

MEETING

ASSETS, REGENERATION AND GROWTH COMMITTEE

DATE AND TIME

MONDAY 11TH JULY, 2016

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ

TO: MEMBERS OF ASSETS, REGENERATION AND GROWTH COMMITTEE (Quorum 3)

Chairman: Daniel Thomas
Vice Chairman: Gabriel Rozenberg

| | | |
|-------------------|----------------------|------------------|
| Richard Cornelius | Pauline Coakley Webb | Philip Cohen |
| Geof Cooke | Rohit Grover | Nagus Narenthira |
| Peter Zinkin | | |

Substitute Members

| | | |
|--------------|----------------|----------------|
| Tom Davey | Paul Edwards | Val Duschinsky |
| Alison Moore | Caroline Stock | Ross Houston |

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is Wednesday 8th July at 10AM. Requests must be submitted to Sheri Odoffin: 0208 359 3104, Email: sheri.odoffin@barnet.gov.uk

You are requested to attend the above meeting for which an agenda is attached.

Andrew Charlwood – Head of Governance

Governance Services contact: Sheri Odoffin 020 8359 3014 sheri.odoffin@barnet.gov.uk

Media Relations contact: Sue Cocker 020 8359 7039

ASSURANCE GROUP

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Decisions of the Assets, Regeneration and Growth Committee

17 March 2016

Members Present:-

AGENDA ITEM 1

Councillor Daniel Thomas (Chairman)
Councillor Gabriel Rozenberg (Vice-Chairman)

Councillor Pauline Coakley Webb Councillor Rohit Grover
Councillor Philip Cohen Councillor Nagus Narenthira
Councillor Geof Cooke Councillor Shimon Ryde

The Chairman welcomed sixth form students of Politics from Barnet Youth Engagement Programme who have been observing a number of committees to gain first-hand knowledge of how local politics work in a council committee structure.

MINUTES OF THE PREVIOUS MEETING

RESOLVED – that the minutes of the meeting held on 30 November 2015 be agreed as a correct record.

2. ABSENCE OF MEMBERS

Apologies for absence were received from Councillor Richard Cornelius.

3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

None.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

6A. MEMBER'S ITEM CLLR PAULINE COAKLEY WEBB - BRENT CROSS CRICKLEWOOD CONSULTATION

The Chairman invited Councillor Pauline Coakley-Web to introduce her Member's Item, which requested that the Assets, Regeneration and Growth Committee is provided with a full briefing on the Brent Cross Cricklewood consultation. She requested that this is undertaken with all stakeholders including residents, community groups and local businesses.

Following discussion on the item, the Chairman invited the Commissioning Director for Growth and Development to provide a verbal update on consultations undertaken to date summarised as follows:-

- As part of the planning application for the Brent Cross development in 2012/2013, a Statement of Community Involvement was produced and published on the Council's website.
- Community Consultation statements are also on the website setting out the approach to be taken by the development partners.
- Slides containing summaries of the consultation programme are also being produced for circulation and will be circulated to members. A variety of methods are being used - for example:
 - Hammerson have a database of 35,000 addresses to tap into
 - Argent are consulting in a number of non-formal ways such as being out in the community at a range of events.
 - Soundings - Consultation specialists have been appointed
 - The Chairman and Local Councillors have been consulted recently and updated

Following consideration of the item, the Committee requested for information on consultations and engagement to be a standing item on the agenda and form part of the Committee's work programme.

The Committee **RESOLVED**:

- 1. To include Community Consultation and Engagement as a regular update in the existing Brent Cross agenda item**
- 2. That Consultation and engagement form part of ARG Committee's Work Programme.**

7. BUSINESS HUB DEVELOPMENT

The Chairman introduced the Business Hub report which falls under the Enterprise Barnet initiative. He noted that the report was seeking approval of the Outline Business Case involving a bid to the European Regional Development Fund for £500,000 to be match funded by £500,000 from the Council's Infrastructure Reserve - a total of £1m to support development of the Businesses Hub.

In the event that the bid was not successful the Chairman reported that the funding bid was subject to a 2 stage process whereby feedback on the bid will be received in April and if successful, further feedback will follow in the summer. If unsuccessful, then the scheme will be scaled down.

There was discussion about how the Hub clients would be selected. On the matter of differentiating between RE's business development activities and the ERDF funded business work, it was outlined that that the ERDF bid go beyond RE's contractual requirements. There was also discussion on pre-Gazelle businesses, putting checks and

balances in place to identify which businesses to support and setting the remit of the Hub.

Following consideration of the item, The Committee

RESOLVED:

- 1. To note the Outline Case for an independent and financially sustainable business hub set out in Appendix One.**
- 2. To approve the funding arrangements for the development of Business Hub activity and noted the role of external funding to resource it.**
- 3. To commence the development of a Full Business Case for the business hub, should external funding be secured.**

8. ANNUAL UPDATE REPORT ON THE GROWTH AND REGENERATION PROGRAMME

The Chairman introduced the report, which related to the Annual Update report on the Growth and Regeneration Programme. He thanked officers for producing a comprehensive report and for the work done in the last 12 months.

Members discussed the need for greater balance in the report for example, If 50% of business were doing well, this also means that 50% are not doing well and comment on this would be of use.

On new housing schemes, a request was made to receive reports on housing tenure, mix and a better breakdown of rents.

Having considered the report the Committee **RESOLVED:**

- 1. To note the officers report and approve the general progress being made towards delivering the Borough's regeneration and development pipeline schemes; and skills and enterprise activities**
- 2. To note and approve the key achievements and successes from April 2015 to March 2016, as well as expected activities in 2016/17 as set out in Appendix 1.**

9. WEST HENDON CPO 2 & 2A (CPO2 AND CPO2A)

The Chairman introduced the item and explained that whilst most of the property acquisitions would be undertaken through private treaties, the CPOs are necessary to provide a mechanism for the developments to take place and within reasonable timescales.

Councillor Coakley-Webb requested further details on community engagement proposals.

Members were informed that that by the end of the last CPO process, the development partners had learnt an enormous amount about how to manage the process at local level and a number of different approaches identified including the following:-

- Regeneration Partnership Board meetings
- Drop-in sessions
- News letter
- Mailouts
- Monthly construction working groups
- Bringing forward provision of a community centre
- Having officers based locally on the estate
- Meeting ward councillors

Councillor Narenthira and Councillor Coakley-Webb were keen to see improvements in the way that CPOs are handled.

Having considered the report the Committee **RESOLVED**:

- 1. To authorise the making of CPO2 and CPO2a**
- 2. To approve that the appropriate Chief Officer be authorised to issue and sign the order, notices and certificates in connection with the making, confirmation and implementation of CPO2 and CPO2a;**
- 3. To approve that the appropriate Chief Officer be authorised to make General Vesting Declarations (GVDs) under the Compulsory Purchase (Vesting Declarations) Act 1981 and/or to serve notices to treat and notices of entry (if required) following confirmation of CPO2 and CPO2a;**
- 4. To approve that the appropriate Chief Officer be authorised to issue and serve any warrants to obtain possession of property acquired by the Council following the execution of a GVD or service of a notice of entry relating to CPO2 and/or CPO2a if it was considered appropriate to do so;**
- 5. To approve that the appropriate Chief Officer be authorised to transfer all properties and proprietary interests acquired pursuant to CPO2 and CPO2a to the relevant development partners in accordance with the terms of the restated Principal Development Agreement dated 5 February 2014;**
- 6. To approve that the appropriate Chief Officer be authorised to take any further necessary actions to secure the making, confirmation and implementation of CPO2 and CPO2a;**
- 7. To approve that the appropriate Chief Officer be authorised to appropriate to planning purposes any parcel of land within the red line planning application boundary for the scheme and/or the CPO Plan (attached – Appendix 1) which is held by the Council for another purpose subject to**

obtaining any necessary statutory consents required and/or compliance with any statutory procedures for such appropriation.

Votes were as follows:

| | |
|---------|---|
| For | 4 |
| Against | 4 |
| Abstain | 0 |

The Chairman used his casting vote in favour.

Immediately following the vote Councillor Coakley-Webb, moved to refer the item to the next practicable meeting of Full Council. The referral was supported by:

- Councillor Geof Cooke
- Councillor Nagus Narenthira

Context for referral following officer presentation and debate:

- Concerns expressed regarding the process of valuations and offers made to residents;
- Although officers had maintained that lessons had been learnt through the CPO1 process some Members still had concerns (e.g. the level of affordable housing provision);
- Discussions with of local residents

The reasons given for the request to refer the item were:

- Members expressed a view that the project could have an effect of social cleansing
- Members want to ensure that the interests of residents will be protected

The Committee **RESOLVED:-**

To refer the item to to the next possible meeting of Full Council

10. COLINDALE OFFICE ACCOMMODATION

The Chairman introduced the item and briefed the committee on the outcome of the Colindale Office planning application that went to committee on 16th March 2016.

Councillor Coakley-Webb, Councillor Cohen and Councillor Cooke felt that there should be adequate parking provision. Councillor Cooke felt that terms of reference of ARG Committee should extend to considering matters such as this.

Having considered the report the Committee **RESOLVED**:

- 1. To note the progress on the Colindale Office project;**
- 2. To note the intention that the Colindale Office Planning Committee application be reported to its meeting on 30 March 2016.**
- 3. To note that a Full Business Case (FBC) be reported to a future Committee meeting**
- 4. To approve the use of up to £2 million of the existing budget allocation for conclusion of the pre-construction activities and technical design and help maintain the current delivery programme ahead of the submission of the Full Business Case. The £2 million allocation constitutes 7.5% of the estimated overall Capital Build Budget.**
- 5. To agreed to delegate the authority to the Chief Operating Officer to settle terms and enter into the required pre-construction stage agreements**

Votes were as follows:

| | |
|---------|---|
| For | 4 |
| Against | 4 |
| Abstain | 0 |

The Chairman used his casting vote in favour.

Immediately following the vote Councillor Cooke, moved to refer the item to the next practicable meeting of Full Council. The referral was supported by:

- Councillor Coakley-Webb
- Councillor Narenthira
- Councillor Philip Cohen

Context for referral following officer presentation and debate:

- Not convinced that legally the item can be decided upon following confirmation that that the decision cannot be taken to Full Council and no decision having been made at Planning Committee;
- Not convinced that the decision to refer to the next Planning Committee in March 2016 is relevant when the premise of the scheme without parking is flawed;
- Not convinced that the Assets, Regeneration and Growth Committee does not have the remit to comment on parking considerations relevant to the Scheme. This type of application should be in the committee's remit;
- Not convinced that amending the recommendation of the Assets, Regeneration and Growth Committee report to include "subject to planning approval" is appropriate for the scheme;

- Not convinced that there are sufficient disabled parking spaces allocated within the proposal whether on site or at RAF museum.

The reasons given for the request to refer the item were:

- Inadequate parking provision proposed
- The council is the landowner and planning applicant therefore Assets, Regeneration and Growth Committee Members should have the right to determine the types of planning applications submitted on behalf of the Council.

Committee **RESOLVED**

To refer the item to to the next possible meeting of Full Council.

11. COMMISSIONING PLAN

The Chairman introduced the next item - the Assets Regeneration and Growth Committee Commissioning Plan for the next five years 2015 - 2020.

Councillor Cook requested clarification of the figures in Appendix 1 and there was also interest in receiving more detail on the income and savings figures and targets.

Comment was made that business failure rates in the borough were not considered to be a big issue and Barnet has lower than average unemployment rates including for youth.

Having considered the report the Committee **RESOLVED**:

- 1. To approve the addendum to Assets, Regeneration and Growth Committee Commissioning Plan for 2016/17 (Appendix A).**

Votes were as follows:

| | |
|---------|---|
| For | 5 |
| Against | 0 |
| Abstain | 4 |

12. DEVELOPMENT OF NEW AFFORDABLE HOMES BY BARNET HOMES REGISTERED PROVIDER

The Chairman introduced the Affordable Housing Development pipeline report which includes the outline business case for new homes on housing revenue account land in the borough and the establishment of Opendoor Homes, a wholly owned subsidiary of Barnet Homes.

Members were pleased at the news that this tranche is made up of homes for rent and asked officers to continue to consult with councillors. The Chairman requested for consultation to take place before planning permissions are granted. Comment was also made on the need for consideration to be given for parking provision on new sites as this can add to parking pressure in existing residential areas and that reports should specify sites which are intended to have the benefit of parking provision.

Having considered the report the Committee **RESOLVED**

- 1. To approve the outline business case (please see Appendix 3) for Opendoor Homes, a subsidiary of Barnet Homes, to make planning applications with a view to developing homes on Housing Revenue Account land for affordable rents.**
- 2. To approve the location of the sites included in Phase 1 of the development programme and set out in Appendix 1.**
- 3. To note that a further report regarding sites for the second phase of this development programme will be brought to Committee in June 2016.**
- 4. To agree authority and agree substitution of sites in the initial programme is delegated to the Commissioning Director, Growth & Development, subject to necessary due diligence and permissions and consultation with Ward Members.**
- 5. To note a further report to approve the final Full Business Case for Phase 1 of the development programme will be brought to Committee in September 2016.**

13. BRENT CROSS CRICKLEWOOD COMPULSORY PURCHASE ORDER (NO. 3)

The Chairman introduced the item regarding the making of a CPO in respect of the land and interests needed to deliver part of the station phase in the Brent Cross Cricklewood regeneration Scheme.

The Chairman also welcomed a presentation by the Commissioning Director for Growth and Development to Committee on the legal structure of the Limited Partnership and its interface with the Limited Partnership Agreement and the Shareholder Agreement.

The Chairman expressed an interest the timeline for the shopping centre and was informed it was a 3-year build completing in 2021. Replacement of the Whitefield units will occur over time and the needs of some residents may have changed over time. Councillor Ryde highlighted that as the scheme gets closer, only then will residents be aware that there will be a huge impact on their lives. Councillor Rosenberg asked for early involvement in engagement with councillors and Committee. Members were informed that Argent has a good track record of public engagement and the regeneration of Kings Cross is evidence of this as large numbers of residents were engaged and impressed with their work. Argent have engaged Soundings to work on some early

consultation and engagement such as one to one meetings, a number of small events, exhibitions in order to take on board local concerns. Councillor Rozenberg welcomed the engagement but said that Ward Councillors have not been included yet and it is key to have a broader understanding of issues – ie traffic.

The Chairman asked that Ward Councillors are made aware of consultation events, even if not invited. Councillor Narenthira asked for wards along the A5 to be included in the wider consultation as they will be affected by the CPO and works.

With reference to option 1 referred to in the report recommendations, on request Members were offered and welcomed, receipt of information on other options available and to receive more information from Capita Rail on Grip3 which was hard to grasp because of the complexities.

Having considered the report the Committee **RESOLVED**:

- 1. To approve that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land shaded pink on the plan at Appendix 1 of 2 Plan and 2 of 2 Plan.**
- 2. To approve that appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation, including the Statement of Reasons, and take all action needed to pursue the CPO and secure its confirmation.**
- 3. To approve that the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and acquire title to and/or take possession of the land.**

MOTION TO EXCLUDE THE PRESS AND PUBLIC

The Chairman informed the Committee and the public gallery that the meeting would now be held in private to hear exempt papers. The room was subsequently cleared. Councillor Richard Cornelius joined the meeting for this item.

14. BRENT CROSS CRICKLEWOOD

The Chairman introduced the item and members discussed a range of exempt matters.

Having considered the report the Committee **RESOLVED**

- 1. To note that the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement as set out in the Exempt Report to the Committee report 30 November 2015, which authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and required subsequent changes in the associated commercial**

documentation are being progressed and will be completed in parallel with the Brent Cross South documentation.

2. To note that Council agreed the terms of reference for the Shareholder Board for the Brent South Joint Venture and the composition and Membership of the Shareholder Board, as per paragraphs 2.13, 2.14 and 2.15 of the report to Council on 1 March 2016.
3. To re-confirm Argent Related as the joint venture development partner in accordance with the OJEU procurement process as approved by the Committee on 22 July 2014.
4. To approve the detailed terms of the Project Agreement, Limited Partnership Agreement, Shareholder Agreement and associated documentation (including Compulsory Purchase Indemnity Agreements) as set out in this report and the Exempt Report to the Committee; Authorise the Chief Executive in consultation with the Leader to finalise and complete the documentation associated with the JVLP and enter into contract with JVLP.
5. To approve the establishment of LBBCo for Brent Cross South.
6. To approve the Best Consideration Mechanism as detailed in the Project Agreement and authorise the Section 151 Officer to determine Best Consideration in accordance with the Project Agreement.
7. To approve the Brent Cross South Business Plan as attached to the Exempt report.
8. To note progress on land acquisitions within the CPO red line boundary and preparation for the CPO Inquiry for Brent Cross Cricklewood CPO (CPO1) and Brent Cross Cricklewood CPO (CPO 2) scheduled for 17 May - 17 June 2016.
9. To approve the Station Single Option Design as shown at Appendix 5; and note the funding and delivery strategies for the Brent Cross Cricklewood Thameslink Station project;
10. To approve the commencement of the detailed design of the station (known as GRIP 4) and associated work packages within the station phase of the Brent Cross South; and delegate to the Chief Operating officer permission to agree terms and enter into the Design Service Agreement with Network Rail to deliver the railway works elements of the GRIP 4 process.
11. To approve the revised spend in respect of Thameslink as detailed in the report and note that Policy and Resources will be recommended to approve the budget.
12. To note progress on the land acquisition strategy to deliver the station phase and that a separate report is being considered by this Committee to resolve to make a CPO to deliver this element of the Brent Cross Cricklewood regeneration project.

Agenda Annex BRENT CROSS CRICKLEWOOD (EXEMPT)

Having considered the report the Committee **RESOLVED:**

- 1. To Note the contents of the public report,**
- 2. To approve recommendation 2 of the exempt report**
- 3. To approve recommendation 3 of the exempt report.**

15. COMMITTEE FORWARD WORK PROGRAMME

The Chairman introduced the item, following which Members noted the report.

Having considered the report the Committee **RESOLVED:**

- That the work programme be approved**

16. ANY OTHER ITEM(S) THAT THE CHAIRMAN DECIDES ARE URGENT

There were none.

Vice Chairman Councillor Rosenberg thanked the Chairman for his hard work over the course of the last municipal year. Councillor Thomas thanked all Committee Members and Officers for their efforts supporting the work of the Committee.

The meeting finished at 9.34 pm

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| | <p>Asset, Regeneration and Growth Committee</p> <p>11 July 2016</p> |
| <p style="text-align: right;">Title</p> | <p>Annual Performance Report – 2015/16</p> |
| <p style="text-align: right;">Report of</p> | <p>Commissioning Director, Growth and Development</p> |
| <p style="text-align: right;">Wards</p> | <p>All</p> |
| <p style="text-align: right;">Status</p> | <p>Public</p> |
| <p style="text-align: right;">Urgent</p> | <p>No</p> |
| <p style="text-align: right;">Key</p> | <p>No</p> |
| <p style="text-align: right;">Enclosures</p> | <p>Appendix A: Asset, Regeneration and Growth Committee Commissioning Plan - Annual Performance Report 2015/16</p> |
| <p style="text-align: right;">Officer Contact Details</p> | <p>Luke Ward, Commissioning Lead - Entrepreneurial Barnet, Growth & Development Tel: 020 8359 2672. Email: luke.ward@barnet.gov.uk</p> <p>Chris Smith, Head of Estates Tel: 020 8359 2987. Email: chris.smith@barnet.gov.uk</p> |

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| <h2>Summary</h2> |
| <p>In December 2014, the Asset, Regeneration and Growth Committee approved a five-year Commissioning Plan for the period 2015-20, which set out the Committee’s priorities and outcome measures for the following service areas – Growth and Regeneration, Entrepreneurial Barnet and Asset Management. All Theme Committees agreed a five-year Commissioning Plan.</p> <p>This report provides a review of the Asset, Regeneration and Growth Committee Commissioning Plan for 2015/16 (Appendix A), against the commissioning intentions and outcome measures.</p> |

Recommendations

1. That the Committee note progress on the Asset, Regeneration and Growth Committee Commissioning Plan in 2015/16 (Appendix A).

1. WHY THIS REPORT IS NEEDED

- 1.1 The **Asset, Regeneration and Growth Committee Commissioning Plan 2015-20** was approved in December 2014. It sets strategic priorities and outcome measures for the following service areas – Growth and Regeneration, Entrepreneurial Barnet and Asset Management – with targets to be refreshed annually. The strategic priorities are:

Growth and Regeneration

- Regeneration schemes are delivered to a high standard, maximising benefits to the community.
- New communities at Brent Cross Cricklewood and Colindale are desirable and attractive places to live, work and spend time, which set the standard for future development across London.
- Regeneration and growth schemes are supported by appropriate, high quality infrastructure.

