

## **AGENDA ITEM: 19**      Page nos. 126 - 142

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| Meeting        | Cabinet Resources Committee   |
| Date           | 28 February 2012  |
| <b>Subject</b> | <b>West Hendon Regeneration Scheme</b>  |
| Report of      | Leader of the Council   |
| Summary        | This report seeks approval to progress the regeneration proposals at West Hendon. |

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| Officer Contributors   | Abid Arai, Senior Project Manger, Strategic Planning and Regeneration<br>Tony Westbrook, Principal Project Manager, Strategic Planning and Regeneration<br>Angela Latty, Assistant Project Manager, Strategic Planning and Regeneration |
| Status (public or exempt)                                    | Public  |
| Wards affected   | West Hendon   |
| Enclosures   | 1) West Hendon Masterplan Review Summary Report (circulated separately)<br>2) Drawing no 1 – West Hendon Regeneration Scheme<br>3) Community Engagement Strategy  |
| For decision by  | The Committee   |
| Function of  | Executive   |
| Reason for urgency / exemption from call-in (if appropriate) | N/A   |

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## **1. RECOMMENDATIONS**

- 1.1 That approval is given to the following:**
- 1.2 That the Deputy Chief Executive be authorised to negotiate revised terms for the West Hendon Principal Development Agreement to enable the West Hendon regeneration scheme to progress with a new masterplan that guarantees scheme viability, consulting relevant stakeholders as necessary and to report back to the Committee later this year on the result of these negotiations and any proposed changes.**
- 1.3 That the Deputy Chief Executive be authorised to appoint a financial and/or property consultant to provide financial and/or property advice as required during the negotiations referred to in 1.2.**
- 1.4 That the Committee note the general progress on the West Hendon Regeneration scheme as set out in this report**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Planning and Environment Committee 27 July 2005 (Decision 9); Outline planning consent for the West Hendon Regeneration Scheme (W13937/04), subject to an agreed Section 106.
- 2.2 Cabinet 30 August 2005 (Decision 5), West Hendon Regeneration Project – Approval of the Principal Development Agreement.
- 2.3 Cabinet 11 October 2005 (Decision 7), West Hendon Regeneration Project – approval of the Principal Development Agreement – Comments from Cabinet Overview and Scrutiny Committee.
- 2.4 Planning And Environment Committee 25 January 2006 (Decision 7); approved amendments to Outline Planning Consent (W13937/04), to vary with addition of S106 Heads of Terms relating to additional Planning Obligations relating to Energy Strategy and Accessibility and Inclusive Design.
- 2.5 Cabinet Decisions 3 April 2006; (Decision 8); West Hendon Regeneration Project – Approval to enter into the Principal Development Agreement (PDA).
- 2.6 Planning and Environment Committee 3 March 2008 (Decision 8); approved amendments to Outline Planning Consent (W13937/04) to vary phasing; reconfigure the central square; make general changes to the alignment of building blocks and vary the layout of block 'L' and surrounding road layout.
- 2.7 Planning and Environment Committee 22 December 2008 (Decision 8); approved Reserved Matters Application to develop Phase 2A of the development.

- 2.8 DPR 870 (7 August 2009); approved and agreed a Deed of Variation to extend the expiry date on the PDA, and make amendments to the provisions for the TUPE agreement and information on the Masterplan.
- 2.9 DPR 993 (15 February 2010); approved the extension of the PDA expiry date by four months to 15 June 2010, and to enter the Deed of Variation to the PDA for commencement of the Initial Phase (Pilot and Phase 2A).
- 2.10 DPR 1092 (16 June 2010); approved the extension of the PDA expiry date by six months to 15 December 2010
- 2.11 Cabinet Resources Committee 30 November 2010 (Decision 7); approved the extension of the PDA to 12 months to 15 December 2011 and authorised officers to grant a further extension of up to 12 months to 15 December 2012 (which has now been granted)

### **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The regeneration of the West Hendon estate contributes to the delivery of the 'successful London suburb' priority in both the Corporate Plan 2011-2013 and the One Barnet Sustainable Community Strategy – 2010-2020.
- 3.2 The regeneration of the West Hendon estate also supports the One Barnet Sustainable Community Strategy through the following objectives:
  - 1. A new relationship with citizens - the new developments will offer more choice and promote independence by providing a number of different housing options such as shared ownership to residents and those in the wider community.
  - 2. A one-public-sector approach - the Council is working together with other public sector partners to ensure the delivery of the schemes.
  - 3. A relentless drive for efficiency - the Council is working with development partners to ensure that the schemes are delivered in the most cost effective way.
- 3.3 The proposed estate regeneration also complies with strategic objectives in the Council's Housing Strategy 2010- 2025, which include:
  - Increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and
  - Promoting mixed communities and maximising opportunities available for those wishing to own their home.

