is noted that the Policy requires these to be taken into account "as far as possible". IKEA object to the suggestion of the policy that third party land interests will perhaps not necessarily be taken into account.
- 2.16 IKEA, therefore, request the deletion of the term "~~as far as possible~~".
- 2.17 Part A of Policy EL6 requires any development proposals within the Central Corridor (shown on Figure 5.1) to have regard to the guidance in the Masterplan SPD. The Masterplan SPD is, however, not available, and it is understood that it will not be concluded until 2020 at the earliest. Consequently, any development proposals in this Corridor before the completion of the SPD would be contrary to this Policy. It is clear that this cannot be the intention of the Policy, or LBE would not be promoting a planning application shortly for the Central Spine.
- 2.18 The effect of the Policy as drafted is to prevent development coming forward until the Masterplan SPD has been adopted. This is neither appropriate or necessary, and IKEA respectfully request modifications to this aspect of the Policy, which should be permissive of development proposals coming forward within the Corridor where it does not prejudice or interfere with the delivery of the Central Spine.

Paragraph 5.8.5

- 2.19 It is claimed in the Reasoned Justification to Policy EL6, at paragraph 5.8.5, that the route and detailed design of the Central Spine should come forward both through the preparation of a detailed planning application and the forthcoming SPD.

- 2.20 For the same reasons as outlined above (in respect of Policy EL6), it is neither appropriate or necessary for the detailed design of the Central Spine to await the SPD in the event that a detailed planning application is made before the SPD, and this is proven to promote an appropriate route and detailed design.

Paragraph 5.8.6

- 2.21 This part of the Reasoned Justification to Policy EL6 requires the Central Spine design to take account of the interaction with the access requirements of existing established businesses. IKEA whole heartedly support this recognition, especially in relation to their own site, which is a significant employer (and visitor attracter) in the area.
- 2.22 IKEA, however, believe it is important that the AAP places a positive obligation in Policy EL6 to ensuring the design and route of the Central Spine does not undermine access requirements of existing established businesses.
- 2.23 It is, therefore, suggested that that as part of the menu of matters to be taken into account Part A, that an additional requirement is introduced that requires the Central Spine's design to take into account access requirements of existing established businesses. It is, therefore, suggested that an additional criteria is added to the bullet points of Part A which states:

“The design should not cause any harm to the access requirements of existing established businesses”.



APPENDIX 1

PAPER PRODUCED BY LAMBERT SMITH HAMPTON (26 FEBURARY 2019)

26th February 2019

Meridian Water

Scheme wide affordable housing content

LSH have been asked to consider the impact of increasing the overall rate of Affordable Housing from the current assumption of 35% (by unit) to 40% (by unit) This adjustment to be considered with the exception of Meridian One which remains as consented at 25% (by unit)

1a. Base model financial outputs on the assumption of 35% (confirmed on the 20 December 2018);

- Total of all phase Residual Land Values of £1.308 BN
- Scheme wide IRR of 6.69%

1b. Base model update following Finance re-assessment of forecasted costs (extended until end of the model period) on the assumption of 35%

- LBE forecasted costs increased to £283m (from £187m) this reduced IRR to 6.12%

2. Changes to the Model to reflect 40% Affordable Housing and other agreed updates since 20th December.

The updated model with 40% Affordable Housing assumes that Affordable Housing Grant will be available at current GLA quoted levels throughout the life cycle of development. In accordance with current policy this will require the affordable rented tenure to reflect London Affordable Rents. The full list of adjustments made to the model and to be adopted as the updated base case are as follows;

- For Phase 1 Leaside to Phase 8d - Changed Private/Affordable ratio to 60/40
- For Phase 1 Leaside to Phase 8d - added Affordable Housing Grant of £28k for Intermediate and £60k for Affordable Rent, paid in two equal tranches at construction start and PC.
- Adopted LAR rent levels (2018/19)

Revised Base model financial outputs

- RLV of £1.28bn
- IRR of 6.05%

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