Entrepreneurial Barnet

- Barnet is established as the best place in London to be a small business.
- Key town centres are thriving, with reduced numbers of vacant units.
- Residents and local businesses and residents play an active role in shaping their High Street as a place to live, work, shop and spend leisure time.

Asset Management

- The council's asset portfolio is managed and considered as a whole rather than considering assets in isolation.
- The Strategic Asset Management Plan (SAMP) drives a reduction in use of space to achieve savings.
- The SAMP drives reduced running costs and increase energy efficiency.
- The SAMP maximises letting income, balanced against community or social value.
- Efficiency is achieved by sharing assets across the public sector.
- The council's assets are used to support longer term regeneration and growth.
- Community assets are used transparently to support a range of activities that contribute to delivery of the council's corporate objectives.

2. Review of Commissioning Plan for 2015/16

- 2.1 Appendix A provides a review of the Commissioning Plan for 2015/16, against each of the commissioning intentions and outcome measures.

Growth and Regeneration

- 2.2 Barnet's growth and regeneration programme combines a programme of physical regeneration schemes and economic development initiatives. The fourth annual update on the Growth and Regeneration Programme was presented to Assets, Regeneration and Growth Committee on 17 March 2016 – and showed the progress being made towards delivering the Borough's regeneration and development pipeline schemes and skills and enterprise activities, including key achievements and successes since the report of March 2015.

Entrepreneurial Barnet

- 2.3 Entrepreneurial Barnet is the Borough's cross-public sector approach to becoming the best place in London to be a small business. The first annual update on the programme was presented to Assets, Regeneration and Growth Committee on 30 November 2016, and showed good progress against each of the theme areas of Entrepreneurial Barnet. A second annual update is due to be presented later this year. Some examples of what has been delivered to date include:

- Launching a "Town Centre Offer" to help local groups do things like secure external funding or hold an event
- Extensive work to improve the business environment and public realm in Burnt Oak town centre
- A number of events focused at local and small businesses to help them to do things like engage with the council's supply chain, or take on an apprentice
- A business competition focused on identifying the entrepreneurs of the future
- Developing a "Business Hub" model to support local businesses and entrepreneurs to succeed and grow
- Working with Brent Cross to create jobs through the "Let's Talk Shop" project
- Helping people find work through the Welfare Reform Task Force and "BOOST" project in Burnt Oak

Asset Management

- 2.4 Effective asset management planning provides a framework within which the council can deliver operational and financial benefits of an estate which aspires to standards of best practice. A detailed review of the published Strategic Asset Management Plan has recently been initiated, which will ensure that there are fit-for-purpose plans for all council assets to 2020 and in some cases beyond. The revised plan will take into account the following progress in asset management over the last year.

- **Asset rationalisation.** The Accommodation Implementation Programme (AIP) was successfully delivered on 17 October 2015, enabling the council to vacate Building 4 at North London Business Park (NLBP). Also:

Planning consent was granted for the proposed new office block in Colindale, which, assuming the Final Business Case is approved and the project goes ahead, will result in the majority of staff being located in Colindale. This move

will also result in significant revenue savings for the council as expensive leased-in properties can then be surrendered.

A draft Locality Strategy has been developed to ensure that specific council staff are suitable located, once the move of most staff from NLBP and Barnet House to the new Colindale office block takes place, in order to maintain staff access to customers and vice versa.

Planning consent was also granted for the relocation of services from the Mill Hill Depot to the new Oakleigh Road site and work on site to construct a highly efficient and fit-for-purpose facility is now underway.

- **Community assets.** The Community Asset Strategy (CAS) was approved and an implementation plan developed, which includes the development of a Community Benefit Assessment Tool (CBAT) to allow rental subsidies to be fairly and transparently calculated for Voluntary and Community Sector (VCS) organisations. Work in accordance with the implementation plan continues and the CBAT has been trialled and refined in preparation for Policy and Resources (P&R) Committee approval in June 2016. Other projects for the construction of new community assets within the strategy include:

A new community centre at Tarling Road, for which planning consent was recently granted. The new hub will be used by a range of different groups delivering valuable services to the local community. Construction is scheduled to take place over the summer and be completed by the spring 2017.

The potential construction of a community hub at Daws Lane, in partnership with a local NW7 community group. Design work and negotiations on potential management and lease arrangements have taken place and whilst securing funding for the proposed building is challenging, it is hoped that planning permission will be granted in summer 2017.

Requirements definition for new community assets at Chandos Avenue and Sweets Way under Sect 106 obligations, and a Graham Park Community Hub designed to replace the facilities currently in the Graham Park concourse.

2 REASONS FOR RECOMMENDATIONS

- 2.1 A key element of effective strategic and financial management is for the council to have comprehensive business plans in place that ensure there is a clear strategy for addressing future challenges, particularly in the context of continuing budget and demand pressures (resulting from demographic and legislative changes), delivering local priorities and allocating resources effectively.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 There is no statutory duty to publish Committee Commissioning Plans but it is considered to be good practice to have comprehensive business plans in place for each Committee – which set out priorities and how progress will be

measured – to ensure that the council’s vision for the future is clearly set out and transparent.

4 POST DECISION IMPLEMENTATION

- 4.1 Any revisions to the Commissioning Plan will be communicated internally and with key stakeholders.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This report invites Members to note progress on the Commissioning Plan in 2015/16.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 In addition to continuing budget reductions, demographic change and the resulting pressure on services pose a significant challenge to the council. The organisation is facing significant budget reductions at the same time as the population is increasing, particularly in the young and very old population groups.

- 5.2.2 The Commissioning Plan has been informed by the council’s Medium Term Financial Strategy, which sets out the need to make savings of £81m by 2020.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.4 Legal and Constitutional References

- 5.4.1 All proposals emerging from the business planning process must be considered in terms of the council’s legal powers and obligations, including its overarching statutory duties such as the Public Sector Equality Duty.

- 5.4.2 The [council’s Constitution, in Part 15 Annex A, Responsibility for Functions](#), states the functions of the Assets, Regeneration and Growth Committee, including:

(9) To receive reports on relevant performance information on Delivery Units providing services under the remit of the Committee.

5.5 Risk Management

5.5.1 The council has an established approach to risk management. Key corporate risks are assessed regularly and reported to Performance and Contract Management Committee on a quarterly basis.

5.6 Equalities and Diversity

5.6.1 The general duty on public bodies is set out in section 149 of the Equality Act 2010.

5.6.2 A public authority must, in the exercise of its functions, have due regard to the need to:

- a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.6.3 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

5.6.4 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

5.6.5 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, the need to tackle prejudice; and promote understanding.

5.6.6 Compliance with the duties in this section may involve treating some persons more favourably than others but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

5.6.7 The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

5.6.8 It also covers marriage and civil partnership with regard to eliminating discrimination.

5.6.9 In agreeing the Corporate Plan, the council is setting an updated strategic equalities objective and reiterating our commitment to delivering this. The strategic equalities objective is as follows:

- Citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer.

5.7 Consultation and Engagement

5.7.1 The original Corporate Plan and Commissioning Plans were informed by extensive consultation through the Budget and Business Planning report to Council (3 March 2015).

5.7.2 The consultation aimed to set a new approach to business planning and engagement by consulting on the combined package of the Corporate Plan, Commissioning Plans, and budget. In particular it aimed to:

- Create a stronger link between strategy, priorities and resources
- Place a stronger emphasis on commissioning as a driver of the business planning process.
- Focus on how the Council will use its resources to achieve its Commissioning Plans.

5.6.3 To allow for an eight week budget consultation, consultation began after Full Council on 17 December 2014 and concluded on 11 February 2015. Further consultation on the budget for 2016/17 has been undertaken following Policy and Resources Committee on 16 December 2015.

6 BACKGROUND PAPERS

6.1 Asset, Regeneration and Growth Committee Commissioning Plan 2015-20.

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Appendix A: Assets, Regeneration and Growth Committee Commissioning Plan - Annual Performance Report 2015/16

The tables below provide a review of the **Assets, Regeneration and Growth** Committee Commissioning Plan for 2015/16, against each of the Commissioning Intentions and outcome measures for the following service areas:

- Growth and Regeneration
- Entrepreneurial Barnet
- Asset Management

| Growth and Regeneration | | | |
|-------------------------|------------------------|---|---------|
| Commissioning Intention | RAG | Commentary | Service |
| Successful regeneration | Green Amber | <p>There has been good progress within the regeneration estates regarding housing delivery. Grahame Park has achieved forecast delivery, West Hendon and Stonegrove have exceeded targets and Dollis Valley is only 5% below target. However, construction at Mill Hill has been slower than expected, but delivery here is entirely in the hands of the new land owners.</p> <p>Following delays and objections at the start of the CPO for West Hendon Phase 3, the impact of delays has been turned around and demolition is imminent at Tyrrel Way, Mariotts Close and Frankin House. All residents with the exception of one property have received substantial incentives and the Development Partners have now requested bringing forward Phase 3C (delivering 356 new dwellings). In terms of the next major CPO process, at BXC, preparations are well underway for the CPO 1 and 2 hearings in May.</p> <p>The new Chief Planner (Head of Strategic Planning) joined the service in February 2016 and has been working with the service to assess delivery and resources to ensure Strategic Planning staff are able to fully support regeneration efforts. Preparation for the Local Plan Review in 2017 is underway, and the first meeting of the cross-party Members Local Plan Group has taken place.</p> | Re |

| Ref | | Indicator | Period covered | 2014/15 Result | 2015/16 Target | 2015/16 Result | Direction of Travel | Benchmarking | Service |
|-----|-------------|--|---------------------|----------------|----------------|--------------------------|---------------------|---|---------------------|
| CPI | REGENKPI 01 | New homes completed | Apr 2015 - Mar 2016 | 1,108 | 1,253 | 689 (R) (Provisional) | Worsening | N/A | Re |
| CPI | REGENKPI 05 | Affordable homes | Apr 2015 - Mar 2016 | N/A | 248 | 148 (R) | N/A | N/A | Re |
| KPI | EH04A | Number of empty properties brought back into residential use | Apr 2015 - Mar 2016 | 130 | 100 | 229 (G) | Improving | Brent 141, Camden 518, Enfield 264, Harrow 214 (2012/13, London Development Database) | Re |
| N/A | CG/C1 | Number of jobs | 2014 | 159,000 (2013) | Monitor | 165,000 (2014) | Improving | N/A | Commissioning Group |

| Entrepreneurial Barnet | | | |
|---|--------------|---|---------------------|
| Commissioning Intention | RAG | Commentary | Service |
| Barnet is the best place in London to be a small business | Green | The council has been working with Re to develop a business hub model that focuses on encouraging high-potential businesses to establish themselves and grow. A previous bid for external funding to deliver this was not successful, so a new approach making use of council assets is in development, and will be considered by ARG committee in June 2016. An insight project to understand the causes of Business Failure is currently underway with initial analysis already completed. A number of business-focused events have been undertaken focusing on procurement and apprenticeships. Work is ongoing to influence the sub-regional growth agenda through the West London Alliance. | Commissioning Group |

| Commissioning Intention | RAG | Commentary | Service |
|-------------------------|--------------|--|---------------------|
| Thriving town centres | Green | The “Town Centre Offer” has been published on the council website on 13 April 2016 following an extensive period of development and testing with officers. The “offer” will make it easier for local groups to drive forward projects to improve their local area. Detailed design work for Burnt Oak place-based pilot strategy has been completed, with works to commence towards the end of 2016. A project to deliver a strategy for improving Finchley Church End Town Centre has been put out to tender in May 2016 and will be completed towards the end of 2016. | Commissioning Group |

| Ref | | Indicator | Period covered | 2014/15 Result | 2015/16 Target | 2015/16 Result | Direction of Travel | Benchmarking | Service |
|-----|------------|--|---------------------|----------------|-----------------------------|-------------------|---------------------|--|---------|
| SPI | SK1 | Business survival rate (<i>% points better than average increase by comparable boroughs</i>) | Apr 2015 - Mar 2016 | 4.29 % points | 4.16 % points | 1.94 % points (R) | Worsening | Comparable Boroughs average = 2.16 % points better than baseline | Re |
| CPI | SK3 | Vacant high street properties | Apr 2015 - Mar 2016 | 4.64% | Same as comparable boroughs | Not available | N/A | Not available | Re |
| KPI | KPI001 A&A | Planning Compliance | Jan-Mar 2016 | 91.6% | 75.0% | 87.3% (G) | Worsening | Newham 97% Brent 70%, Enfield 83% Haringey 76% (Quarter 4, DCLG) | Re |
| KPI | EH01A | Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) | Jan-Mar 2016 | 97.0% | 95.0% | 96.9% (G) | Worsening | Ealing 75.7% (2013/14) 81.5% (Q1 2014/15) LBB survey | Re |

| Ref | | Indicator | Period covered | 2014/15 Result | 2015/16 Target | 2015/16 Result | Direction of Travel | Benchmarking | Service |
|-----|----------------|---|---------------------|----------------|--|----------------|---------------------|--|---------|
| CPI | EH01B | Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests) | Jan-Mar 2016 | 83.3% | 100.0% | 100.0% (G) | Improving | Ealing 75.7% (2013/14) 81.5% (Q1 2014/15) LBB survey | Re |
| SPI | TSLPKI04 | Appropriate response to statutory deadlines in relation to the Licensing and Gambling Act (dealt with to pre-set standards) | Jan-Mar 2016 | 98.5% | 70.0% | 96.8% (G) | Worsening | Not available | Re |
| SPI | KPI001 LC | Average time taken to process requests for Full Official Searches (online and post) in Land Charges (days) | Jan-Mar 2016 | 2.11 | 3.00 | 4.31 (GA) | Worsening | Not available | Re |
| SPI | Re/C5 (Annual) | Re – Service satisfaction | Apr 2015 - Mar 2016 | 51% | 54.83% (based on 7.5% average improvement) | 56.28% (G) | Improving | Not available | Re |


| Asset Management | | | |
|---------------------------------------|--------------------|--|--------------------------------------|
| Commissioning Intention | RAG | Commentary | Service |
| Reduced costs of office accommodation | Green | <p>The Accommodation Implementation Programme (AIP) was implemented over the period Spring to Autumn 2015, with the goal of enabling the London Borough of Barnet (LBB) to vacate Building 4 at North London Business Park (NLBP). This was successfully achieved on the 17 October 2015 with the confirmation by the Landlord that vacant possession had been achieved. This resulted in a reduction in rental liability to the council of £2.3 million per annum.</p> <p>The opportunity to build on the success of the AIP project is immediate with the second phase of the OARS project (relocation to Colindale) now underway. In order to further inform this process, a workplace consultant is undertaking a Post Occupancy Evaluation to look at metrics such as: actual utilisation rates; staff satisfaction; behavioural observations etc. in order to learn valuable lessons for the future move to Colindale.</p> | CSG Estates and Corporate Programmes |
| Fit for purpose community assets | Green Amber | The Community Benefit Assessment Tool has been developed for use by CSG Estates in the implementation of the Community Asset Strategy. This should ensure that new or renewed leases are negotiated fairly and transparently across the borough. A Community Projects Board has been established to coordinate all new community projects, which include new Community Centres at Tarling Road, Daws Lane, Chandos Avenue, Sweets Way and Graham Park. | CSG Estates and Corporate Programmes |

| Ref | Indicator | Period covered | 2014/15 Result | 2015/16 Target | 2015/16 Result | Direction of Travel | Comments | Service |
|-----|---|----------------|----------------|----------------|----------------|---------------------|--|---------|
| SPI | Running costs of estate (designated civic buildings only) | Apr 15-Mar 16 | £8.7m | £6.8m | £7.3m (RA) | Improving | As a result of increased security, rates & rents and depot transition costs. | CSG |

| Ref | Indicator | Period covered | 2014/15 Result | 2015/16 Target | 2015/16 Result | Direction of Travel | Comments | Service |
|-----|---|----------------|----------------|----------------|----------------|---------------------|--|---------|
| SPI | Income from the estate | Apr 15-Mar 16 | N/A | £2.2m | £2.026m (GA) | N/A | Awaiting completion of lease renewal for Claremont Way Industrial Estates (£320k). The £2.2m target is applicable to contract start date 1 Sep 15 to 31 Aug 16 | CSG |
| N/A | Value of civic estate assets | Apr 15-Mar 16 | N/A | N/A | £34.7m | N/A | | CSG |
| N/A | Total value of civic estate assets as a percentage of total spend | Apr 15-Mar 16 | N/A | N/A | 475% | N/A | | CSG |

Key:

| Ref | RAG Rating | Percentage of Targeted Improvement Achieved | |
|--|--------------------|---|--|
| CPI = Corporate Plan Indicator for 2016/17 | Green | 100% or more | Target is met or exceeded |
| SPI = Commissioning Plan Indicator for 2016/17 | Green Amber | >80% <100% | Target not met, but 80% or more of targeted improvement achieved |
| | Red Amber | >65% <80% | Target not met, but 65-80% of targeted improvement achieved |
| | Red | <65% | Target not met, and less than 65% of targeted improvement achieved |

| | |
|---|---|
|  | AGENDA ITEM 8 Assets, Regeneration & Growth Committee 11 July 2016 |
| Title | Development of new affordable homes by Barnet Homes Registered Provider (“Opendoor Homes”) |
| Report of | Commissioning Director, Growth & Development |
| Wards | Burnt Oak, Colindale, East Finchley, Finchley Church End, Hale, High Barnet, Totteridge, Underhill, Woodhouse |
| Status | Public |
| Urgent | No |
| Key | Yes |
| Enclosures | Appendix 1: Tranche 3 site locations and expected volume of properties (by phase) Appendix 2: Map of the site locations Appendix 3: Outline Business Case |
| Officer Contact Details | Derek Rust, Deputy Chief Executive, Barnet Homes: derek.rust@barnethomes.org , 020 8359 4826 Meera Bedi, Interim Head of Development, Barnet Homes: Meera.bedi@barnethomes.org , 020 8359 5243 |

| |
|--|
| <h2>Summary</h2> |
| <p>The Council’s Housing Strategy 2015-2025 sets out how the Development Pipeline Programme will include the building of new homes on existing council land held in the Housing Revenue Account (HRA) to be delivered by the Council’s Arm’s Length Management Organisation (ALMO), Barnet Homes. To date, 43 new homes have completed.</p> <p>Barnet Homes is in the process of establishing a new Registered Provider, Opendoor Homes, which will operate as a wholly owned subsidiary of the ALMO. It is proposed that Opendoor Homes will initially develop and own 320 new homes on HRA sites, supported by a loan provided by the Council (approved in principle by Policy and Resources Committee at their meeting of 16 February 2016 for up to £65m). The 320 new homes will form the next phase of development as part of the Development Pipeline.</p> <p>Barnet Homes have reviewed a number of sites on HRA land which they propose can</p> |

deliver an initial programme of approximately 320 new homes. Sites for phase 1 of the programme were approved by Assets, Regeneration & Growth Committee on 17 March 2016.

This report seeks approval of the outline business case to submit planning applications with a view to developing up to 150 homes on the sites set out in appendix 1 of this report, as phase 2 of the programme.

Should any sites not progress through the planning process, this report also seeks delegated authority to the Commissioning Director, Growth & Development, in consultation with the Chairman, to approve any necessary substitution of sites proposed in the programme, subject to necessary due diligence and permissions and consultation with Ward Members.

Recommendations

- 1. That the Committee approves the outline business case (please see Appendix 3) for Opendoor Homes, a subsidiary of Barnet Homes, and delegates authority to officers to make planning applications with a view to developing 150 homes for affordable rents.**
- 2. That the Committee approve the location of the sites included in Phase 2 of the development programme and set out in Appendix 1.**
- 3. That authority to agree substitution of sites in the programme is delegated to the Commissioning Director, Growth & Development, in consultation with the Chairman and subject to necessary due diligence and permissions and consultation with Ward Members.**
- 4. That authority to agree acquisition of homes for sale on the open market that may further enable the development of sites in the programme is delegated to the Commissioning Director, Growth & Development, in consultation with the Chairman subject to necessary due diligence and permissions.**
- 5. That the Committee note a further report to approve the final Full Business Case for Phase 2 of the development programme will be brought to Committee in December 2016.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Assets, Regeneration and Growth Committee (ARG) approved at its meeting on 9 July 2014, the approach to, and the principles underpinning, the creation of a Development Pipeline on council owned land.
- 1.2 The Council's Housing Strategy 2015-2025 sets out how the Development Pipeline will include the building of new homes on existing council land held in

the Housing Revenue Account (HRA) to be delivered by the Council's Arm's Length Management Organisation (ALMO), Barnet Homes. The new homes to be built covered by this report will all be for let at affordable rents.