### **4. RISK MANAGEMENT ISSUES**

- 4.1 If the regeneration of the estate fails to proceed, the Council still has an obligation to bring the current housing stock up to Decent Homes Standards. The properties in Council ownership will require major investment to ensure that these properties remain habitable in the medium and long term. There is currently no financial provision to upgrade these homes in the Decent Homes Programme so alternative funding sources would need to be identified. This

could have significant financial implications for the Council due to the poor state of repair of much of the estate.

- 4.2 An alternative proposal would be for the Council to procure a new development partner. This process could take a minimum of 2 years and would have significant cost implications. Therefore, appointing an alternative development partner at this stage is not being considered due to the major time and cost implications and because a fresh procurement exercise may not necessarily guarantee viable delivery solutions for the scheme.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough. The West Hendon Regeneration Scheme will provide a mix of affordable and private sale properties. The new mixed tenure housing will improve the community cohesion in an area with a highly diverse population. It will provide increased choice and opportunity for Barnet residents. This supports the overall aim of the council's Equalities Policy and supports the equality priorities outlined in Barnet's Equality Scheme.

- 5.2 It is not considered that the issues involved will give rise to any issues under the Council's Equalities policies and do not compromise the Council in meeting its statutory equalities duties.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

### **Finance & Property**

- 6.1 The proposed negotiations will not result in extra cost to the Council as officers will be leading on the negotiations with the development partner Barratt Metropolitan LLP (BMLLP). As referred to under paragraph 1.2 in this report, the council will appoint an external consultant to provide specialist advice during the next few months of the negotiations. Further details of this appointment will be covered in a separate report which will be written once the full scope of the work required is identified.
- 6.2 The current scheme is not economically viable and has been reworked. The viability gap has closed from £26m to approximately £7m. The revised scheme will be subject to financial due diligence before it is taken forward.

## **7. LEGAL ISSUES**

- 7.1 The negotiations proposed by this report may result in the Council entering into a Deed of Variation which would capture any terms that may be agreed between the Council and the other parties to the PDA for West Hendon. The legal issues that may arise from the revision of the masterplan and the associated legal terms will only become apparent once the negotiations commence. The Council can vary the PDA as long as the variations do not

result in a new contract which, due to the procurement legislation and rules, may open the entire exercise to legal challenge. The Council will take legal advice through the course of the negotiations in order to ensure that any new arrangement complies with relevant legislation.

## **8. CONSTITUTIONAL POWERS**

- 8.1 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **9 BACKGROUND INFORMATION**

- 9.1 In July 2002 following a detailed procurement process the Council selected Metropolitan Housing Trust, Bellhouse Joseph and Lovell Partnerships as the preferred development partner for the West Hendon regeneration scheme. However, Lovell Partnerships later withdrew from the scheme, and a new partnership was formed between Metropolitan Housing Trust and Barratt Homes in May 2005. This partnership is known as the Barratt Metropolitan Limited Liability Partnership (BMLLP).
- 9.2 The development partners submitted an outline planning application in December 2004 for the construction of 2171 new dwellings and up to 10,000m<sup>2</sup> of associated commercial, retail and community space; associated public and private open space, landscaping, car parking, access arrangements and highway improvements.
- 9.3 Resolution to approve the Outline application was given at the Planning and Environment Committee (P&E) of 27 July 2005. An application was brought back to P&E on 25 January 2006 for amendments to the Section 106 Heads of Terms and on 19 March 2008 for amendments to the phasing strategy in order to address viability issues. Following the completion of the S106 Agreement planning permission was formally granted on 1 July 2008.
- 9.4 The Council entered into a Principal Development Agreement (PDA) with Barratt Metropolitan Limited Liability Partnership (the “Developer”), Metropolitan Housing Trust, Metropolitan Living Limited, BDW Trading Limited and Barratt Development Plc on 11 August 2006, to provide for the regeneration of the West Hendon Estate.
- 9.5 A deed of variation to the PDA was entered into on 29 April 2010, to allow for delivery of an initial phase of 194 residential units (currently on site and due to complete 2012) without the PDA becoming unconditional.
- 9.6 A deed of variation to the S106 agreements for the main Outline (W13937/04) and Pilot (W13230A/07) applications was agreed at P&E on 29 July 2010. This variation sought to defer triggers for education payments and to spread a