- 1.3 A high level review of existing housing land owned by the Council suggests that there is potential capacity to build up to 700 new homes on HRA sites across the Borough.
- 1.4 As part of the review of the Council's Management Agreement with Barnet Homes that was undertaken in 2015, a target has been agreed for Barnet Homes to build 500 new homes by 2022, including 320 by 2020.
- 1.5 Barnet Homes has already built 30 new homes on behalf of the Council as part of an earlier development programme.
- 1.6 The Assets, Regeneration and Growth Committee (ARG) approved at its meeting on 30 November 2015 that Barnet Homes should proceed with initial feasibility works for 120 new homes, with the expectation that this would increase to 320 subject to them successfully establishing a Registered Provider (RP) subsidiary.
- 1.7 Since then, Barnet Homes have reviewed a number of the available HRA sites and identified sites upon which, initially, 320 of the 500 projected target new homes could be built. There are various reasons why the identified sites were chosen for potential residential development:
 - 1.7.1 Most garage sites are underused so return little rental income and/or have become unsightly and cause blight.
 - 1.7.2 The sites tend to be within existing residential areas so the proposed accommodation would be appropriate to its surroundings.
 - 1.7.3 Sites with poor quality amenity space could be improved through the design proposals.
 - 1.7.4 Blighted sites in the absence of the proposed development may otherwise remain so.
 - 1.7.5 There is often land capacity within an estate.
- 1.8 The proposed initial development programme of approximately 320 units is called "Tranche 3" and comprises:
 - **Phase 1** – 170 new homes delivered by March 2018, including 101 units that have grant-funding from the Greater London Assembly, and;
 - **Phase 2** – 150 new homes delivered by March 2020.
- 1.9 At the Assets, Regeneration and Growth Committee on 17 March 2016 sites for Phase 1 of the Tranche 3 programme were agreed. Delegated authority

was given to the Commissioning Director of Growth and Development to substitute sites into phase 1 if any of the sites were not able to be developed.

- 1.10 Two of the sites were not progressed because they were on flood risk zones and two sites were pushed back in the programme because of the required design lead in period. An updated schedule of sites is included as Appendix 1.
- 1.11 Potential sites have been identified for Phase 2 of the Tranche 3 development programme. Barnet Homes' design team has instructed professional surveys and developed design proposals, as well as started member and local consultation, and it is recommended that approval is given to Barnet Homes to develop these sites.
- 1.12 Proposals for the remaining 180 homes included in the Management Agreement target of 500 new homes referred to in 1.4 above will be brought forward in due course.
- 1.13 Barnet Homes is in the process of establishing a new Registered Provider (RP), Opendoor Homes, with the Homes and Communities Agency which will operate as a wholly owned subsidiary of the Barnet Homes Arm's Length Management Organisation (ALMO).
- 1.14 It is proposed that Opendoor Homes will develop and own the 320 new homes on HRA sites which will be transferred at nil value, supported by a loan provided by the Council.
- 1.15 The land will be transferred at nil value to enable the properties to be built out for affordable rent in an attempt to reduce the growing costs of providing temporary accommodation for homeless clients who are Barnet's responsibility.
- 1.16 The loan to Opendoor Homes was approved in principle by Policy and Resources Committee on 16 February 2016 and is conditional upon approval of Registered Provider status by the Homes and Communities Agency. The benefits to the Council of the loan to Barnet Homes include the following:
 - 1.16.1 For every new home for affordable rent developed via this route, the Council will receive £2,000 per annum to support the General Fund costs of providing the Housing Options service.
 - 1.16.2 The Council will benefit financially as it will be repaid at a rate of 1.24% on the proposed loan from the Public Works Loan Board (PWLB) on the sum borrowed.
 - 1.16.3 The increase in supply of affordable housing should lead to a reduction in the use of temporary accommodation. This will also provide an annual net saving to the Council of approximately £2,000 per unit.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Council's Housing Strategy 2015-2025 identifies the need to increase housing supply and to deliver homes that people can afford. The proposals contained in this report will facilitate the delivery of new homes for affordable rent in the borough. The affordable rent will be set at 65% of the market rent, in line with the Council's affordable rents policy.
- 2.2 The new 10 year Management Agreement with Barnet Homes includes a target of developing 500 homes for affordable rent by March 2022, to be built and owned by the new RP subsidiary, Opendoor Homes and managed through Barnet Homes.
- 2.3 The loan proposals outlined in section 1 of this report will have a financial benefit to the Council as set out in 1.14 of this report.
- 2.4 The delivery of new affordable rented homes will help to meet the objective in the Council's Housing Strategy to prevent and tackle homelessness, by reducing the use of temporary accommodation.
- 2.5 All the new homes provided will meet the Lifetime Homes standard. At least 10% will be fully wheelchair adapted, meeting the objective in the Council's Housing Strategy of providing housing to support vulnerable people.
- 2.6 Barnet Homes has undertaken initial consultation with ward members on the sites. Further consultation with key stakeholders including the affected local communities will be undertaken and comments and feedback received will inform the design of the sites.
- 2.7 There are social benefits associated in developing these sites. The design proposals will improve the landscape of the sites and help to design out any areas of blight and improvements will be made to local amenity space.
- 2.8 A high-level review of the proposed accommodation on the sites shows that at least 1,000 bed spaces could be created by developing 320 new homes, providing a cost effective alternative to expensive temporary accommodation.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council could decide not to build new homes on HRA Land, this would not meet the objectives set out in the Council's Housing Strategy and is not recommended.
- 3.2 The Council could dispose of the land but again this would not meet the objectives set out in the Council's Housing Strategy and is not recommended.
- 3.3 Transferring the sites to an alternative Registered Provider for housing development would provide new affordable housing and contribute to the supply of housing overall within the borough but is not recommended if the Council has its own Registered Provider, of which it is the sole shareholder. The Council would also be unlikely to benefit from the substantial additional financial benefits that will be provided through transferring the sites to Opendoor Homes (please see section 1.14).
- 3.4 The Council could develop the homes itself using Housing Revenue Account (HRA) funding however there is currently insufficient capacity to support this volume of new homes to be funded within the HRA. This would not meet the delivery objectives set out in the Council's Housing Strategy and would also be unlikely to benefit from the substantial additional financial benefits that will be provided through transferring the sites to Opendoor Homes.

4. POST DECISION IMPLEMENTATION

- 4.1 Barnet Homes will seek to finalise approval for the establishment of Opendoor Homes with the Homes and Communities Agency by July 2016, following which part of the loan, linked to expenditure incurred thus far will be made available to the new RP by the Council. Further information regarding the loan is in the Policy & Resources paper from February 2016.
- 4.2 Barnet Homes/Opendoor Homes will proceed with submitting planning applications for the sites in phase 2 of this development programme from July 2016-March 2017. The site locations, a brief description of the site and expected volume of properties is included as Appendix 1.
- 4.3 This report seeks approval for authority to be delegated to the Commissioning Director for Growth & Development to approve the substitution of appropriate and suitable alternative sites to ensure 320 new homes are provided should any sites not be progressed through the planning process. This would be subject to necessary due diligence and permissions and consultation with Ward Members.

4.4 Following the planning application process, Barnet Homes/Opendoor Homes will procure a contractor to develop the approved sites. The project will be funded via the loan from the Council as described in section 1 and as approved in principle by Policy and Resources Committee on 16 February 2016.

4.5

4.6 Reports will be brought forward to ARG seeking approval of the full business case for the development of the 320 homes and to transfer land to Opendoor Homes once the application for registration with the HCA has been approved and the loan facility completed and available.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Council's Corporate Plan 2015-20 states that the Council, working with local, regional and national partners, will strive to ensure that Barnet is a place:

- Of opportunity, where people can further their quality of life
- Where people are helped to help themselves, recognising that prevention is better than cure
- Where responsibility is shared, fairly
- Where services are delivered efficiently to get value for money for the taxpayer

5.1.2 The Council's Corporate Plan also sets out how residents will see a responsible approach to regeneration, with new homes built and job opportunities created.

5.1.3 London Plan and Barnet's Local Plan recognise the need for more homes in the capital. Managing housing growth and the provision of new homes is the first objective set out in Barnet's Core Strategy. The London Plan and Core Strategy set challenging targets for the delivery of new housing, with the former having increased the minimum annual target for Barnet to 2,439 homes per annum.

5.1.4 The highest priority of the Council's Housing Strategy is increasing the supply of housing with the population of Barnet forecast to increase by 19% over the next 25 years.

5.1.5 London Plan and Barnet's Local Plan recognise the need for more homes in the capital. Managing housing growth and the provision of new homes is the first objective set out in Barnet's Core Strategy. The London Plan and Core Strategy set challenging targets for the delivery of new housing, with the former having increased the minimum annual target for Barnet to 2,439 homes per annum.

- 5.1.6 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.
- 5.1.7 Lack of affordable housing is highlighted in Barnet's Joint Strategic Needs Assessment (JSNA) as one of the top three concerns identified by local residents in the Residents' Perception Survey.
- 5.1.8 The Tranche 3 development programme will be managed by Barnet Homes with strategic management and oversight from the Development Pipeline Project Board, as well as biannual update reports to ARG to review the programme milestones and costs.
- 5.1.9 Progress updates will be included in the Council's Annual Regeneration Report with analysis of spend against the budget, completions against the target and narrative on how value for money has been achieved (as discussed further in 5.2.5).
- 5.1.10 The Tranche 3 development programme will also be monitored against KPIs set in the Assets, Regeneration and Growth Committee's Commissioning Plan.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 An exercise has been completed by 31ten Consulting, an independent development consultancy, on behalf of the Council to review the level of the loan required for Opendoor Homes and the potential interest rate that should be used.
- 5.2.2 This included a sensitivity and scenario analysis to establish the potential risks to any loan from the Council to Opendoor Homes, the new Registered Provider. The review also assessed different scenarios on the financial model such as varying the build cost, development delays and different interest rates.
- 5.2.3 The review concluded that Barnet Homes would borrow £57.5m in stages to deliver the 320 new affordable homes to rent, which would be paid back within 32 years. Barnet Homes will pay a margin of 1.24% on the loan, along with an annual payment of £2000 per property upon completion which provides a source of income to the Council. Further detail regarding the loan is included in the Policy and Resources Committee report of 16 February 2016.
- 5.2.4 At present it is proposed to draw down the loan for Tranche 3 in the following instalments.

| | £000s | £000s | £000s | £000s | £000s |
|--------|--------------|---------------|---------------|--------------|---------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total |
| Oct-16 | 2,500 | | | | |
| Mar-17 | 3,900 | | | | |
| Jun-17 | | 5,000 | | | |
| Sep-17 | | 6,000 | | | |
| Dec-17 | | 6,000 | | | |
| Mar-18 | | 8,000 | | | |
| Jun-18 | | | 6,000 | | |
| Sep-18 | | | 6,000 | | |
| Dec-18 | | | 5,000 | | |
| Mar-19 | | | 4,600 | | |
| Jun-19 | | | | 2,000 | |
| Dec-19 | | | | 2,500 | |
| | 6,400 | 25,000 | 21,600 | 4,500 | 57,500 |

5.2.5 Currently there are 170 homes within Phase1 which it is estimated will require circa £30m and 150 homes within Phase 2 which it is estimated will require around £27m of the loan. Outlined below at high level is how the estimated costs have been built up.

Tranche 3 Phase 1 – 101 homes (part GLA funded)

| | |
|-----------------------|-------------------------|
| Build cost | £1,934 per meter square |
| Total estimated build | 7,843 meters square |
| Total build cost = | <u>£15,168,362</u> |
| On costs 14% | £2,123,571 |
| Capitalised interest | £648,783 |
| Total scheme cost | <u>£17,940,716</u> |

(Excludes GLA grant)

Tranche 3 Phase 1 – 69 homes

| | |
|-----------------------|-------------------------|
| Build cost | £1,934 per meter square |
| Total estimated build | 5,309.2 meters square |
| Total build cost = | <u>£10,267,993</u> |
| On costs 14% | £1,437,519 |
| Capitalised interest | £527,592 |
| Total scheme cost | <u>£12,233,104</u> |

Tranche 3 Phase 2 – 150 homes

| | |
|-----------------------|-------------------------|
| Build cost | £1,934 per meter square |
| Total estimated build | 11,805 meters square |
| Total build cost = | <u>£22,830,870</u> |

| | |
|----------------------|--------------------|
| On costs 14% | £3,196,322 |
| Capitalised interest | £1,566,656 |
| Total scheme cost | <u>£27,593,848</u> |

- 5.2.6 The Gateway review process will be used to release each of the stage payments. A value for money statement will be prepared by an independent cost consultant that includes benchmarked costs.
- 5.2.7 Procurement of the design and build contractor will follow an OJEU compliant process; Barnet Homes has access to different procurement frameworks that could be utilised dependent on achieving the best quality and value for money using Barnet Homes' procurement procedures.
- 5.2.8 Build costs will be benchmarked against other local tender prices by the project cost consultant as well as through the Shelton Development Service's Catalyst Benchmarking Club which benchmarks development costs for the G15¹ housing associations, registered providers and local authorities.
- 5.2.9 The Full Business Case for the project, including the tendered build costs, will be brought to ARG in December 2016 prior to signing contracts and starting on site. This will include the value for money statement noted in 5.2.5.
- 5.3 It is proposed that the land is transferred at nil value to Opendoor Homes to enable development and a report will be brought forward to ARG seeking approval for this once the application for registration with the HCA has been approved. In addition, with some of the schemes opportunities may arise which enable purchase of homes that become available for sale on the open market that may further enable the development. It would be prudent in cost avoidance terms to take the opportunity to purchase those homes and authority is also sought with suitable delegation to enable that this can occur with appropriate due diligence.

5.4 Social Value

- 5.4.1 Barnet Homes will seek to provide employment opportunities for local people and opportunities for small and medium enterprises through the procurement of the construction contract for the delivery of affordable housing.
- 5.4.2 This will be achieved by incorporating an assessment of the social value contractors can deliver, and will form part of the selection criteria in the procurement process.

5.5 Legal and Constitutional References

- 5.5.1 Council Constitution, Responsibility for Functions, Annex A – The Assets, Regeneration and Growth Committee has responsibility for “Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council”.

¹ The G15 are London's 15 largest housing associations

5.5.2 Council, Constitution, The Management of Assets, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop, appropriate, change use of or dispose of Assets within its Asset Portfolio. The Rules inter alia are aimed at enabling the Council's holdings of land and property to be maintained and developed in a manner which enhances Social Value. Section 2.8 states that the "Strategic Asset Management Plan will govern decisions on the future direction of the development of the Council's Built Environment".

5.5.3 Site specific legal [title] matters for the sites included in the programme have been explored through joint working with LBB Customer & Support Group and HB Public Law.

5.6 Risk Management

5.6.1 The table below sets out the key risks associated with the proposals to develop the sites and their mitigation.

| Risk | Mitigation |
|---|---|
| There is a risk that Barnet Homes do not secure approval for its application for Registered Provider status for Opendoor Homes from the Homes and Communities Agency. | <p>Barnet Homes have received professional advice throughout the registration process from Campbell Tickell, specialists in this field.</p> <p>Part 1 of the application was successfully completed.</p> |
| There is a risk that planning approval is not granted for one or more of the sites. | <p>Barnet Homes have engaged with the Planning Service from early on in the process and pre-application meetings are being held regularly.</p> <p>Barnet Homes have also employed experienced Planning Consultants to assist with the Planning process.</p> <p>A stakeholder engagement plan has been drafted to ensure that Members and local communities are sufficiently consulted throughout the process.</p> <p>Alternative sites have been identified with development potential, should a site drop out of the programme that could be substituted into the programme.</p> |
| There is a risk that one or more of the sites does not have clean legal title. | Barnet Homes has worked with CSG Property Services and HB Public Law to obtain site assembly packs, including reports on legal title. Any legal issues are being referred to HB Public Law, or external legal advisors if necessary, for |

| | |
|---|--|
| | advice on resolution prior to the start of any works on site. |
| There is a risk that we do not receive funding from the Greater London Authority. | We have maintained our approved partner status with the GLA and we have kept them informed of progress on our sites and we attend quarterly monitoring meetings with them. |
| There is the risk that following procurement and design development, final build costs will be higher than current estimates. | <p>It is understood that there is provision within the loan agreement for increasing the loan should the build costs increase.</p> <p>A value engineering exercise will be completed by the project team following the procurement process to ensure that schemes are delivered that offer the best value for money.</p> <p>There is also the possibility that we could borrow more than the projected £57.5m up to the maximum of £65m.</p> |

5.7 Equalities and Diversity

- 5.7.1 The new affordable housing units delivered by Opendoor Homes will be let in accordance with the Council's Allocations scheme, which has been subject to a full equalities impact assessment which included extensive consultation with residents, housing applicants and other stakeholders, including local Housing Associations and third sector organisations.
- 5.7.2 A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet's Community.
- 5.7.3 In addition a full equalities and impact assessment was carried out on the Development Pipeline and approved by the Development Pipeline Project Board on 14 April 2016.
- 5.7.4 The proposals in this report do not raise any negative impacts for equalities and demonstrate that the Council has paid due regard to equalities as required by the legislation. The proposals anticipate a positive impact for residents because they:
- Underline the Council's aim that all residents from our diverse communities – the young, old, disabled people and those on low incomes – benefit from the opportunities of growth.
 - Contribute to Barnet's commitment to fairness - to be mindful of the concept of fairness and in particular, of disadvantaged communities - which was adopted at Policy and Resources Committee in June 2014.

- Form part of Barnet's Housing Strategy 2015-2025 which includes the objective to deliver homes that people can afford.
- Provide homes for people who are homeless and may be currently disadvantaged.

5.8 Consultation and Engagement

- 5.8.1 Extensive consultation was undertaken in relation to the Housing Strategy, including a 12 week public consultation between 6 January 2015 and 31 March 2015. The consultation included an online survey as well as presentations to the Housing Forum, Barnet Homes Performance and Advisory Group, and Barnet Landlords Forum. The consultation was reported in full to Housing Committee on 19 October 2015.
- 5.8.2 Barnet Homes customers were asked "What are your priorities for new affordable housing in Barnet?" as part of a consultation on the new ten year Management Agreement recently agreed with the ALMO. Survey respondents identified provision of housing as a priority and were positive about Barnet Homes proposed role in building new affordable housing. The need for more affordable housing in Barnet was acknowledged as a key priority that would help to address concerns raised about homelessness in the Borough.
- 5.8.3 A stakeholder consultation plan is in place to ensure that key stakeholders are sufficiently consulted through the process. Ward councillors, residents and communities local to each site are being consulted prior to the planning applications being submitted. Public resident consultation meetings will be held where required and individual consultations will be undertaken with residents as requested. Feedback from the consultation activities will be included in the final scheme designs.

5.9 Insight

- 5.9.1 The Council's Housing Strategy, which identifies the need for new affordable homes, is supported by a comprehensive evidence base, including a Housing Needs Assessment and a study of affordability carried out by the Council's insight team.

6. BACKGROUND PAPERS

- 6.1 Cabinet Resources Committee, 24 June 2013, 'Local Authority New Housing Programme'<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=7457&Ver=4>
- 6.2 Assets Regeneration and Growth Committee, 9 July 2014, Strategic Asset Management Plan
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4> .
- 6.3 Assets Regeneration and Growth Committee, 8th September 2014, Strategic Asset Management Plan

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7885&Ver=4>

- 6.4 Assets Regeneration and Growth Committee, 15 December 2014, Strategic Asset Management Plan
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>
- 6.5 Assets Regeneration and Growth Committee, 15 December 2014, Local Authority New Housing Programme (Barnet Homes)
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>
- 6.6 Council, 20 October 2015, Report of Policy and Resources Committee – The Barnet Group – Creation of new legal entity and subsidiary
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8340&Ver=4>
- 6.7 Council, 20 October 2015, Report of Housing Committee – Housing Strategy and Commissioning Plan
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8340&Ver=4>
- 6.8 Housing Committee, 19 October 2015, Housing Revenue Account (HRA) Business Plan
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&MId=8268&Ver=4>

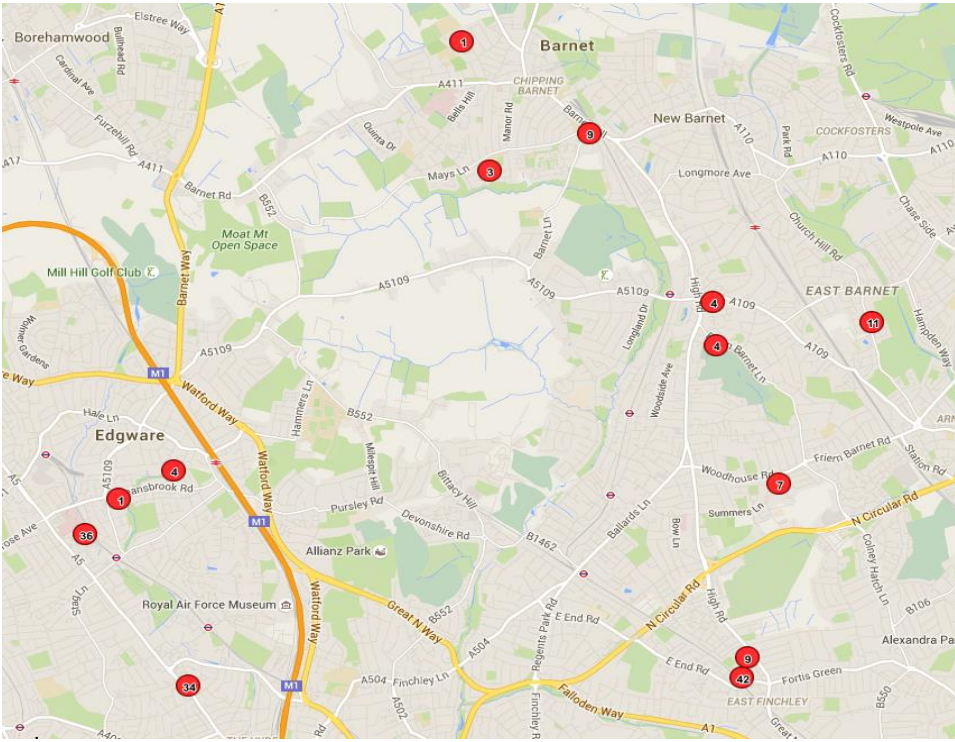
- 6.9 Assets Regeneration and Growth Committee, 30 November 2015, Housing Development Pipeline- Barnet Homes
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8311&Ver=4>
- 6.10 Policy and Resources Committee, 16 February 2016, Loan to Barnet Homes' Registered Provider (Opendoor Homes) for the development of new affordable homes
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8351&Ver=4>
- 6.11 Assets, Regeneration and Growth Committee, 17 March 2016, Development of new affordable homes by Barnet Homes Registered Provider ("Opendoor Homes")
<http://barnet.moderngov.co.uk/documents/s30501/Development%20of%20new%20affordable%20homes%20by%20Barnet%20Homes%20Registered%20Provider.pdf>
- 6.12 There was a Delegated Powers Report of 2 June 2016 where the Commissioning Director of Growth and Regeneration approved the substitution of some sites within the programme in order to ensure outcome targets can be met.

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Tranche Three Site List

| Phase | Site | Post code | Estimated number of homes | Ward | Existing site | Site opportunities |
|-------|--|-----------|---------------------------|---------------------|--|--|
| 1 | Basing Way Garages | N3 3DA | 14 | Finchley Church End | This is a garage site to the rear of the estate, surrounded by 2-4 storey flatted blocks. | Flatted block in keeping with surrounding blocks and improvements to local parking and landscaping/amenity space. |
| 1 | Basing Way Green | N3 3DA | 43 | Finchley Church End | Large grassed area adjacent to the A406. The site is partially covered by unused overgrowth. | Flatted block in keeping with surrounding blocks and improvements to local parking and landscaping/amenity space. |
| 1 | Adamson Court | N2 9BW | 12 | East Finchley | A flatted block, previously used for young person's supported living. | 12 new flats with improved amenity space and car-free. |
| 1 | Elmshurst Crescent | N2 0LN | 13 | East Finchley | Garage site and grassed area on corner plot. | Flatted block in keeping with surrounding blocks and improvements to local parking and landscaping/amenity space. |
| 1 | Mount Parade Garages | EN4 9DD | 7 | East Barnet | Infill site on car park behind existing flatted block. | Flatted block with associated parking |
| 1 | Mount Pleasant Flats | EN5 9HG | 12 | East Barnet | Infill site adjacent to flatted block. | Flatted block with associated parking and improved amenity space for the wider estate. |
| 1 | Warwick Close | EN4 9SF | 6 | East Barnet | Grassed area along entrance to the estate and former drying area/hard-standing behind flatted block. | 2 mews style houses proposed on grassed area and small flatted block on rear hardstanding area. |
| 1 | Quinta Drive | EN5 3BW | 2 | Underhill | Garage site within a residential area. | 2 bungalows proposed in lieu of garages. |
| 1 | Ryecroft Crescent | EN5 3BP | 2 | Underhill | Garage site within a residential area. | 2 bungalows proposed in lieu of garages. |
| 1 | West Close | EN5 3BX | 3 | Underhill | Garage site within a residential area. | 3 houses proposed in lieu of garages. |
| 1 | Back Lane | HA8 0BA | 4 | Burnt Oak | Redundant infill site. | Four new homes with associated parking. |
| 1 | Crispin Road | HA8 9EN | 2 | Hale | Garage site | Two new houses proposed. |
| 1 | Hanshawe Drive | HA8 0HE | 6 | Burnt Oak | Existing garage site. | Six new houses are proposed with associated parking, including one wheelchair accessible home for a larger family. |
| 1 | Alexandra Road Garages | N10 2EY | 4 | Alexandra, Haringey | Garage site at rear of the estate. | Potential to provide 4 x 2 bed houses. |
| 1 | Linden Road & Pine Road | N11 1ER | 8 | Brunswick Park | There are three street-fronting infill sites. Two of these sites occupy street corners. | Proposal to provide 8 units across 3 potential site areas. |
| 1 | Woodcroft Avenue | NW7 2AH | 3 | Hale | An existing street corner property in disrepair and requiring extensive major works. | Demolition of existing house, replaced with 3 houses and off-street parking. |
| 1 | Salcombe Gardens | NW7 2NT | 6 | Mill Hill | Garage site behind shops and adjacent to Moreton Close. | 2 small flatted blocks proposed. |
| 1 | Reets Farm Garages | NW9 7HN | 1 | West Hendon | Existing garage site. | One new wheelchair accessible bungalow is proposed. |
| 1 | West Farm Place | EN4 9DS | 3 | East Barnet | Garage site adjacent to open space, adjacent to flatted blocks. | 4 flats with associated parking. |
| 1 | Westbrook Crescent | EN4 9AT | 2 | East Barnet | Garage site on corner plot. | 2 houses with associated parking. |
| 2 | Prospect Ring Garages | N2 8BP | 42 | East Finchley | Underused garages and 4 residential properties, surrounded by 11 storey flatted blocks. | 9-11 storey flatted block. |
| 2 | The Croft, Newton Walk | HA8 0BS | 36 | Burnt Oak | 25 predominantly 1-bed flats currently used as temporary accommodation. | Proposal to provide a mixture of 1 and 2-bed flats with parking and provision for cycle spaces. |
| 2 | Brunswick Park Road & Nurserymans Road | N11 1HA | 11 | Brunswick Park | Two site areas; disused garage site and existing house with small footprint on large site area. | Flats and houses across the two parts of the site. |
| 2 | Hook Walk | HA8 9EG | 1 | Burnt Oak | Disused land. | 1x 2 bed house |
| 2 | Cecil Court | EN5 4NX | 1 | High Barnet | Redundant grassed area at end of existing housing terrace. | 1x 2 bed house |
| 2 | 261 Summers Lane | N12 0JY | 7 | Woodhouse | Existing temporary accommodation units. | Four houses across the site. |
| 2 | Mayhill Road Garages | EN5 2NP | 3 | Underhill | Two underused garage site. | Three wheelchair units across the sites. |
| 2 | Underhill Croft | EN5 2BD | 9 | Underhill | Land adjacent to existing flatted block. | Small flatted block. |
| 2 | Sheaveshill Court | NW9 6SJ | 34 | Colindale | Section of land to the rear of the existing estate; the site is made up of underused garages, low quality amenity space and overgrown former allotments. | Potential to develop flatted blocks and houses. |
| 2 | Land Behind The Meads | HA8 9HE | 4 | Hale | Disused land behind existing residential area. | Four houses across the site. |
| 2 | Norfolk Close | N2 8ET | 9 | East Finchley | Land adjacent to existing flatted block. | Small flatted block. |
| 2 | Friern Court | N20 0NJ | 4 | Totteridge | Former boiler house and garages adjacent to existing flatted block. | Small flatted block. |
| 2 | Whetstone Close | N20 9EU | 4 | Totteridge | Underused garage site. | Small flatted block. |

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| Postcode | Location | Number |
|----------|---------------------------|--------|
| ENS 2BD | Underhill Croft | 9 |
| ENS 2NP | Mayhill Road Garages | 3 |
| ENS 4NX | Cecil Court | 1 |
| HA8 OBS | The Croft, Newton Walk | 36 |
| HA8 9EG | Hook Walk | 1 |
| HA8 9HE | Land Behind The Meads | 4 |
| | 164 Brunswick Park Road & | |
| N11 1HA | Nurserymans Road | 11 |
| N12 0JY | 261 Summers Lane | 7 |
| N2 8BP | Prospect Ring Garages | 42 |
| N2 8ET | Norfolk Close | 9 |
| N20 0NJ | Friern Court | 4 |
| N20 9EU | Whetstone Close | 4 |
| NW9 6SJ | Sheaveshill Court | 34 |

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Tranche 3 Phase 2 sites - preparation for planning approval

This Outline Business Case is a documentation of the justification for the undertaking of the above project. After sign off by the appropriate person(s), this brief will be extended and refined into the Full Business Case.

| | |
|-----------------|-----------------------------------|
| Author: | Meera Bedi |
| Date: | 20 June 2016 |
| Service / Dept: | Head of Development, Barnet Homes |

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1. Introduction

- 1.1** The Barnet Housing Needs Assessment estimates that 27,350 new homes will be required between 2015 and 2025. In addition to registered providers (RP) building new homes, the Council aims to develop its own land to provide mixed-tenure housing. It is intended that sites on Housing Revenue Account (HRA) land will be developed to provide housing for affordable rent.
- 1.2** Barnet's Housing Strategy 2015-2025 sets out the Council's objective to build 500 new affordable homes in the next five years. Tranche 0 (40 units) is due to complete in June 2016. Tranche 3 represents a further development programme with a target of 170 homes completed by March 2018 and a further 150 homes completed by March 2020 (320 in total).
- 1.3** It is proposed that Tranche 3 is delivered by Opendoor Homes, a Registered Provider (RP) which is a subsidiary of Barnet Homes, within The Barnet Group. The Barnet Group are in the process of registering the RP with the Homes & Communities Agency (HCA) and this is expected to be submitted by July 2016.
- 1.4** If The Barnet Group are successful in their application to the HCA to create the subsidiary RP, Opendoor Homes will initially develop and own the 320 new homes on Housing Revenue Account sites which will be transferred at nil value. The new homes would ultimately owned by the Council, as The Barnet Group's sole shareholder.
- 1.5** It is proposed that Tranche 3 is funded by on-lending from Barnet Council to Opendoor Homes. The Council commissioned independent financial advisors 31ten Consulting Limited (31ten) to carry out a review of the proposal to fund Opendoor Homes via debt finance provided by the Council. 31ten advised that the proposals to build 320 new homes are viable if the Council provides a loan of £57.5m at an interest rate of 4.65%.
- 1.6** The proposal to fund Tranche 3 through on-lending to Opendoor Homes is driven by a number of factors:
- Reduction of available funds within the Housing Revenue Account
 - Lack of available time to utilise Right to Buy (RTB) receipts before they have to be returned to government
 - The business case for on-lending to Opendoor Homes in terms of profit made on the interest in servicing the loan
 - The reduction in homelessness costs resulting from more available accommodation
 - A payment of £2,000 per property per year "dividend" to LBB
 - The RP can access GLA grant
 - Land capacity on HRA sites
 - Development capacity within the sites

- 1.7** The loan proposals for Tranche 3 from the Council to Opendoor Homes were approved in principle by Policy & Resources Committee on 16 February 2016 and recommended for approval by full Council on 1 March 2016.
- 1.8** At the Assets, Regeneration & Growth Committee on 30 November 2015 a budget of £2.1m was agreed for Barnet Homes to progress design proposals to Planning stage for 120 new homes, based on the available capacity within the Housing Revenue Account at the time to build 120 new homes. The approval included the expectation that Opendoor Homes would then reimburse this expenditure if the loan was approved.
- 1.9** Barnet Homes have since identified a number of sites on HRA land that would be suitable for affordable residential development. They have appointed a design team including architects and employer's agent that have progressed designs for each site. 20 sites have been identified for a first phase of development and 26 sites have been identified for the second phase of development.
- 1.10** The Assets, Regeneration & Growth Committee on 17 March 2016 approved the sites for Phase 1 of the Tranche 3 development programme. This OBC is for Phase 2, a further 150 new homes delivered as part of Tranche 3. On 2 June 2016 a Delegated Powers Report approved the substitution of undeliverable sites so the total number of units for Phase 1 of Tranche 3 is 86. The sites we lost were Burnt Oak Fields Garage and Park Road Pymmes Brook garage. Other sites have been brought forward to cover these units lost: Adamson Court, Mount Pleasant and Mount Parade.
- 1.11** Barnet Homes have assessed the risks of the project and these are outlined in section 6. Detailed risk registers for each site will be prepared ahead of the Planning submission dates and following completion of the professional surveys.

2. Reasons

- 2.1** The Council's Housing Strategy 2015-2025 identifies the need to increase housing supply and to deliver homes that people can afford. The proposals included in this business case will facilitate the delivery of new homes for affordable rent in the borough.
- 2.2** A high level review of existing housing land by the Council suggests that there is potential capacity to build up to 700 new homes on HRA sites across the borough.
- 2.3** The new 10 year Management Agreement with Barnet Homes includes a target of developing 500 homes for affordable rent to be built by March 2022, and owned by the new RP subsidiary, Opendoor Homes and managed through Barnet Homes.

- 2.4** Barnet Homes have reviewed several HRA sites and have identified sites upon which 320 new units could be developed.
- 2.5** For every new home for affordable rent developed via this route, the Council will receive £2,000 per annum from Opendoor Homes to support the General Fund costs of providing the Housing Options service.
- 2.6** The delivery of new affordable rented homes will help to meet the objective in the Council's Housing Strategy to prevent and tackle homelessness, by reducing the use of temporary accommodation.
- 2.7** A reduction in the use of temporary accommodation will also provide an annual net saving to the Council of approximately £2,000 per unit.
- 2.8** All the new homes provided will meet the Lifetime Homes standard. At least 10% will be fully wheelchair adapted, meeting the objective in the Council's Housing Strategy of providing housing to support vulnerable people.

3. Aims & Objectives

3.1 The strategic objectives of the project are:

- Supporting the housing needs of residents including reducing pressures on social and affordable housing
- Economic growth ensuring that the borough remains an attractive place to live whilst contributing towards its housing objectives
- The creation of high quality new housing
- Achieving high standards of sustainable development i.e. Life time Homes
- Creation of employment and training opportunities targeted at Barnet's disadvantaged groups, unemployed etc. through apprentice schemes with our contractors as well as the use of local small contractors for smaller sites.
- Creating opportunities to design out crime and improve community cohesion i.e. secure by design

3.2 The project objectives include:

- Appraisal of sites for potential affordable residential capacity
- To develop detailed designs and specifications within budget envelope and to expected design standards
- Develop the loan proposal for Opendoor Homes from the Council
- Achieve Planning consent for and develop 320 new properties for affordable rent on Housing Revenue Account (HRA) land
- Access grant-funding from the Greater London Authority (GLA)

- Undertake consultation with colleagues, Members and local communities prior to Planning submission and throughout the construction phase
- Prepare a procurement strategy that supports the business plan and delivers value for money
- To ensure that there is no missed opportunity to deliver benefits for residents including building good standard homes and developing attractive London Borough of Barnet estates

3.3 The Tranche 3 programme includes the following targets:

- **Phase 1** - 170 new homes delivered by March 2018, including 101 units that have grant-funding from the Greater London Assembly, and;
- **Phase 2** - a further 150 new homes delivered by March 2020.

A list of the proposed sites is included in section 4.8.

3.4 If the application to create a subsidiary RP is unsuccessful then the Council may be able to deliver new affordable homes using funding from the Housing Revenue Account and Right to Buy receipts on some of the sites identified for Tranche 3.

3.5 The sites proposed for inclusion in Tranche 3 have been chosen for the following reasons:

- Most garage sites are underused so return little rental income and/or have become unsightly and cause blight.
- The sites tend to be within existing residential areas so the proposed accommodation would be appropriate to its surroundings.
- The sites are small and mostly within existing council estates so would be less commercially attractive for mixed tenure schemes.
- Sites with poor quality amenity space could be improved through the design proposals.
- Blighted sites may otherwise remain so.
- There is land capacity within an estate.

3.6 Barnet Homes has employed a design team to progress site designs to Planning application stage. This includes architects, an employer's agent, Planning Consultant and technical surveys/site investigations. Barnet Homes' design team is experienced in delivering similar projects.

4. Options

4.1 The options for the development of HRA land are:

- Do nothing;

- Transfer HRA sites to a Registered Provider for social housing development;
- Dispose of the sites;
- The Council could develop new homes itself using HRA headroom and Right to Buy receipts;
- Mixed-tenure development;
- Develop HRA sites by Opendoor Homes on behalf of the Council.

4.2 The 'do nothing' option would not contribute to the Council's objective to build 500 units homes on HRA land by 2020.

4.3 Transferring the sites to a Registered Provider for housing development would provide new social housing and contribute to the supply of housing overall within the borough but would not meet the Council's target of building 500 units of council housing.

4.4 The sites could be disposed of through sale on the open market however this would not contribute to the Council's objective to build 500 units homes on HRA land by 2020.

4.5 The Council could develop new homes itself using HRA headroom and Right to Buy receipts. However, this would provide fewer new homes and would not provide the additional financial benefits of the Opendoor proposal as set out in 4.7 below.

4.6 The Council could deliver mixed-tenure schemes on these sites. However, the sites are mostly within existing Council estates so may be seen as less commercially attractive.

4.7 The preferred option is for homes on HRA sites to be developed by Opendoor Homes on behalf of the Council. Opendoor Homes will pay the Council a margin of 1.24% on the loan as well as an annual payment of £2000 for each new home delivered, which will provide income for the Council. This option will also help the Council meet its strategic objective of developing 500 new affordable homes.

4.8 *Feasibility studies*

Barnet Homes have completed feasibility studies for almost 50 HRA sites and it is proposed that 26 of these form phase 2 of Tranche 3.

An earlier version of the phase 1 schedule of sites has been updated following further design work. Two sites that were originally included in phase 1 have been aborted because they are on flood risk sites and two have been moved into phase 2 because of their longer design period.