requirement of circa £1.6m, attached to the pilot scheme, over later phases of the Outline application. The Initial Phase was only able to start following the allocation of a proportion of the Council's Growth Area Funding pot, and Homes and Communities Agency gap funding.

### **Progress to date**

- 9.7 An initial phase of 194 units (including 43 affordable units) started on site in March 2011. The Council and BMLLP have now undertaken a review of the Masterplan for the rest of the scheme.

### **Current Position – Review of the Masterplan**

- 9.8 The current Masterplan for the West Hendon scheme was developed in a more economically vibrant time, and is no longer financially viable in today's climate. In June 2011 BMLLP undertook an appraisal of the scheme which showed that the costs were aggravated by the following features:

- a. Requirement to provide car parking at basement level.
- b. Acquisition of Ramsey Close housing and the adjacent petrol station through a Compulsory Purchase Order (CPO).
- c. Acquisition of the A5 frontage properties in the early stages of the scheme relative to the values achievable through redevelopment before the existing estate is replaced.
- d. Requirement to relocate the main sewer to accommodate new development.
- e. Misalignment between the proposed construction phases and the required demolition phasing for the existing estate.

- 9.9 In 2011 BMLLP investigated the possibility of submitting a S73 variation to the existing planning consent that would retain the material characteristics of the extant Outline consent whilst closing the viability gap. This process demonstrated some savings, but did not achieve a viable scheme with the developers identifying a shortfall of circa £26million.

- 9.10 With the agreement of the Council, BMLLP have undertaken a Masterplan Review led by a new professional team appointed in September 2011. This team includes Allies and Morrison (Masterplanners), Quod (Planning) Turner and Townsend (Financial Assessment) and CBRE (Project Management). The team was appointed to produce a strategy that could be supported by the Council for the viable and complete regeneration of West Hendon

- 9.11 The Masterplan Review exercise (report attached as Appendix 1) considered five options. All the options proposed delivery of 1977 new units, in keeping with the existing proposals, as it was considered by BMLLP that any reduction in unit numbers would result in a corresponding drop in viability. Option 1 revisited a S73 approach to the existing Masterplan while Options 2-5 shared many features of the existing Masterplan including a regular street pattern; new pedestrian town square perpendicular to the A5; public open space leading from the square to the edge of the Welsh Harp and a revised layout to the A5 to achieve two free lanes of traffic in each direction. The options varied

in the level of development proposed to the buildings fronting the south of the A5 on West Hendon Broadway and the inclusion or exclusion of Ramsey Close.

9.12 After careful consideration, Option '3' (attached as Appendix 2) has been recommended as the favoured option to be taken forward. This option does not include Ramsey Close and would have the least impact on properties on the A5 frontage, as the A5 widening is replaced by a proposed rationalisation of the existing bus lanes. It is this Option that is recommended for further detailed study and consultation with residents and stakeholders.

9.13 A number of implications of the new Masterplan Option 3 will need to be carefully considered as part of its detailed development:

*I. Density*

Option 3 excludes Ramsey Close and areas of West Hendon Broadway and therefore the net density of the revised scheme is slightly greater than the approved outline application and exceeds the recommended London Plan density. The density proposed would only become acceptable if the standard of urban design of the built and open environment enables the creation of a high quality, safe and attractive environment for people who live, work and visit the area.

*II. Height Distribution*

The distribution of height across the site will need to be justified in terms of: amenity for future residents, impacts upon waterfowl from the Sites of Special Scientific Interest (SSSIs) and views of the site from key vantage points.