The table below describes the sites included in phase 1:

| Tranche 3 Phase 1 Site List | Post Code | Estimated Number of Homes | Ward | Existing Site | Site Opportunities |
|--|----------------------|--|---------------------------|--|---|
| Basing Way Garages | N3 3DA | 14 | Finchley Church End | This is a garage site to the rear of the estate, surrounded by 2-4 storey flatted blocks. | Flatted block in keeping with surrounding blocks and improvements to local parking and landscaping/amenity space. |
| Basing Way Green | N3 3DA | 46 | Finchley Church End | Large grassed area adjacent to the A406. The site is partially covered by unused overgrowth. | Flatted block in keeping with surrounding blocks and improvements to local parking and landscaping/amenity space. |
| Elmshurst Crescent | N2 0LN | 11 | East Finchley | Garage site and grassed area on corner plot. | Flatted block in keeping with surrounding blocks and improvements to local parking and landscaping/amenity space. |
| Warwick Close | EN4 9SF | 7 | East Barnet | Grassed area along entrance to the estate and former drying area/hard-standing behind flatted block. | 2 mews style houses proposed on grassed area and small flatted block on rear hardstanding area. |
| Quinta Drive | EN5 3BW | 2 | Underhill | Garage site within a residential area. | 2 bungalows proposed in lieu of garages. |
| West Close | EN5 3BX | 3 | Finchley Church End | Garage site within a residential area. | 3 houses proposed in lieu of garages. |
| Ryecroft Crescent | EN5 3BP | 2 | Underhill | Garage site within a residential area. | 2 bungalows proposed in lieu of garages. |

Outline Business Case

| | | | | | |
|-------------------------|---------|----|---------------------|---|--|
| Alexandra Road Garages | N10 2EY | 4 | Alexandra, Haringey | Garage site at rear of the estate. | Potential to provide 4 x 2 bed houses. |
| Woodcroft Avenue | NW7 2AH | 3 | Hale | An existing street corner property in disrepair and requiring extensive major works. | Demolition of existing house, replaced with 3 houses and off-street parking. |
| Linden Road & Pine Road | N11 1ER | 8 | Brunswick Park | There are three street-fronting infill sites. Two of these sites occupy street corners. | Proposal to provide 8 units across 3 potential site areas. |
| Salcombe Gardens | NW7 2NT | 6 | Mill Hill | Garage site behind shops and adjacent to Moreton Close. | 2 small flatted blocks proposed. |
| West Farm Place | EN4 9DS | 4 | East Barnet | Garage site adjacent to open space, adjacent to flatted blocks. | 4 flats with associated parking. |
| Westbrook Crescent | EN4 9AT | 2 | East Barnet | Garage site on corner plot. | 2 houses with associated parking. |
| Adamson Court | N2 9BW | 12 | East Finchley | Existing block previously used for young person's supported living. | 12 flats; car free scheme proposed. |
| Mount Pleasant | EN5 9HG | 15 | East Barnet | Infill site adjacent to flatted block. | Flatted block with associated parking and improved amenity space for the wider estate. |
| Mount Parade | EN4 9DD | 7 | East Barnet | Infill site on car park behind existing flatted block. | Flatted block with associated parking |

Outline Business Case

| | | | | | |
|--------------------------------|---------|------------|---------------|--|--|
| Back Lane | HA8 0BA | 4 | Burnt Oak | Redundant infill site. | Four new homes with associated parking. |
| Crispin Road | HA8 9EN | 2 | Hale | Garage site | Two new houses proposed. |
| Hanshawe Drive | HA8 0HE | 6 | Burnt Oak | Existing garage site. | Six new houses are proposed with associated parking, including one wheelchair accessible home for a larger family. |
| Reets Farm Close | NW9 7HN | 1 | West Hendon | Existing garage site. | One new wheelchair accessible bungalow is proposed. |
| TOTAL UNITS | | 159 | | | |
| <i>Moved into Phase 2:</i> | | | | | |
| Sheaveshill Court | NW9 6SJ | 24 | Colindale | Section of land to the rear of the existing estate; the site is made up of underused garages, low quality amenity space and overgrown former allotments. | Potential to develop flatted blocks and houses. |
| Prospect Ring Garages | N2 8BP | 42 | East Finchley | Underused garages and 4 residential properties, surrounded by 11 storey flatted blocks. | 9-11 storey flatted block. |
| TOTAL UNITS | | 66 | | | |
| <i>Removed from programme:</i> | | | | | |
| Burnt Oak Fields | HA8 0AG | 3 | Burnt Oak | A garage site at the rear of the estate. | 4 houses with associated parking and improvements to the local parking and landscaping provision. |

| | | | | | |
|---|------------|---|----------------|--|--|
| Park Road Pymmes Brook garages | EN4 9QF | 6 | East Barnet | Garage site at rear of residential area. | Flatted block with associated parking and amenity space. |
|---|------------|---|----------------|--|--|

The table below includes the sites proposed in phase 2:

| Tranche 3 Phase 2 Site List | Post Code | Estimated Number of Homes | Ward | Existing Site | Site Opportunities |
|---|--------------|---------------------------------|-------------------|--|---|
| Prospect Ring Garages | N2 8BP | 42 | East Finchley | Underused garages and 4 residential properties, surrounded by 11 storey flatted blocks. | 9-11 storey flatted block. |
| The Croft, Newton Walk | HA8 0BS | 36 | Burnt Oak | 25 predominantly 1-bed flats currently used as temporary accommodation. | Proposal to provide a mixture of 1 and 2-bed flats with parking and provision for cycle spaces. |
| Brunswick Park Road & Nurseryman s Road | N11 1HA | 11 | Brunswick Park | Two site areas; disused garage site and existing house with small footprint on large site area. | Flats and houses across the two parts of the site. |
| Hook Walk | HA8 9EG | 1 | Burnt Oak | Disused land. | 1x 2 bed house |
| Cecil Court | EN5 4NX | 1 | High Barnet | Redundant grassed area at end of existing housing terrace. | 1x 2 bed house |
| 261 Summers Lane | N12 0JY | 7 | Woodhouse | Existing temporary accommodation units. | Four houses across the site. |
| Mayhill Road Garages | EN5 2NP | 3 | Underhill | Two underused garage site. | Three wheelchair units across the sites. |
| Underhill Croft | EN5 2BD | 9 | Underhill | Land adjacent to existing flatted block. | Small flatted block. |

Outline Business Case

| | | | | | |
|-----------------------|---------|------------|---------------|--|---|
| Sheaveshill Court | NW9 6SJ | 34 | Colindale | Section of land to the rear of the existing estate; the site is made up of underused garages, low quality amenity space and overgrown former allotments. | Potential to develop flatted blocks and houses. |
| Land Behind The Meads | HA8 9HE | 4 | Hale | Disused land behind existing residential area. | Four houses across the site. |
| Norfolk Close | N2 8ET | 9 | East Finchley | Land adjacent to existing flatted block. | Small flatted block. |
| Friern Court | N20 0NJ | 4 | Totteridge | Former boiler house and garages adjacent to existing flatted block. | Small flatted block. |
| Whetstone Close | N20 9EU | 4 | Totteridge | Underused garage site. | Small flatted block. |
| Total Homes | | | | | |
| Grand Total | | 324 | | | |

5. Expected Benefits

5.1 The expected benefits and measures of the programme are shown below:

| Expected benefit | Measure |
|--|---|
| Helping to address the shortfall of available accommodation within the borough. | Completion of 320 new homes by March 2020. |
| Providing a financial return to the Council in terms of interest payments on the loan and a contribution to the homelessness budget. | Margin of 1.24% on the loan as well as an annual payment of £2000 for each new home delivered |
| Opendoor Homes will seek to provide employment opportunities for local people and opportunities for small and medium sized enterprises through the procurement of the construction contract. | To be confirmed as part of the procurement process. |
| Reducing the need to use high cost temporary accommodation. | Completion of 320 new homes by March 2020. |
| Provision of 10% wheelchair and accessible homes, helping people to live independently and reducing usage of high-cost accommodation. | Completion of 32 new wheelchair accessible units as part of the development programme. |
| Improved residential areas and landscapes through developing infill spaces and designing out blight and potential ASB hotspots. | To be included in the detailed designs following local consultation. |

6. Summary of Key Risks

| Risk Ref. | Risk and Impact | Mitigation | Probability | Impact |
|-----------|---|--|-------------|--------|
| 1 | If management and control of the schedule of sites is not in place there is a risk that a site could be earmarked for multiple developments resulting in a delayed achievement of project benefits. | <ul style="list-style-type: none"> Regular engagement through the Development Pipeline Project Board. List of proposed sites regularly reviewed. | 3 | 5 |
| 2 | Two of the larger sites proposed for inclusion in Tranche 3 (Stag House and Hermitage Lane) have been | <ul style="list-style-type: none"> Barnet Homes, through the Development Pipeline Project Board, are to be given exposure to other potential sites. | 4 | 5 |

| | | | | |
|---|--|--|---|---|
| | <p>reallocated. This means there is a risk that the project target of 320 new homes cannot be met.</p> | <ul style="list-style-type: none"> List of proposed sites regularly reviewed and updated. | | |
| 3 | <p>Planning approval is not granted for one or more of the sites meaning that Barnet Homes may not be able to deliver on their target of delivering 320 new homes.</p> | <ul style="list-style-type: none"> Barnet Homes have engaged with the Planning Service early in the process. Pre-application meetings are being held with a single point of contact for the project. Special Planning Committees may be scheduled for all of the sites. Barnet Homes have employed experienced Planning Consultants. Consultation plan has been drafted to help ensure that there is minimal challenge to applications. Additional sites may be taken through the planning process to ensure the target volume is achieved. Alternative sites have been identified with development potential should a site drop out of the programme that could be substituted into the programme. | 3 | 4 |
| 4 | <p>One or more of the sites does not have clean legal title meaning the development process is delayed or not possible.</p> | <ul style="list-style-type: none"> Barnet Homes is working with CSG Property Services to obtain Site Assembly Reports, including reports on legal title. Any legal issues are being referred to HB Law, or external parties if necessary, for advice on resolution. | 3 | 3 |
| 5 | <p>The developments are not financially viable which would affect upon the loan agreement and Opendoor business plan.</p> | <ul style="list-style-type: none"> 31Ten, on behalf of the Council, have reviewed the development assumptions included within the loan proposals. Regular development appraisals will be carried out at key project milestones. | 3 | 5 |

| | | | | |
|---|---|--|---|---|
| | | <ul style="list-style-type: none"> The procurement plan will seek to obtain the most competitive construction price from contractors. | | |
| 6 | Registration of the RP is unsuccessful which would mean that Opendoor Homes cannot receive the loan from the Council. | <ul style="list-style-type: none"> Campell Tickell are managing the registration process on behalf of Barnet Homes. The HCA have approved the first stage of the registration process. | 2 | 2 |

Detailed risk registers for each site will be prepared ahead of the Planning submission dates and following completion of the professional surveys.

7. Costs/Investment Appraisal

- 7.1** An exercise has been completed by 31ten on behalf of the Council, with co-operation from Barnet Homes, to review the extent of the loan required and the potential interest rate that should be used. This included a sensitivity and scenario analysis to establish the potential risks to any loan from the Council to Opendoor Homes, the new Registered Provider.
- 7.2** 31ten have undertaken a review of the terms of the proposed loan to Opendoor Homes, including the assumptions that were included in the development appraisals. They have calculated that the loan would need to be in the region of £57m to £65m over a lending period of 35 to 40 years. The loan will have a fixed interest rate.
- 7.3** The key impacts to the Council's revenue account of these arrangements are as follows:
- For every new home for affordable rent developed, the Council will received £2,000 per annum to support the General Fund costs of providing the Housing Options service
 - The Council will benefit financially from a margin in the region of 1.24% on the proposed loan, which exceeds the return on investment it currently achieves
 - A reduction in the use of temporary accommodation will also provide an annual net saving to the Council of approximately £2,000 per unit
- 7.4** Included in the loan is an estimated development cost of £57.5m. Barnet Homes, assisted by their cost consultant, will prepare a detailed cost plan for the Tranche 3 programme as part of the Full Business Case. The project will then be tendered in line with the procurement plan which seeks to procure competent contractors that can offer the best value for money. If costs rise

we will be able to draw down on the total loan sum of £65m subject to a full business case sign off.

- 7.5** At present it is proposed to draw down the loan for Tranche 3 in the following instalments.

| | £000s | £000s | £000s | £000s | £000s |
|--------|----------------|----------------|----------------|----------------|---------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total |
| Oct-16 | 2,500 | | | | |
| Mar-17 | 3,900 | | | | |
| Jun-17 | | 5,000 | | | |
| Sep-17 | | 6,000 | | | |
| Dec-17 | | 6,000 | | | |
| Mar-18 | | 8,000 | | | |
| Jun-18 | | | 6,000 | | |
| Sep-18 | | | 6,000 | | |
| Dec-18 | | | 5,000 | | |
| Mar-19 | | | 4,600 | | |
| Jun-19 | | | | 2,000 | |
| Dec-19 | | | | 2,500 | |
| | 6,400 | 25,000 | 21,600 | 4,500 | 57,500 |

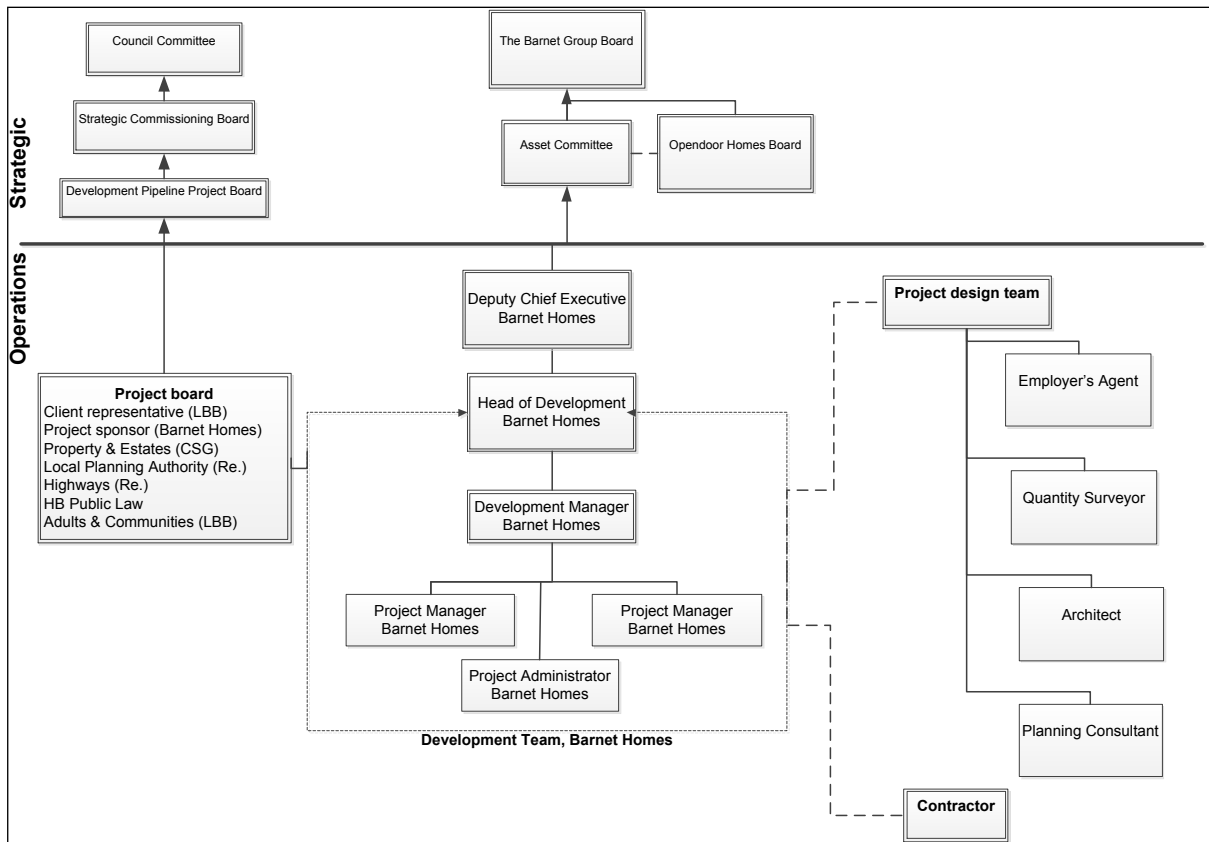
- 7.6** The loan will be released in stages and each stage will be agreed via the Council's gateway review process to ensure that the project delivers value for money. A value for money statement will be prepared by an independent cost consultant that includes benchmarked costs. This is also required by the Greater London Authority as part of their regulatory audit process.
- 7.7** Procurement of the design and build contractor will follow an OJEU compliant process; Barnet Homes has access to different procurement frameworks that could be utilised dependent on achieving the best quality and value for money.
- 7.8** Build costs will be benchmarked against other local tender prices by the project cost consultant as well as through the Shelton Development Service's Catalyst Benchmarking Club which benchmarks development costs for the G15¹ housing associations, registered providers and local authorities.
- 7.9** The Full Business Case for the project, including the tendered build costs, will be brought to ARG in September 2016 prior to signing contracts and starting on site.

¹ The G15 are London's 15 largest housing associations

8. Project approach and performance monitoring

8.1 The delivery of the Tranche 3 development programme will be managed in full by Barnet Homes. They have adopted the Council’s project management methodology and progress will be monitored by the Development Pipeline Project Board, which is chaired by the Commissioning Director, Growth & Development.

8.2 The project operations and governance structure is shown below:



8.3 The table below shows a summary of the project roles and responsibilities:

| Role | Responsibility |
|-------------------------------|---|
| Barnet Homes Development Team | <ul style="list-style-type: none"> Day to day management of the project Procurement of professional team and contractors Manage the progression of schemes through the planning process Delivery of schemes on site |
| Project board | <ul style="list-style-type: none"> Monitor and challenge operational delivery Monitor approvals |

| | |
|------------------------------------|---|
| Design team | <ul style="list-style-type: none"> • Design schemes through to Planning stage • Support the tender process • Carry out relevant professional surveys |
| Development Pipeline Project Board | <ul style="list-style-type: none"> • Provide strategic support and scrutiny of the programme • Monitor governance of the programme |
| Strategic Commissioning Board | <ul style="list-style-type: none"> • Manage the strategic direction of all development programmes on behalf of the Council |
| Barnet Homes Asset Committee | <ul style="list-style-type: none"> • Monitor and challenge strategic and operational delivery • Approve design principles • Monitor spend and delivery |
| Opendoor Homes Board | <ul style="list-style-type: none"> • Manage the strategic direction of all development programmes on behalf of Barnet Homes |

8.4 The Tranche 3 development programme will be managed by Barnet Homes with strategic management and oversight from the Development Pipeline Project Board, as well as biannual update reports to ARG to review the programme milestones and costs.

8.5 Progress updates will be included in the Council’s Annual Regeneration Report with analysis of spend against the budget, completions against the target and narrative on how value for money has been achieved.

8.6 The Tranche 3 development programme will also be monitored against KPIs set in the Assets, Regeneration and Growth Committee’s Commissioning Strategy.

8.7 Barnet Homes are working to the following programme:

| Work stage | RIBA design stage | Timescale | Status |
|--|-------------------|---------------|----------|
| <p>Approval to prepare planning applications</p> <p>The original approval was to prepare planning applications for 120 new homes in case the business case for on-lending to Opendoor Homes was refused.</p> <p>The loan model has been approved and, subject to the registration to Opendoor Homes as an RP, the programme of 320 new homes is</p> | N/A | December 2015 | Complete |

| | | | |
|---|---|----------------------------------|--------------------|
| proposed. | | | |
| <p>Consultants' appointments</p> <p>Barnet Homes appointed a professional design team in order to progress the feasibility studies and designs to Planning of sites to deliver the 320 new homes.</p> <p>The project brief was agreed between all parties.</p> <p>The project team examined the available site information and feasibility studies were completed.</p> | <p>Stage 1: preparation</p> | <p>December 2015</p> | <p>Complete</p> |
| <p>Preparation of planning applications (phase 1)</p> <p>During this time the design team have completed feasibility studies, held pre-application meetings with the Planners and carried out professional surveys to assist the design and Planning process.</p> <p>Design development is underway.</p> | <p>Stage 2: concept design</p> <p>Stage 3: developed design</p> | <p>December 2015 – June 2016</p> | <p>In progress</p> |
| <p>Stakeholder consultation</p> <p>In accordance with the Stakeholder Engagement Plan Barnet Homes is consulting with ward members and local communities regarding the proposed developments. Feedback from the consultation will be considered in the final designs.</p> | | <p>February - May 2016</p> | <p>In progress</p> |
| <p>Outline Business Case (phase 1)</p> <p>The Outline Business</p> | | <p>March 2016</p> | <p>Complete</p> |

| | | | |
|--|---|-----------------------|---------------|
| Case for submitting planning applications for Tranche 3 Phase 1 will be taken to ARG. | | | |
| Phased submission of Planning applications (phase 1) Due to the volume of planning applications it is proposed to submit them in phases, in accordance with the Planning Team's requirements. | Stage 3: developed design | May - August 2016 | In progress |
| Procurement (phase 1) Barnet Homes will seek to procure competent and experienced contractors that offer the best value for money. Detailed designs will be progressed to assist the procurement process. | Stage 4: technical design Stage 5: specialist design | June – September 2016 | In progress |
| Outline Business Case (phase 2) The Outline Business Case for submitting planning applications for Tranche 3 Phase 2 will be taken to ARG. | | July 2016 | In progress |
| Phased submission of Planning applications (phase 2) Due to the volume of planning applications it is proposed to submit them in phases, in accordance with the Planning Team's requirements. | Stage 3: developed design | July – December 2016 | To be started |
| Full Business Case (phase 1) The Full Business Case and proposal to transfer the land to Opendoor Homes will be taken to ARG in September 2016. | | September 2016 | To be started |
| Approval for land transfer and loan drawdowns | | September 2016 | To be started |

| | | | |
|---|--|----------------------------------|----------------------|
| <p>This will be taken to ARG in September as well, seeking approval for LBB to transfer the sites to Opendoor Homes and for Opendoor Homes to begin drawing down the loan.</p> | | | |
| <p>Procurement (phase 2)</p> <p>Barnet Homes will seek to procure competent and experienced contractors that offer the best value for money.</p> <p>Detailed designs will be progressed to assist the procurement process.</p> | <p>Stage 4: technical design</p> <p>Stage 5: specialist design</p> | <p>September – December 2016</p> | <p>To be started</p> |
| <p>Start on site (phase 1)</p> <p>Provisional start on site date (detail of site programme still to be finalised).</p> | <p>Stage 6: construction</p> | <p>October 2016</p> | <p>To be started</p> |
| <p>Full Business Case (phase 2)</p> <p>The Full Business Case for phase 2 will be taken to ARG in December 2016.</p> | | <p>December 2016</p> | <p>To be started</p> |
| <p>Start on site (phase 2)</p> <p>Provisional start on site date (detail of site programme still to be finalised).</p> | <p>Stage 6: construction</p> | <p>March 2017</p> | <p>To be started</p> |
| <p>Completion of approximately 101 units that have GLA grant funding (phase 1)</p> <p>Grant funding from the GLA is dependent upon units completing at this time.</p> | <p>Stage 7: use and aftercare</p> | <p>December 2017</p> | |
| <p>Completion of further 69 units (phase 1)</p> | <p>Stage 7: use and aftercare</p> | <p>March 2018</p> | |
| <p>Completion of 150 units (phase 2)</p> | <p>Stage 7: use and aftercare</p> | <p>March 2020</p> | |

8.5 Subject to the successful registration of Opendoor Homes as an RP, further approval will be sought to transfer the land from the HRA to Opendoor Homes

to enable development. It is expected that a paper will be presented to the Assets, Regeneration & Growth Committee in September 2016.

9. Dependencies

| Constraints and dependencies | Interfaces |
|--|---|
| Achieving Planning permission for enough units on enough sites | <ul style="list-style-type: none"> Local Planning Authority Planning consultants employed by Opendoor Homes |
| Clean legal title of all of the sites to reduce risk of challenge and unlawful development | <ul style="list-style-type: none"> CSG Property Services HB Law |
| Financial viability of the developments particularly in relation to construction costs | <ul style="list-style-type: none"> Procurement plan being drafted by Opendoor Homes' employer's agent |
| Registration of Opendoor Homes as registered provider with the HCA | <ul style="list-style-type: none"> Application for registration is being managed by Campell Tickell, specialists in this field HCA |
| Agreement for on-lending from the Council to Opendoor Homes | <ul style="list-style-type: none"> LBB commissioning team 31 Ten as independent advisors |
| Consultation with local communities and elected members | <ul style="list-style-type: none"> Stakeholders Elected members Local communities |
| Allocation of units to those in housing need | <ul style="list-style-type: none"> Allocations being made through the Applications Policy by the Barnet Homes Allocations & Nominations Team |
| Vacant possession of the garages on garage sites | <ul style="list-style-type: none"> Termination of garage tenancies being managed by Barnet Homes |
| Requirement to provide wheelchair units as 10% of programme | <ul style="list-style-type: none"> Adults & Communities |
| Land transfer | <ul style="list-style-type: none"> CSG Property Services HB Law |

10. Equalities and diversity

- 10.1** The new affordable housing units delivered by Opendoor Homes will be let in accordance with the Council's Allocations scheme, which has been subject to a full equalities impact assessment which included extensive consultation with residents, housing applicants and other stakeholders, including local Housing Associations and third sector organisations.

- 10.2** A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet's Community.
- 10.3** The Development Pipeline has had an Impact Assessment agreed at the DPPB on 14 April last.
- 10.4** The proposals in this report do not raise any negative impacts for equalities and demonstrate that the Council has paid due regard to equalities as required by the legislation. The proposals anticipate a positive impact for residents because they:
- Underline the Council's aim that all residents from our diverse communities – the young, old, disabled people and those on low incomes – benefit from the opportunities of growth.
 - Contribute to Barnet's commitment to fairness - to be mindful of the concept of fairness and in particular, of disadvantaged communities - which was adopted at Policy and Resources Committee in June 2014.
 - Form part of Barnet's Housing Strategy 2015-2025 which includes the objective to deliver homes that people can afford.
 - Provide homes for people who are homeless and may be currently disadvantaged.

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| Date | Version | Reason for change | Changes made by |
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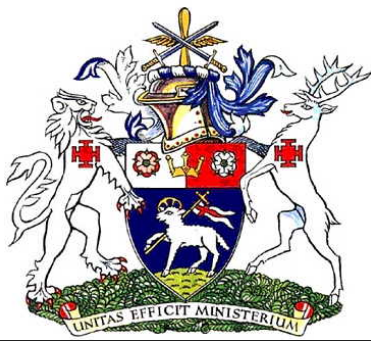
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Assets, Regeneration and Growth Committee

11 July 2016

| | |
|--------------------------------|--|
| Title | Out-of-Borough Acquisitions |
| Report of | Commissioning Director, Growth and Development |
| Wards | All |
| Status | Public |
| Urgent | No |
| Key | Yes |
| Enclosures | Appendix 1– Out-Of-Borough Acquisitions Project Business Case |
| Officer Contact Details | Kate Laffan, Assistant Director, Housing Options, Barnet Homes. kate.laffan@barnethomes.org , 020 8359 4829 |

Summary

Against a backdrop of increasing housing demand and rising costs associated with providing temporary accommodation, this report sets out the business case for purchasing residential properties outside of London for use as temporary accommodation, to be let and managed by Barnet Homes.

Due to the lack of affordable housing supply in the borough, the Council is already procuring properties for use as temporary accommodation in the Luton area, at a net cost of £1,900 per household, and purchasing properties directly would provide a cheaper alternative as well as providing a capital asset that would be expected to increase in value.

Recommendations

1. . That the Committee after having consulted with the Chairman of the Housing Committee approve the business case for the acquisition of Out-of-Borough accommodation as outlined in Appendix A, subject to approval for the required capital expenditure from the Policy and Resources Committee on 1st September 2016 and that the Committee’s decision be reported for noting at the next Housing Committee

2.

1. WHY THIS REPORT IS NEEDED

- 1.1 Due to continuing high demand for housing and rising housing costs, the number of households in temporary accommodation has continued to increase and currently stands at 2,999.
- 1.2 The cost of providing temporary accommodation for homeless applicants in London currently stands at £3,400 per annum net for each new household placed in a 2 bedroomed property.
- 1.3 Along with other London Boroughs, the Council has sought to secure a supply of more affordable accommodation outside of London, and during 2015/16 233 households were placed outside of London by Barnet Homes.
- 1.4 Temporary accommodation sourced outside of London costs Barnet £1,900 for each household net and the purchase of properties directly by the Council provides a cheaper alternative, as well as providing an asset which is likely to increase in value.
- 1.5 Barnet Homes have carried out an assessment of the viability of purchasing homes directly on the private market, to be owned by the Council and let and managed by the Arm's Length Management Organisation (ALMO), and have developed a business case for proceeding with this as set out at Appendix 1.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Acquisition of additional properties outside of the borough will provide the opportunity to increase affordable housing supply relatively quickly at a lower long-term cost than other forms of temporary accommodation.
- 2.2 The on-going cost of the accommodation will be more predictable than that procured through third party providers.
- 2.3 The accommodation will be used as temporary housing, and Barnet Homes will work with households to help them secure more settled accommodation in the longer term.
- 2.4 The Council would need to provide capital investment of approximately £130,000 for each property acquired, but the business model shows that this could be recouped over a 30 year period, during which time the value of the property would be expected to increase.

- 2.5 There is greater flexibility on rents that could be charged for properties acquired using this model, with rents required to be 'reasonable' to achieve full housing benefit subsidy.
- 2.6 The initial proposal is for up to 38 properties to be acquired in the Luton area, which would require a capital investment of about £5m, and has the potential to deliver revenue savings of approximately £38,000 over the first five years, and £295,000 over ten years.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Options to provide homes that could be let directly as private rented sector properties and affordable council homes were also considered.
- 3.2 As local authorities are not able to own and let private sector homes directly, a delivery vehicle would need to be established. A higher interest rate would apply to any borrowing and with proposed rents for these units restricted to Local Housing Allowance levels, makes this approach unviable and therefore not recommended.
- 3.3 The Council could use the Housing Revenue Account to fund the purchase of properties for use as affordable housing, which would have the advantage of being able to use right to buy receipts to fund 30% of the acquisition cost. However, uncertainty over the future financial position of the Housing Revenue Account means that this approach cannot be recommended at this stage.
- 3.4 Barnet Homes could continue to rely solely on the acquisition of properties outside London on licence from existing temporary accommodation providers. However, this would not deliver the expected benefits of reduced and stabilised costs and an asset increasing in value.

4. POST DECISION IMPLEMENTATION

- 4.1 Barnet Homes would seek to acquire up to 38 two bedroom homes in the Luton area that could be demonstrated to fit within the parameters of the business case, which would mean that they would cost less than £130,000 each. Half of these units would be expected to be acquired in 2016/17, with the remainder sourced in the first two quarters of 2017/18.
- 4.2 Barnet Homes would provide a full management service for properties purchased and units would be used to provide long-term temporary accommodation, let at Local Housing Allowance rates.
- 4.3 The Council would monitor progress and expenditure of the project through the Development Pipeline Programme Board, which is sponsored by the Commissioning Director, Growth and Development.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 By reducing the cost of temporary accommodation, the acquisition of homes outside of London aligns with the Council's Corporate Plan 2015-2020 objective:

- Where services are delivered efficiently to get value for money for the taxpayer

5.1.2 And with the London Borough of Barnet's Housing Strategy 2015-2025 that aims to:

- Increase the supply of affordable housing available to homeless households.
- Explore the possibility of purchasing homes directly in more affordable areas which could be let to households who can no longer afford to remain in the borough.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The project would be funded from the Council's General Fund. An initial capital budget of £5m would enable the programme to deliver up to 38 units in the Luton/Bedfordshire area. Approval was sought from Policy and Resources Committee on 28th June 2016 for this expenditure.

5.2.2 The table below indicates the potential overall financial position delivered by

the scheme taking into account worst and best case scenarios¹

Table 1 – revenue position vs. existing TA options

| Best Case – Purchasing Option – per unit | | | | |
|---|----------------|-----------------|-----------------|-----------------|
| | 5 Years | 10 Years | 20 Years | 30 Years |
| Income | £36,357 | £76,035 | £168,210 | £280,570 |
| Expenditure | £52,647 | £105,136 | £210,540 | £318,164 |
| Net | £16,290 | £29,101 | £42,330 | £37,594 |
| Worst Case - Purchasing Option | | | | |
| Income | £35,394 | £72,375 | £152,093 | £240,151 |
| Expenditure | £59,852 | £120,326 | £244,977 | £378,259 |
| Net | £24,457 | £47,950 | £92,884 | £138,109 |
| Existing TA Option | | | | |
| Income | £35,983 | £75,251 | £166,476 | £277,678 |
| Expenditure | £53,270 | £112,111 | £248,986 | £416,138 |
| Net | £17,288 | £36,860 | £82,510 | £138,461 |

Table 2 – Capital position

| Capital - Per unit | Best Case | Worst Case |
|---------------------------------|------------------|-------------------|
| Average Purchase Price | £114,000 | £114,000 |
| Refurbishment Costs and Fees | £15,500 | £20,500 |
| Total Cost | £129,500 | £134,500 |
| Asset value @ | 6% PA | 2% PA |
| 10 Years | 205,694 | 148,490 |
| 20 Years | 368,367 | 181,009 |
| 30 Years | 659,689 | 220,649 |
| Outstanding borrowing @ Yr. 30 | £51,800 | £53,800 |
| Capital Benefit @ Yr. 30 | £607,889 | £166,849 |

5.2.4 Table 1 shows that there is a wide divergence between the potential outcomes between best and worst case scenarios, with the best case scenario delivering revenue savings against the cost of existing TA options, whilst the worst case is more expensive for the first 20 years.

5.2.5 The Business Plan has been reviewed by independent financial consultants 31ten, who examined the model developed by Barnet Homes and the key assumptions that underpin it, including:

- The availability and price of properties in the Luton area
- The on-going costs associated with the acquisition of homes, including

¹ Analysis of worst case and best case scenarios were tested against the cost of existing TA options in the Luton Area, with the worst case assuming higher costs for voids, management/maintenance, inflation, refurbishment, and major works

interest, repayment of capital, management and maintenance.

- The probability of achieving a positive outcome above taking into account the best and worst case scenarios set out in table 1 above.

5.2.6 The key findings presented by 31ten suggested that:

- The average purchase price for a minimum 38 units would be £114k.
- The best case scenario would see the Council achieving average annual revenue savings of £29,500 for the first ten years (cost avoidance of £7,759 per property over the first ten years for 38 properties would amount to £294,547 and therefore an average of £29,455 per year over ten years), whilst the worst case suggests an average annual cost of £42,000 over the same period.
- Probability testing indicated that there would be a likelihood of 75% that the programme would cost a similar amount to existing temporary accommodation options over the first 12-15 years, and achieve revenue savings of 25% after 23-26 years. The Council could expect to benefit from an increase in asset values for the properties purchased of between 6-7% per year, rather than the 2% presented in the worst case scenario.

5.2.7 In effect, the conclusion on the 31ten report was that the project would most likely cost the same as existing TA options over the first 15 years, following which it would be cheaper.

5.2.8 On this basis, the key revenue benefit of purchasing properties would be to provide greater certainty over costs. However, it should also be noted that there would be an immediate capital benefit to purchasing these properties, as allowances for minimum revenue provision reduce the overall amount of borrowing outstanding from the first year.

5.2.8 To take into account future anticipated changes to temporary accommodation subsidy, both the purchasing scheme and existing temporary accommodation options have been modelled using 100% of the April 2016 Local Housing Allowance rate.

5.3 Social Value

5.3.1 Having consideration to the Public Services (Social Value) Act 2013, there are no specific social values considerations arising from these policies.

5.4 Legal and Constitutional References

5.4.1 The acquisition of properties falls within the remit of the Assets Regeneration

and Growth Committee- Council Constitution, Responsibility for Functions, Annex A – The Assets, Regeneration and Growth Committee has responsibility for “Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council”.

5.4.2 Council, Constitution, The Management of Assets, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop, appropriate, change use of or dispose of Assets within its Asset Portfolio. The Rules inter alia are aimed at enabling the Council’s holdings of land and property to be maintained and developed in a manner which enhances Social Value Section 2.8 states that the “Strategic Asset Management Plan will govern decisions on the future direction of the development of the Council’s Built Environment”.

5.4.3 Constitution, Part 3, Responsibility for Functions, Appendix A sets out the terms of reference of the Housing Committee. This includes Housing Strategy (Incorporating Homelessness Strategy) and working with Barnet Homes to ensure the optimum provision of housing and associated facilities for those who require social housing.

5.5 Risk Management

5.5.1 There are a number of key risks associated with the delivery of this programme:

- There is a risk that there will be an insufficient volume of units available for purchase at the projected average purchase price of £114k. Analysis provided by 31ten indicated that only 38 units are projected to transact in Luton at this average purchase price over the next 12 months. To mitigate against this risk, further modelling is being carried out to identify other potential areas for acquisitions. Where there are no properties available for purchase that meet the modelled conditions, no additional units will be acquired.
- There is a risk that the assumptions made are not realised and that the programme would fail to deliver the projected revenue savings over the life of the scheme. To mitigate against this risk there are a number of options the Council has, including stock disposal. In addition, the 31ten review suggests that there is a 75% probability that the scheme will at least break even compared to existing TA options.
- There is a risk that the programme will attract negative publicity. To help mitigate this risk, Barnet Homes will develop a communications strategy and engage with the host borough to inform them of the acquisitions programme.
- There is a risk that properties acquired through the programme will have longer void times due to customers refusing to move to these

areas. To help mitigate against this risk, households seeking to move out of area will be identified at an early stage in the acquisition process and consideration will be given to offering properties acquired to households already located in areas outside London in other forms of temporary accommodation.

5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people from different groups and foster good relations between people from different groups.

5.6.2 A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet's Community.

5.6.3 Analysis of data has shown that women and members of Barnet's black and minority ethnic communities are over represented among those living in temporary accommodation. Over 70% of households in temporary accommodation are from non-white households, compared to around 40% of the Borough's population as a whole. Of those in temporary accommodation the main applicant is female in 65% of households.

5.6.4 It is not expected that these groups will be adversely affected by implementing the policies set out in this report. However the impact will be monitored to ensure that these groups are not adversely affected.

5.6.5 Allocation of properties acquired will be made in accordance with the Council's Temporary Accommodation Placements Policy. The Temporary Accommodation Placements Policy enables the Council to make appropriate decisions on placing households who have protected characteristics, particularly women and lone parents who are more likely to be women, fairly and in accordance with their specific requirements. It will also ensure that the Council can meet its obligations under the Children's Act 2004, for example, ensuring that children can still access their education even if they are moved outside of the borough

5.6.6 All units of accommodation that are procured will meet minimum standards and in placing households into accommodation out of the borough the Council will consider the needs of protected groups.

5.7 Consultation and Engagement

5.7.1 As part of the communications plan for the delivery of the programme, Barnet Homes will engage with Luton and Bedfordshire Council, informing them of the Councils intention to purchase properties in their districts.

5.8 Insight

5.8.1 A reduction in the supply of affordable housing, coupled with sustained levels of increased demand provide the rationale for this programme:

- There has been a 49% increase in new homelessness applications between 2011/12 and 2015/16.
- There was an overall 35% decrease in letting within Council stock from 2011/12 to 2015/16 and Barnet has below levels of social housing on average compared to other London boroughs.
- There has been a significant increase (38%) in the number of households in temporary accommodation (numbers have increased from 2,172 in April 2012 to their current level of 2,999 at the end of May 2016).
- Whilst it is positive that the regeneration schemes in Barnet are progressing in their development, this has an impact on available supply as 'non-secure' tenants placed in regeneration units as long term TA are decanted and require rehousing, either to alternative TA or social housing units. 724 households have been decanted since April 2012 and a further 316 decants are scheduled for the forthcoming two financial years.

6.0 BACKGROUND PAPERS

6.1 None

REPORT CLEARANCE CHECKLIST

(Removed prior to publication and retained by Governance Service)

Report authors should engage with their Governance Champion early in the report writing process and record the date below. If the decision/report has been reviewed at an internal board please record the date and name of the meeting (e.g. SCB). Otherwise enter N/A. All reports must be cleared by the appropriate Director/AD, Legal, Finance and Governance as a minimum. **Legal, Finance and Governance require a minimum of 5 working days to provide report clearance. Clearance cannot be guaranteed for reports submitted outside of this time.**

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| Director / AD / Lead Commissioner | 30/06/16 | Cath Shaw |
| Enabling Board / Delivery Board | 22/06/16 | Development Pipeline Programme Board |
| Commissioning and Policy | | |
| Equalities & Diversity | | Lesley Holland |
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| Strategic Procurement | | N/A |
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| Governance | 30/06/16 | Sheri Oddofin |



Out-Of-Borough Acquisitions Project

Business Case

**Outline Business Case (OBC):
Out-Of-Borough Acquisitions Project**

| | |
|-----------------|--|
| Author: | <i>Nick Lowther</i> |
| Date: | <i>20 June 2016</i> |
| Service / Dept: | <i>Housing Options Service, Barnet Homes</i> |

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1. Introduction and Strategic Context

The last few years have been challenging in the social housing sector, with national increases in homelessness against a backdrop of welfare reform. The impact of the welfare and benefit reforms has affected all local authorities and social housing providers but particularly those in London. The increased demand for housing has placed pressure on already strained and limited housing supply.

At a local level, Barnet has experienced increased high levels of demand for affordable housing, whilst sources of supply have been limited. Demand has been exacerbated by the buoyant private rental market in the borough which is increasingly unaffordable for those on lower incomes. Loss of private rental accommodation is now the most common reason for a homelessness application, with residents who might previously have made their own arrangements in the private rental sector approaching the local authority.