*III. Phasing*

Three sites have been identified which require little or no Compulsory Purchase Order or the use of other complex land assembly mechanisms for development to occur. It is proposed to erect the tallest buildings in these locations in initial phases to improve the viability of the scheme. This 'cherry picking' approach could lead to later phases being less viable and if allowed must include stringent controls within the PDA and S106 Agreement to ensure that these sites are not developed in isolation but enable accompanying development and infrastructure to result in a comprehensive development of the estate.

*IV. Improvements to the Wider Town Centre*

Demonstration of how Option 3 would result in improvements to the wider Town Centre will need to be provided.

*V. Public and Private Open Space*

The quality, quantity and usability of external amenity space and publicly accessible open spaces will be key in achieving a proposal

which can accommodate the proposed significant increase in the population of the estate.

*VI. Highways –A5 Improvements*

Proposals for the A5 Station Road include pedestrian access, junction, and capacity improvements. Council Highways Officers and Transport for London (TfL) will both need to be satisfied that acceptable traffic flows can be achieved with the proposals which include rationalisation of the existing bus lanes. In particular the following issues will need to be addressed through the submission of a robust Transport Assessment: maintenance/improvement of bus route timings; smoothing of the traffic flows and management of congestion, appropriate parking provision and the provision of a high quality pedestrian route to Hendon railway station.

9.14 Option 3 has been assessed as the most financially viable and will close the gap on viability to circa £7m. BM LLP have indicated that they consider that Option 3 could be progressed further to produce a viable scheme for the regeneration of West Hendon. They estimate that start on site could be achieved in 2013.

9.15 BM LLP's communications consultants Hardhat have proposed a comprehensive Community Engagement Strategy, which is attached to this report as Appendix 3. The Council will work closely with BM LLP to ensure that all relevant stakeholders are enabled to participate in the consultation.

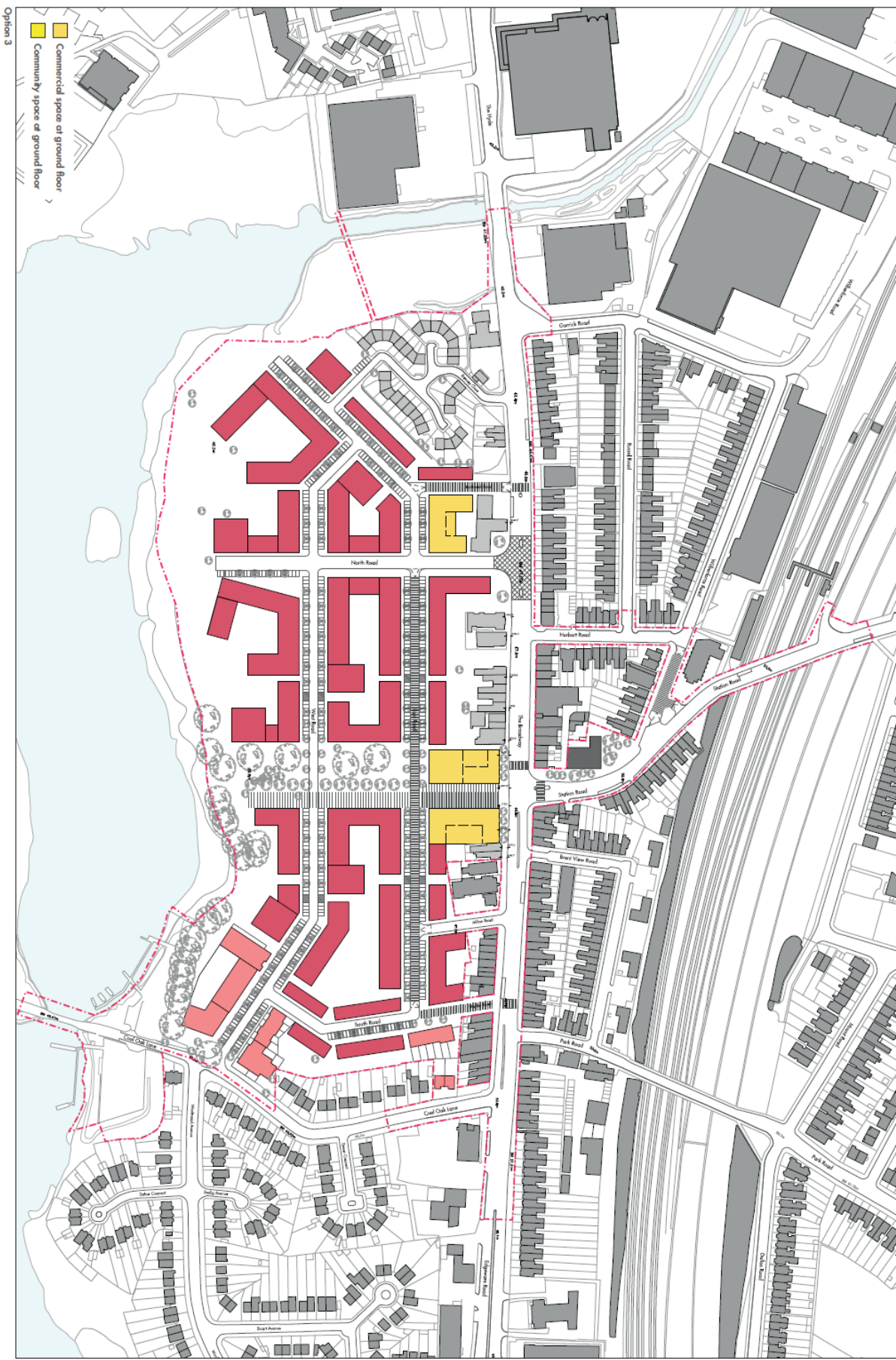
**10. LIST OF BACKGROUND PAPERS**

10.1 None

Legal: MM/TE  
CFO: MC/JH



Appendix 2





# **WEST HENDON REGENERATION COMMUNITY ENGAGEMENT STRATEGY February 2012**

## **1. Introduction**

1.1 This documents sets out a comprehensive community engagement strategy to support the West Hendon regeneration project.

1.2 Barratt Metropolitan LLP recognises that effective consultation can improve development proposals and help create positive sustainable communities where residents feel a sense of ownership of the place where they live.

1.3 Consultation is fundamental to the planning and development process and Government Policy is clear in stressing the need to ‘front-load’ consultation - prior to formal submissions – allowing residents and other stakeholders to shape development proposals.

1.4 This approach has been formalised in the Localism Act of November 2011, which enshrines the principle of devolving decision making to local communities and placing community engagement at the forefront of the planning process.

1.5 The consultation to support the West Hendon regeneration will seek to apply consultation best practice by delivering an honest, open, visible and accessible programme, which will be fully recorded in a publicly accessible Statement of Community Involvement that will be submitted as part of any planning application.

1.6 Barratt Metropolitan LLP are committed long-term to the regeneration of West Hendon and community engagement will continue throughout the entire planning, development and construction phases – listening to the community, responding to the needs and aspirations of local

residents and providing regular feedback on how their input has shaped the proposals.

## **2. Consultation Principles**

2.1 Clause 29 of the existing PDA states that “*MWH and MHT shall consult with and use all reasonable endeavours to co-operate with the Council to encourage residents of the Existing Units to participate in the Development*”. Our Resident Involvement defines three levels of involvement:

- *Information:* where the organisation delivers information and residents are not asked to comment.
- *Involvement:* the process of influencing change where the organisation actively seeks residents’ views within clear parameters and considers them in making decisions.
- *Participation:* where the organisation and residents come to joint decisions.

## **3. Community Engagement Activities**

### **3.1 Phase 1: The Masterplan (February – April 2012)**

The initial phase of community engagement will primarily be focused on the emerging revised masterplan, raising the profile of the regeneration and setting out clear timescales and opportunities for involvement to local residents and the wider community. This initial stage will include, but not be limited to, the following:

### **3.1.1 Residents Regeneration Group (RRG) / Partnership Board**

The RRG and Partnership Board will be fully involved in the consultation programme and the development team will attend meetings to update them on a regular basis. In addition, further groups like the Welsh Harp Joint Consultative Committee will be kept fully informed of the emerging proposals and asked for feedback at an early stage.

### **3.1.2 Project website**

A dedicated project website will be launched, providing a constant resource and archive for information about the regeneration proposals. The website will be regularly updated and will include full details of consultation events and any project milestones. The website will also include contact details and an opportunity to ask questions or provide feedback. The website can be utilized throughout all phases of the development process, providing an easily accessible resource for those residents who have access to the internet.