Supply & Demand in Barnet: A Snapshot

- There has been a 49% increase in new homelessness applications between 2011/12 and 2015/16.
- There was an overall 35% decrease in letting within Council stock from 2011/12 to 2015/16 and Barnet has below levels of social housing on average compared to other London boroughs.
- There has been a significant increase (38%) in the number of households in temporary accommodation (numbers have increased from 2,172 in April 2012 to their current level of 2,999 at the end of May 2016)
- Barnet has the 6th highest number of households in temporary accommodation in the country
- Almost half of all the households in temporary accommodation in England are placed by North and East London Authorities. This has led to increased pressure in competition for affordable supply.
- Whilst it is positive that the regeneration schemes in Barnet are progressing in their development, this has an impact on available supply as 'non-secure' tenants placed in regeneration units as long term TA are decanted and require rehousing, either to alternative TA or social housing units. 724 households have been decanted since April 2012 and a further 316 decants are scheduled for the forthcoming two financial years.

This has posed a major challenge to Barnet Homes' Housing Options Service – for example, trying to ensure that the limited supply of housing is provided to those with the greatest need, and that emergency and temporary accommodation is used effectively, whilst also attempting to identify new sources of housing supply. In addition, the cost of providing emergency/temporary accommodation has increased significantly. A key priority for Barnet Homes since 2013 has to been to strive to reduce the impact that the high cost of temporary accommodation has on the Council's General Fund (GF).

In 2013, Barnet Homes' Housing Options service developed a menu of options to tackle the problem of emergency/temporary accommodation, and this was presented to the Delivery Unit Board (DUB). One of the options proposed was the acquisition of out-of-borough properties – but the Delivery Unit Board decided to explore alternate options at the time, the majority of which have subsequently been implemented.

2. Rationale

The opportunity to acquire out-of-borough properties has recently been revisited in line with the London Borough of Barnet's Housing Strategy.

Acquisition of additional properties outside of the borough will provide the opportunity to increase affordable housing supply relatively quickly at a lower cost than in-borough alternatives, and will supplement the existing development programme and development pipeline. It is envisaged that the initial acquisition program will be limited to approximately 38 properties purchased from Q3 2016/17 onwards based on an assumption of an average purchase price of £114k per unit. There is a further budget of £15,500 per unit which includes refurbishment costs and professional fees.

This approach aligns with the London Borough of Barnet's *Housing Strategy 2015-2025* that aims to:

- Increase the supply of affordable housing available to homeless households (page 27)
- Explore the possibility of purchasing homes directly in more affordable areas which could be let to households who can no longer afford to remain in the borough (page 29).

And with the Council's Corporate Plan:

- Where services are delivered efficiently to get value for money for the taxpayer

3. Project Definition

Project Objectives

The key objectives of this project are to:

- Increase Barnet Homes' housing supply, by procuring new properties from outside of the London Borough of Barnet.
- Reduce the costs of temporary accommodation and subsequent impact on the Council's General Fund

Project Deliverables & Outcomes

The key project deliverables are listed in the table below:

| Deliverable | Details | Timeframe |
|--|---|--|
| Business Case (incorporating options analysis) | Undertake research analysis and identify options for acquisition of out-of-borough properties. Development of a business case that includes options analysis, preferred option, financial modelling, risk management etc. | April 2016 |
| Presentation of recommendations | Presentation of options, and preferred approach to the London Borough of Barnet Council | June 2016 |
| Approval | Approval (budget and approach) | July 2016 |
| Implementation | Procurement of properties in accordance to the preferred approach Development and implementation of processes (i.e. repairs and maintenance arrangements etc.) | Commence in Quarter 2 (September 2016) |
| Review | Review & benefits realisation | On-going |

4. Options

Several other London boroughs are already acquiring units out of borough and/or out of London, some have been doing it for several years. For example, Westminster City Council has purchased over 90 units for use as temporary accommodation, including 40 acquired in 2015/16. Our discussions with them have provided us with useful insights and learning. Whilst the market in areas closer to London continues to be buoyant there is a supply of units (off-plan, new-build and existing) to be acquired and where necessary refurbished within the price per unit envisaged.¹

In developing the business case, options were considered. These included utilising the acquired units as a form of Temporary Accommodation where higher rents could be achieved and a blended model of acquisitions offering either as some units of long term social housing and some units of temporary accommodation. However, to adhere to the brief which was to acquire new affordable tenancies for Barnet residents, the following approaches have been explored in more detail.

1. Continue to acquire properties outside London on licence from existing temporary accommodation providers

Existing temporary accommodation rates mean that for each new household placed in 2-bed emergency temporary accommodation costs the Council almost £2,400 net per annum. With bad debt provision and management costs factored in, this figure increases to approximately £3,400 net per annum, per household. Where properties are sourced outside London, these costs reduce significantly, however it still represents a net cost per unit of almost £1,900 per annum at current prices.

This 'do nothing' position would result in each household potentially costing £138k net over the next 30 years and would mean there is no positive financial impact to forecasted future General Fund budget pressures. It is therefore the least favourable option.

2. Housing Revenue Account borrowing to acquire private sector properties for use as temporary accommodation

Properties would be purchased outside London, funded by the Housing Revenue Account. A budget of up to £13.75m was assumed with approximately one third of the purchases to be funded by right-to-buy receipts.

¹ Including legal and other professional fees.

Barnet Homes would fully manage properties secured through this method and tenants would be secure tenants of Barnet Homes and the Council.

Key benefits

There are three key benefits realised through this model:

- The potential net cost of £55k per property over a 30 year period is more favourable than existing methods of providing out-of-London temporary accommodation which could potentially cost £138k per unit over a similar period
- Capital asset acquired
- Model utilises right-to-buy receipts, which reduces the borrowing requirement by 30%

Disadvantages

There are however some disadvantages of delivery through this method:

- Properties acquired through this method could only be let with secure tenancies and could not be used as temporary accommodation or as a stepping stone into the private rented sector
- There is a short/medium term risk with 1% decreases in HRA rents over the next four years and further uncertainty in future years
- The loan outstanding for properties acquired in Luton at the end of the 30 year term is greater than the initial borrowing requirement (however this is offset against an asset that would be expected to appreciate by a greater amount over the term)

Conclusion

As of May 2016, uncertainty over the future financial position of the Housing Revenue Account means that this approach cannot be recommended at this stage.

3. General Fund borrowing to acquire private sector properties for use as temporary accommodation

The Council would borrow via the General Fund through the Public Works Loans Board at an interest rate of approximately 3.3% to fund the purchase of private sector properties in areas outside Barnet, and most likely, outside London.

Barnet Homes would provide a full management service for properties purchased and units would be used to provide long-term temporary accommodation, let at 100% of the relevant Local Housing Allowance rate.

Key benefits

There are four key benefits realised through this model:

- Delivers at a net cost of £38k per property (including interest of the loan) over a 30 year period which is more favourable than existing methods of providing out-of-London temporary accommodation which could potentially cost £138k per unit over a similar period
- Capital asset acquired
- Properties let through this method could be used for temporary accommodation for homeless households and used as a stepping stone into the private rented sector

- A greater turnover of properties would mean increased temporary accommodation cost avoidance
- There is greater flexibility on rents that could be charged for properties acquired using this model, with rents required to be 'reasonable' to achieve full housing benefit subsidy

Disadvantages

There are however some disadvantages of delivery through this method:

- There is General Fund borrowing required to deliver this scheme as opposed to the HRA model, where right- to-buy receipts could not be used.
- The initial loan of £5m would not be fully repaid at the end of the 30 year term and the Council would have to refinance the loan (however this is offset against an asset that would be expected to appreciate by a greater amount over the term)

Suggested approach

The proposal is for the acquisition of units in areas outside London through General Fund borrowing and to utilise them as temporary accommodation. This option has a number of benefits, not least the ability to use properties purchased for helping homeless households move into the private rented sector, thus providing greater opportunity to reduce General Fund temporary accommodation costs.

Affordability of units outside of Barnet

It is not surprising that the our research has confirmed that given the average house prices in Barnet, better value for money and a greater number of units can be acquired with the funding available through the acquisition of units out of London. The table below shows the difference in property prices and current supply using an average two bedroom home as an example:

| | Colindale | Luton | Northampton |
|---|-----------|---------|-------------|
| Median Purchase Price | 425,000 | 195,000 | 142,500 |
| No of properties on the market ² | 89 | 172 | 259 |
| Properties listed under £130,000³ | 0 | 25 | 189 |

Whilst more units could be delivered further out of London there are a number of key considerations to be factored into any acquisitions programme:

- Distance from Barnet (potentially higher management and void costs)
- Opportunities for employment in the area
- Cultural diversity of the location e.g. access to specialist shops, places of worship, similar communities
- Ability to achieve successful lettings and minimise void periods

Furthermore there would be increased management costs if any acquisitions programme did not limit itself to a few locations. Over recent years many housing associations have been rationalising their stock and divesting in areas where they have minimal holdings given the increased overheads in effectively managing limited scattered stock across a range of local authorities. This learning should be factored into the acquisitions programme and therefore it is recommended that purchases are made for properties within a reasonable travelling

² Number of properties listed for sale as at 16 May 2016 (Source: www.home.co.uk)

³ Number of properties listed for sale on 16 May 2016 at £130,000 or under (Source: www.rightmove.co.uk)

distance of Barnet e.g. up to 30 miles away and therefore would suggest Luton as a proposed procurement region.

There are however several key advantages to focusing on procurement of properties outside London. These include:

- The potential to provide accommodation at more affordable rents, with Local Housing Allowance rents in Luton (£142.44 per week) over £100 per week lower than rents in Barnet (£255.34)
- Properties can be purchased in affordable areas such as Luton for less than the Stamp Duty Land Tax threshold of £125,000 and therefore the cost of purchasing will be lower than in more expensive areas such as Barnet, thus improving the financial viability

Client group for properties acquired out of London

Households in Temporary Accommodation: Since 2014 Barnet Homes has placed 514 housing applicants in a range of areas out of London both in forms of temporary accommodation and in the private rented sector. This has been supported by the Barnet Council's Placement Policy approved on 24th September 2013. Any new out of London acquisitions that could be offered as affordable flexible tenancies to housing applicants where there is an accepted housing duty would both reduce numbers in temporary accommodation and importantly offer a longer term and affordable housing solution. For some households affected by the benefit cap, accommodation in Barnet is unaffordable.

Risks: One of the key risks associated with an out of London acquisitions programme is that units could be acquired in areas where existing tenants or housing applicants might not wish to move to. In respect of housing applicants, those who are within the higher housing bands (bands 1 & 2) more often have very specific reasons for acquiring accommodation within Barnet e.g. support needs, employment. However those in lower bands (3 & 4 no community contribution, no/limited local connection) are not usually offered flexible tenancies but assisted with longer term temporary accommodation or with offers in the private rental sector. The proposed programme would certainly offer this group a housing solution that is not currently available.

To mitigate this, the selection criteria for the locations for acquisitions must be developed further in the full business case along with an equalities impact assessment in respect of potential tenants. Given the established track record set out above of delivering out of London moves this mitigation will help minimise void periods. Nonetheless a higher void period has been factored in than for a council tenancy in Barnet.

The model:

- Non-secure tenancy offered
- 3-6% void loss varying depending on location of acquisition
- TA cost avoidance figure in example based upon 1 household avoiding out of London TA at current net cost

5. Expected Benefits

Please refer to **Appendix A** for a summary of expected benefits for this project.

6. Risks

Please refer to **Appendix B** for a summary of key risks and mitigating actions.

7. Financial Appraisal

The project would be funded from the Council's General Fund. An initial budget of £5m would see the programme deliver the following number of units:

Luton/Bedfordshire 38 units

The table below indicates the potential overall financial position delivered by the scheme taking into account worst and best case scenarios⁴

Table 1 – revenue position vs. existing TA options

| Best Case – Purchasing Option – per unit | | | | |
|---|----------------|-----------------|-----------------|-----------------|
| | 5 Years | 10 Years | 20 Years | 30 Years |
| Income | £36,357 | £76,035 | £168,210 | £280,570 |
| Expenditure | £52,647 | £105,136 | £210,540 | £318,164 |
| Net | £16,290 | £29,101 | £42,330 | £37,594 |
| Worst Case - Purchasing Option | | | | |
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Table 2 – Capital position

| Capital - Per unit | Best Case | Worst Case |
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| Total Cost | £129,500 | £134,500 |
| Asset value @ | 6% PA | 2% PA |
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| Outstanding borrowing @ Yr. 30 | £51,800 | £53,800 |
| Capital Benefit @ Yr. 30 | £607,889 | £166,849 |

⁴ Analysis of worst case and best case scenarios were tested against the cost of existing TA options in the Luton Area, with the worst case assuming higher costs for voids, management/maintenance, inflation, refurbishment, and major works

Table 1 shows that there is a wide divergence between the potential outcomes between best and worst case scenarios, with the best case scenario delivering revenue savings against the cost of existing TA options, whilst the worst case is more expensive for the first 20 years.

The Business Plan has been reviewed by independent financial consultants 31ten, who examined the model developed by Barnet Homes and the key assumptions that underpin it, including:

- The availability and price of properties in the Luton area
- The on-going costs associated with the acquisition of homes, including interest, repayment of capital, management and maintenance.
- The probability of achieving a positive outcome above taking into account the best and worst case scenarios set out in table 1 above.

The key findings presented by 31ten suggested that:

- The average purchase price for a minimum 38 units would be £114k.
- The best case scenario would see the Council achieving average annual revenue savings of £30,000 for the first ten years (cost avoidance of £7,759 per property over the first ten years for 38 properties would amount to £294,547 and therefore an average of £29,455 per year over ten years), whilst the worst case suggests an average annual cost of £42,000 over the same period.
- Probability testing indicated that there would be a likelihood of 75% that the programme would cost a similar amount to existing temporary accommodation options over the first 12-15 years, and achieve revenue savings of 25% after 23-26 years. The Council could expect to benefit from an increase in asset values for the properties purchased of between 6-7% per year, rather than the 2% presented in the worst case scenario.

5.2.7 In effect, the conclusion on the 31ten report was that the project would most likely cost the same as existing TA options over the first 15 years, following which it would be cheaper. On this basis, the key financial benefits of purchasing properties would be to provide greater certainty over costs and provide the Council with assets that will increase in value. However, it should also be noted that there would be an immediate capital benefit to purchasing these properties, as allowances for minimum revenue provision reduce the overall amount of borrowing outstanding from the first year.

To take into account future anticipated changes to temporary accommodation subsidy, both the purchasing scheme and existing temporary accommodation options have been modelled using 100% of the April 2016 Local Housing Allowance rate.

8. Project Approach

Please refer to **Appendix A** for the proposed project plan that includes key dates and milestones.

9. Project Assurance

Project Organisation Structure

The project structure is shown below:

| Role | Name & Position | Comments |
|-----------------|--|---|
| Project Sponsor | Paul Shipway (Strategic Housing Lead) | Representing Council interests |
| Project Manager | (Development Manager) | |
| Project Board | Paul Shipway (Strategic Housing Lead) | Representing Council interests |
| | Derek Rust (Director of Operations) | Representing Barnet Homes interests |
| | Kate Laffan (Assistant Director, Operations) | Representing Housing Options (housing supply) |
| Project Team | (Development Manager) | Lead on the bidding and acquisition of properties |
| | Nick Lowther (Service Manager, Housing Supply) | Lead on supply and location |
| | Thomas Carroll | Inform on investment levels needed to bring the homes acquired up to an agreed standard and maintained as such Lead on the refurbishment of properties when acquired |
| | TBC | Project support |

The project board will meet monthly as required with the following responsibilities:

- Provision of overall guidance and direction ensuring project remains on track against time, cost and quality requirements
- Review and approval of project plan and any exception plans
- Support and oversight of risk management processes
- Approval of changes
- Resolving strategic and directional issues
- Liaison with and seeking of direction and decisions from politicians

Project Controls

The Project Manager will be expected to manage and re-profile timescales where key milestones are not impacted. Where key milestones will be impacted these instances will be reported to the Project Sponsor to agree next steps and the mitigating action to be taken.

- The Project Board will be responsible for sign-off of the business case (incorporating the options appraisal), before it is presented to the Council.
- The London Borough of Barnet (Council) will be responsible for approving the business case, proposed budget and approach for delivery.
- The project team will be responsible for engaging with Barnet Homes' managers and staff, and key stakeholders to ensure that all deliverables are developed in line with service requirements and that the required quality standards are met.

Quality Criteria & Approval Process

| Deliverable / Product | Quality Criteria | Author | Reviewers | Acceptor |
|--|---|--------------------------|---|--------------------------|
| Business Case (incorporating options analysis) | Options appraisal and financial appraisal, procurement strategy with recommendation | Project Manager | Kate Laffan Derek Rust Project Team | Project Board |
| Presentation of recommendations | Report and presentation in accordance with LBB requirements | Derek Rust | Project Board | Project Board |
| Approval | Minuted approval to proceed | London Borough of Barnet | N/A | London Borough of Barnet |
| Implementation | Procurement of out-of-borough properties Development and implementation of associated processes | Project Team | Project Manager | Project Board |
| Review | Assessment against benefits realisation criteria Lessons learned report | Project Manager | Kate Laffan Derek Rust Project Team | Project Board |

10. Dependencies

Assumptions

- Timely provision of any requested information and input from senior stakeholders.
- On-going political support for Barnet Homes to undertake out-of-borough acquisitions and for the on-going management of these properties
- Ability to implement cost effective, quality management and maintenance arrangements for the acquired properties.
- There has been adequate budget provision identified within the HRA for the acquisition of additional properties.

Constraints

- There is a lack of affordable housing supply in the areas that Barnet Homes is confident that customers will agree to move to.
- Barnet Homes' repairs and maintenance contractors are unlikely to agree to provide services to out-of-borough properties, as this does not form part of their existing contract
- That there may be some resourcing implications for management of stock outside of the borough/London.

Interfaces / Dependencies

- The London Borough of Barnet will need to approve the proposed approach, for the project objectives to be achieved
- There are other initiatives and projects underway that are also aimed at increasing the available housing supply.

11. Approach to Consultation

A range of stakeholder consultation and engagement has occurred as part of the public engagement programme developed for the London Borough of Barnet's Housing Strategy.

A summary of these activities includes:

- The Council conducted a borough wide programme of resident engagement and consultation from 17 December 2014 to 11 February 2015. This was part of the Housing Committee Commissioning Plan. The programme included a series of themed workshops examining the competing pressures facing each committee and an online survey.
- A 12 week public consultation was undertaken between 6 January 2015 and 31 March 2015 on the Housing Strategy. The consultation included an online survey as well as presentations to the Housing Forum, Barnet Homes Performance and Advisory Group, and Barnet Landlords Forum.
- The Council also facilitated a focus group of eight Citizens Panel members from the owner-occupation, social and private rented sectors.