We recognize that not all members of the community and the estate would traditionally use the internet to access information and we will provide varied activities and opportunities for them to engage with the development proposals, as set out in this document.

### **3.1.3 Newsletters**

Regular newsletters delivered to the entire regeneration area and placed on the website will update residents on the emerging proposals, advertise consultation events and include community updates and stories of interest. It is proposed that the newsletters are delivered at three-monthly intervals or more frequently, depending on consultation activity.

### **3.1.4 Exhibition**

In order to provide the community with a significant opportunity to view the draft masterplan and comment before submission, a public exhibition will be held on the estate (including week-day, evening, and weekend opening times). The exhibition will be staffed by the development partners and their consultant teams and will provide an opportunity for residents to comment on and question any aspect of the emerging new masterplan.

All the feedback received will be included in the Statement of Community Involvement and all residents who took part will be written to with a summary of the feedback and the next steps.

### **3.1.5 Hard-to-reach groups**

Barratt Metropolitan LLP is committed to engaging beyond the traditional routes and will seek opportunities to discuss the proposals with hard to reach groups, who do not feel comfortable in exhibitions or workshops.

Where possible, we will 'piggy-back' on existing events or community organisations and groups to provide an opportunity for consultation for residents in a comfortable and familiar setting. This may include presenting to community groups, 'lunch and listen' events with more elderly residents and visits to local schools in the area to engage young children and teenagers in the development process.

### **3.2 Phase 2: Detailed Application and Feeding Back (April – August 2012)**

The second phase of community engagement will begin to focus more on the emerging detailed plans for the first part of the development, alongside feeding back to residents on how the masterplan has been influenced by the Phase 1 consultation. This period will include:

### **3.2.1 Workshops**

While public exhibitions provide opportunities for a wide range of interested parties to view and comment on proposals, it is thought that a more targeted approach may also residents effectively engaged with the detailed proposals as they come forward. At least two interactive workshops will be planned, led by experienced facilitators, which will allow those interested to offer views on more detailed elements of the scheme, such as access, security, landscaping, and public amenity areas.

These workshops will allow the development team to build on the feedback given in Phase 1 and further develop both the masterplan and the detailed plans for the first part of development.

### **3.2.2 Decanting and phasing workshops**

Further workshops will be held with all estate residents on the proposed decanting and phasing process.

### **3.2.3 Feeding back**

Many consultations ultimately fail because they do not embrace a two-way dialogue with residents. We recognise that feeding back the results of consultation to residents and how they have influenced the proposals is of crucial importance.

A further public exhibition will take place, most likely in June, to display the latest proposals for the masterplan and the detailed first phase. The exhibition will seek further feedback before the finalization of the planning application and allow residents to see how the plans have developed.

In addition to this, further newsletters will be distributed to all residents outlining the consultation to date and how it has influenced the plans.

#### **3.2.4 Statement of Community Involvement**

Following the Phase 2 community engagement, a full record of the consultation and the comments received will be incorporated into a Statement of Community Involvement to be submitted with the planning application.

#### **3.3 Phase 3: Next Stages of Development (August 2012 and onwards)**

It is important the community engagement continues beyond the submission of the revised outline masterplan and detailed Phase 1 application.

All the activities outlined in previous sections will continue through the development process and future Reserved Matters applications.



# **WEST HENDON REGENERATION COMMUNITY ENGAGEMENT STRATEGY TIMELINE**

## **February**

- Presentation to ward councillors
- Development of project website
- Distribution of newsletter
- Presentation to Residents Regeneration Group (RRG)

## **March**

- Presentation to Welsh Harp Joint Consultative Committee
- Public exhibition of emerging masterplan proposals
- Project website goes 'live'
- Meetings with key stakeholders

## **April**

- Community workshops on key development issues
- Outreach activity – events with younger people and elderly residents

## **May**

- Feedback presentation to RRG
- Decant and phasing workshops
- Distribution of newsletter containing feedback on consultation to date

## **June**

- Public exhibition of emerging detailed proposals for Phase 1
- Continued outreach activity and meetings, as appropriate

## **July**

- Preparation of Statement of Community Involvement
- Presentation to RRG on finalised plans
- Distribution of newsletter with final scheme plans

## **August onwards**

- Continuation of all previous activities, as appropriate to support future planning and development stages.