Appendix A: Benefits Realisation

| Benefit Type | Description of the benefit | Who will benefit | Expected benefit value | Financial year that the benefit will be realised | Benefit Owner | How will the benefit be measured | Baseline value (£, % etc) and date |
|--------------|---|---|------------------------|--|--|----------------------------------|------------------------------------|
| Financial | Temporary accommodation cost avoidance | The Council | £3.8m | From Q3 2016/17 | Nick Lowther Service Manager – Supply | Financial monitoring | |
| Financial | Increase of council stock and revenue from this stock | The Council Barnet Council Tenants or Housing Applicants | 38 additional units | by 17/18 | Paul Shipway | Performance monitoring | |

Appendix B – Financial Model

1. Individual unit Income and Expenditure sheet (Luton area)

| | Year 1 | Year 5 | Year 10 | Year 15 | Year 20 | Year 25 | Year 30 |
|--------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Income | | | | | | | |
| 1 Rent | 7,407 | 7,706 | 8,508 | 9,394 | 10,371 | 11,451 | 12,643 |
| 2 Void Loss | 222 | 231 | 255 | 282 | 311 | 344 | 379 |
| Total Income | 7,185 | 7,475 | 8,253 | 9,112 | 10,060 | 11,107 | 12,263 |
| Expenditure | | | | | | | |
| 3 Routine Maintenance | 800 | 866 | 956 | 1,056 | 1,165 | 1,287 | 1,421 |
| 4 Management Cost | 295 | 319 | 353 | 389 | 430 | 474 | 524 |
| 5 Service Charge & Ground Rent | 1,400 | 1,515 | 1,673 | 1,847 | 2,040 | 2,252 | 2,486 |
| 6 Major Works | 912 | 987 | 1,090 | 1,203 | 1,329 | 1,467 | 1,620 |
| 7 Bad Debt Provision | 287 | 299 | 330 | 364 | 402 | 444 | 491 |
| 8 Interest | 4,274 | 3,932 | 3,504 | 3,077 | 2,650 | 2,222 | 1,795 |
| 9 MRP | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 | 2,590 |
| Total Expenditure | 10,558 | 10,508 | 10,496 | 10,527 | 10,605 | 10,736 | 10,926 |
| Charge/Credit to General Fund | 3,373 | 3,034 | 2,243 | 1,415 | 545 | -371 | -1,338 |
| Closing Balance | 3,373 | 16,290 | 29,101 | 37,848 | 42,330 | 42,327 | 37,594 |
| 10 Purchase price | 114,000 | | | | | | |
| 11 Stock investment | 15,500 | | | | | | |
| 12 Loan Amount | 129,500 | | | | | | |

- 1 Rents set at 100% LHA for 2 bed in Years 1-3 and then annual % increase in LHA. 52 week charge
- 2 3% void loss
- 3 Annual maintenance cost per unit with 2% annual inflationary increase
- 4 Annual management cost per unit with 2% annual inflationary increase
- 5 Leasehold service charges with 2% annual inflationary increase
- 6 Major works investment at 0.8% of the purchase price
- 7 4% Bad debt provision
- 8 3.3% loan interest
- 9 Minimum revenue provision of 2% per year (50 year asset life)
- 10 Costs of purchasing
- 11 Professional fees and costs to bring unit up to standard
- 12 Total loan equates to 10 and 11 above combined

2. Analysis of options considered

| | GF Purchasing Worst case | GF Purchasing Best case | Current TA Worst Case | HRA Best case | HRA Worst Case |
|--|-----------------------------|----------------------------|--------------------------|------------------|-------------------|
| Loan Required | 134,500 | 129,500 | - | 91,880 | 96,880 |
| Income | 240,151 | 280,570 | 277,678 | 238,511 | 204,174 |
| Expenditure | 378,259 | 318,164 | 416,138 | 267,466 | 318,491 |
| Net Cost | 138,109 | 37,594 | 138,461 | 28,955 | 114,317 |
| Loan Outstanding | 53,800 | 51,800 | - | 36,752 | 38,752 |
| Value of Asset | | | | | |
| Purchase Price | 114,000 | 114,000 | - | 114,000 | 114,000 |
| Value of Asset at current prices | 134,500 | 129,500 | - | 129,500 | 134,500 |
| Value of Asset at end of 30 years | 220,649 | 659,689 | - | 659,689 | 220,649 |
| Capital benefit over 30 years | | | | | |
| | 166,849 | 607,889 | - | 622,937 | 181,897 |
| Revenue benefit vs. existing TA over 30 years | | | | | |
| | 352 | 100,867 | - | 109,506 | 24,143 |

Appendix C: Initial Risk Register

| Ref | Risk type | Risk description | Risk Owner | Date raised | Initial assessment | | | Control actions | Consequences/ potential impact |
|-----|--------------------|--|------------|-------------|--------------------|--------|-----|---|--|
| | | | | | Probability | Impact | RAG | | |
| 001 | Project management | There is a risk that there is insufficient resource to deliver the project within planned timescales. | KL | Jan 16 | Low | Medium | | Project plans and resource planning to be developed to identify key milestones and capacity required to deliver. | Expected savings and other benefits will not be achieved, and/or project activity will fall behind schedule. |
| 002 | Reputation | There is a risk that this project will attract negative publicity | KL | Jan 16 | Low | High | | Develop a communications strategy and engage with the host borough to inform them of the acquisitions programme | Staff and public have a negative perception of this project and its objectives. This makes it more difficult to implement the project and to realise benefits from it. |
| 003 | Financial | There is a risk that the assumptions made in modelling are not accurate and that the financial benefits are not realised | NL | Jan 16 | Medium | High | | Closely monitor activity to track financial benefits and early identification of risks. There are a number of options the Council has, including stock disposal. In addition, the 31st review suggests that there is a 75% probability that the scheme will at least break even compared to existing TA options | Expected savings and other benefits will not be achieved |
| 004 | Financial | There is a risk that there will be an insufficient volume of units available for purchase at the projected average | NL | Jan 16 | Low | High | | Further modelling is being carried out to identify other potential areas for acquisitions. Where there are no properties available | Delivery of new acquisitions may not be met, if unable to purchase properties at |

| Ref | Risk type | Risk description | Risk Owner | Date raised | Initial assessment | | Control actions | Consequences/potential impact |
|-----|-------------|---|------------|-------------|--------------------|--------|--|---|
| | | purchase price of £114k. Analysis provided by 31tTen indicated that only 38 units are projected to transact in Luton at this average purchase price over the next 12 months | | | | | for purchase that meet the modelled conditions, no additional units will be acquired | the right price. |
| 005 | Reputation | There is a risk that customers will refuse to accept properties in out-of-borough locations | NL | Jan 16 | Low | Medium | Undertake market research and analysis before selecting locations and purchasing properties to ensure that customers are likely to accept properties in these areas. | Political and media fall out from spending public money on properties that are sitting vacant. |
| 006 | Performance | There is a risk that properties in out-of-borough locations will have longer void times due to customers refusing to move to these areas | NL | Jan 16 | Medium | Medium | Households seeking to move out of area will be identified at an early stage in the acquisition process and consideration will be given to offering properties acquired to households already located in areas outside London in other forms of temporary accommodation | Void performance may worsen, and Barnet Homes may fail to meet its KPI targets. |
| 007 | Financial | There is a risk that the costs of managing out-of-borough properties will be high | NL | Jan 16 | Medium | Medium | Barnet Homes already has considerable experience delivering out-of-London TA. Consider purchasing out-of-borough properties close together, to ensure efficiencies and reduce management costs | Higher costs to manage these properties – exceeding budget |
| 008 | Procurement | Existing Barnet Homes' repairs and maintenance contractors are unlikely to agree to service out-of-borough properties. | DH | Jan 16 | High | Medium | Establish agreement with local contractor to deliver repairs and maintenance services to these properties | Out-of-borough properties may end up in poorer condition. Customers may experience a lack of service or lengthy wait times for repairs. |

Appendix D: Initial Project Plan

| Phase | Activity | Owner | Due Date | Status | Comments |
|--|---|-----------|-----------------|-------------|----------|
| Business Case (incorporating options analysis) | Complete research & analysis and identify options for: | | May 16 | In progress | |
| | • Property Location (out-of-borough) | DB | May 16 | | |
| | • Property Type | NL | May 16 | | |
| | • Property Size | DB/NL | May 16 | | |
| | • Property Tenure | DB | May 16 | | |
| | • Property Condition | TC/DB | May 16 | | |
| | • Procurement Strategy | NL/DB | May 16 | | |
| | Identify and document each available option | NL/KL | May 16 | | |
| | Complete initial financial modelling | NL | May 16 | Complete | |
| | Identify, monitor and manage risks | KL | May 16 | Ongoing | |
| | Prepare an outline business case for review by LBB | KL | May 16 | Complete | |
| | Develop recommended quality standard for out-of-borough properties | TC | Jul 16 | Not Due | |
| | Develop options for managing out-of-borough properties | KL | Jul 16 | Not Due | |
| | Develop options for undertaking repairs and maintenance for out-of-borough properties | TC | Jul 16 | Not Due | |
| | Develop procurement strategy options | NL/DB | Jul 16 | Not Due | |
| | Prepare final business case | KL | Jun 16 | Not Due | |
| Reviewed by DPPB | PS | 08 Jun 16 | Not Due | | |
| Business case signed off by Commissioner | CS | 11 Jul 16 | Not Due | | |
| Presentation of recommendations to the Council | Draft Report | KL/PS | 01 Jun 16 | In progress | |
| | Council make decision whether to approve programme | PS | 11 Jul 16 | Not Due | |
| Implementation | Commence acquisition programme | DB | From Q3 2016/17 | Not Due | |
| | Complete first tranche of purchases | DB | Q3 2016/17 | Not Due | |
| Review | Qtly review of programme incorporating lessons learned. | KL | Ongoing | Not Due | |

Document Control

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| Date | Version | Reason for change | Changes made by |
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| 2/2/16 | 1.0 | Document creation | Kate Laffan |
| 9/2/16 | 1.1 | Amended following comments | Kate Laffan |
| 23/2/16 | 1.2 | Document refresh | Nick Lowther |
| 16/5/16 | 1.3 | To update with current proposals | Nick Lowther |
| 20/6/16 | 1.4 | To update report following independent review | Nick Lowther |


Distribution List:

| Name | Role | Date |
|----------------|-----------------------------------|------|
| Derek Rust | Director, Operations | |
| Paul Shipway | Strategic Housing Lead LBB | |
| | Development Manager | |
| Nick Lowther | Service Manager, Housing Supply | |
| Thomas Carroll | Major Works Programme Manager | |
| | Graduate Policy & Project Officer | |

Approvals:

By signing this document, the signatories below are confirming that they have fully reviewed the Business Case for the out-of-borough acquisitions project and confirm their acceptance of the completed document.

| Name | Role | Signature | Date | Version |
|--------------|--------------------------------|-----------|------|---------|
| Derek Rust | Director, Operations | | | |
| Paul Shipway | Strategic Housing Lead | | | |
| Kate Laffan | Assistant Director, Operations | | | |

| | |
|---|--|
|  | <p>Assets, Regeneration and Growth Committee</p> <p>11 July 2016</p> |
| <p style="text-align: right;">Title</p> | <p>Brent Cross Cricklewood – Gowling WLG and Bilfinger GVA Contract</p> |
| <p style="text-align: right;">Report of</p> | <p>Interim Deputy Chief Executive and Commissioning Director, Growth and Development</p> |
| <p style="text-align: right;">Wards</p> | <p>Child’s Hill, Golders Green and West Hendon</p> |
| <p style="text-align: right;">Status</p> | <p>Public</p> |
| <p style="text-align: right;">Urgent</p> | <p>No</p> |
| <p style="text-align: right;">Key</p> | <p>No</p> |
| <p style="text-align: right;">Enclosures</p> | <p>Appendix 1 Brent Cross Cricklewood – Gowling Wragge Lawrence Graham (UK) LLP DPR Appendix 2 Bilfinger GVA DPR</p> |
| <p style="text-align: right;">Officer Contact Details</p> | <p>Jessica Jones, Project Support Officer Email: Jessica.jones@barnet.gov.uk Tel: 0208 359 7813</p> <p>Angela Latty, Senior Regeneration Officer Email: angela.latty@barnet.gov.uk Tel: 0208 359 7188</p> |

| |
|--|
| <h3>Summary</h3> |
| <p>This report seeks approval to vary the value of the existing contract with Gowling WLG (formerly Wragge Lawrence Graham & Co LLP) up to the end of the financial year 2017-2018 with a further review in April 2018. In addition it retrospectively reports the variation of the value of the existing contract with Bilfinger GVA to cover the costs of specialist services to June 2016</p> |

| |
|--|
| <h3>Recommendations</h3> |
| <p>1. That the Committee approve the variation of the contract value of the existing contract between the Council and Gowling WLG’s to allow the Council to make payment on costs incurred to April 2018, subject to a successful review in March 2017.</p> |
| <p>2. That the Committee note the update on the price review for both Gowling WLG and Bilfinger GVA</p> |

3. As set out in the exempt report.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report is needed to approve the variation of the contract value of the existing contract between the Council and Gowling WLG to allow the Council to make payment on costs incurred for specialist legal services with a review to be conducted in April 2018.
- 1.2 Following a competitive procurement process, Wragge Lawrence Graham & Co LLP (now Gowling WLG) were appointed to provide specialist legal advice and support on the Brent Cross Cricklewood scheme.
- 1.3 In order for the Council to continue receiving specialist advice from Gowling WLG on the scheme, a variation is required on the contract value. The continuation of consistent specialist legal advice and support is required and this variation will increase the contract value to cover payment on costs to April 2018. A review will be undertaken at that time to confirm whether a further contract value variation may be required after this date.
- 1.4 A variation of the contract value was approved in April 2016 under Contract Procedure Rule 15.2, emergency waiver, with the requirement to retrospectively report to Policy and Resources Committee setting out the reasons for such emergency waiver. This report will be going to Committee in September 2016.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Council continues to require specialist legal advice and support for the Brent Cross Cricklewood scheme and Gowling WLG are best placed to provide this.
- 2.2 The specialist legal advice/support was procured and the contract prices are based on hourly/day rates and this is billed according to usage. Clause 2.2 of the contract with Gowling WLG also provides for change (Variation of Contract Services) as long as the legal advice relates to the Brent Cross Cricklewood Scheme. There is a risk that if a variation of the contract value is not approved the specialist legal advice may be withdrawn which may impact on the delivery of the Brent Cross Cricklewood scheme.
- 2.3 The reasons for the total spend on the contract are detailed in section 5.2 of Appendix 1.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 There are no suitable alternative options. After the Council conducted a competitive procurement process Gowling WLG were the most economically advantageous tender and they were appointed on this basis.
- 3.2 Gowling WLG continue to provide advice on the Brent Cross Cricklewood Scheme and are operating within the existing terms and conditions of the contract. If the contract value is not varied, the Council will be unable to pay any future costs (and where relevant any outstanding fees); this will impact on the ability to continue to use Gowling WLG to achieve the continuation of service delivery that the Brent Cross projects require.
- 3.3 Terminating the existing contract and embarking on a new procurement process would take several months and cause a severe slippage in the programme. In addition and where any new provider were appointed as a result of such process, knowledge accrued by the incumbent provider would need to be transferred, assimilated and understood which may impact the programme further. Therefore, it is not recommended to undertake a new procurement process for this area of work, as this approach will lead to a delay in delivering several key elements of the programme.

4. POST DECISION IMPLEMENTATION

- 4.1 The contract, including the contract value, will be reviewed at the end of the 2017 financial year following review in March 2017, prior to the contract continuing in 2018 to determine if there is requirement for a further variation.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.2 The regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 which states that the council will work with local, regional and national partners to strive to ensure that Barnet is a place:
 - of opportunity, where people can further their quality of life
 - where people are helped to help themselves, recognising that prevention is better than cure
 - where responsibility is shared, fairly
 - where services are delivered efficiently to get value for money for the taxpayer
- 5.3 The Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the Borough and maintaining Barnet as a successful London suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the

size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross Cricklewood is one of Barnet's priority regeneration areas, and will provide approximately 7,500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor, linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.

5.4 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.5 **Finance**

5.6 As set out in the exempt report

5.7 The Bilfinger GVA contract is now completed, and going forward Capita Real estate will be advising on the Brent Cross Regeneration Scheme through a Workshare Agreement.

5.8 As set out in the exempt report

5.9 Under the terms of the Collaboration Agreement signed by the Council and the Development Partners, Hammerson/Cricklewood Regeneration Limited and Standard Life are obliged to pay the Council's consultants costs in connection with this project. In relation to Brent Cross Cricklewood South, the Council has entered into a Joint Venture with Argent Related and within this arrangement; there is provision for the Council to recover its costs from Argent Related from April 2016 onwards.

5.10 All costs referred to in this report are paid through the revenue account, but are reimbursed from the development partners other than in respect of the Council costs in relation to acting as landowner within the Brent Cross South JVLP, whereby costs will be recovered through future capital receipts in respect of the Council's land contribution.

5.11 **Social Value**

5.12 As indicated in sections within this report, the Brent Cross Cricklewood programme will secure wider social, economic and environmental benefits. The Gowling WLG contract will help to ensure that the Council meets its objectives to deliver comprehensive regeneration of the Brent Cross Cricklewood Area.

5.13 **Legal and Constitutional References**

5.14 The Council's Contract Procedure Rules (CPRs) at Appendix 1, Table A set out the requirements for variation/extension of an existing contract. In the circumstances and if within budget, acceptance will be by full officer DPR to the relevant thematic committee.

5.15 We are advised that the contract was let after a competitive procurement

process and that the provider, Gowling WLG (formerly Wragge Lawrence Graham & Co LLP) was appointed based on the most economically advantageous tender. We are further advised that the proposed modification to the existing contract is provided for in the original procurement and contract documents.

- 5.16 HB Public Law where instructed will advise the client department with regard to any contractual changes which may be required to reflect any modification. Those existing terms and conditions of contract not modified will continue to apply to future advice.

5.17 **Risk Management**

- 5.18 As Gowling WLG's appointment as provider was in compliance with the Council's CPRS and public procurement requirements variation of the contract value is likely to be low risk

5.19 **Equalities and Diversity**

- 5.20 It is not envisaged that this appointment will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The council understands that it has an obligation to meet its public sector equalities duty under the Equality Act 2010 including where public functions are delivered on its behalf by other organisations and will do everything necessary to ensure that there is continuing compliance with this duty.

5.21 **Consultation and Engagement**

- 5.22 It is not considered that this issue will require consultation with service users, as these decisions relates to the extension of existing contracts, within the contractual terms, following a robust procurement process.

5.23 **Insight**

- 5.24 Contract monitoring meetings will be held on annual basis to ensure that costs are continually reviewed.

6. BACKGROUND PAPERS

- 6.1 Cabinet, 29 March 2005 (Decision Item 6) – agreed to enter into a Collaboration Agreement with the development partnership (Cricklewood Regeneration Limited, Hammerson and Standard Life).

<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=120&MeetingId=265&DF=29%2f03%2f2005&Ver=2>

- 6.2 Cabinet Resources Committee, 25 March 2008 (Decision Item 16) – approved the outline terms so far agreed with the Brent Cross North Partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel’s advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement and the Property Development Agreements be reported to a future meeting of the Cabinet for approval.

<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/200803251900/Agenda/Document%2015.pdf>

- 6.3 Cabinet Resources Committee, 19 October 2010 (Decision Item 5) – approved the changes to the terms and conditions of the Development Framework Agreement and the two Property Development Agreements regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)

<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=151&MeetingId=446&DF=19%2f10%2f2010&Ver=2>

- 6.4 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>

- 6.5 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross

Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>

- 6.6 Assets, Regeneration and Growth Committee dated 9 July 2014 approved the procurement of a partner for the Brent Cross Cricklewood South development through an OJEU Negotiated route in accordance with the Brent Cross South Procurement and Delivery Strategy, and approved the Council's requirements for the Brent Cross Cricklewood South opportunity; and noted procurement timetable and that to meet this timetable an additional meeting would be needed to approve the selection of a preferred partner, which would be called in accordance with statutory requirements and the Council's constitution.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4>

- 6.7 Assets, Regeneration and Growth Committee dated 15 December 2014 noted progress on the Brent Cross Cricklewood project.

<http://barnet.moderngov.co.uk/documents/s19845/BXC%20update%20-%20Publish.pdf>

- 6.8 Delegated Powers Report (11 February 2015) re-confirm approval of Wragge Lawrence Graham & Co legal appointment to the Brent Cross Cricklewood Scheme.

- 6.9 Full Council dated 3 March 2015 approved the appointment of Argent and Related Companies PLC (Bidder Z) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme; the selection of Gateway Barnet consortium comprising Far East Consortium, Countryside Properties and Notting Hill Housing Trust (Bidder Y) as the Council's reserve development partner for the Brent Cross Cricklewood South Scheme; authorise Officers to work up the Business Plan, Project Agreement and documentation necessary to form the joint venture for consideration and approval by Assets, Regeneration and Growth Committee prior to formally entering into the joint venture contract and authorised the Commissioning Director (Growth and Development) to determine the exact structure of the joint venture arrangement.

<http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack%2003rd-Mar-2015%2019.30%20Council.pdf?T=10>

- 6.10 Assets, Regeneration and Growth Committee dated 30 November 2015 approved the terms for the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement and authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and any required subsequent changes in the associated commercial documentation; noted progress on land acquisitions within the CPO red line boundary and that the CPO Inquiry for Brent Cross Cricklewood CPO1 and Brent Cross Cricklewood CPO 2 is scheduled for 17 May - 17 June 2016; approved the Brent Cross South Joint Venture Structure that will inform the Project Agreement and documentation necessary to form the Brent Joint Venture; noted the establishment of the Shadow Joint Venture Board and gave approval for the terms of reference for Shadow Shareholder Board for the Brent Cross South Joint Venture to be drawn up including a process for appointing Members for agreement at the next practicable meeting of the Council; and noted progress on the Thameslink Station project, in particular the station design and funding strategy.

<http://barnet.moderngov.co.uk/documents/s27725/Brent%20Cross%20Cricklewood%20Project%20update.pdf>

- 6.11 Council 1 March 2-16 noted the report of Assets, Regeneration and Growth Committee on 30 November 2015 as attached at Appendix 1 which approved the Joint Venture Structure and authorised the establishment of a Shadow Shareholder Board for the Brent Cross South Joint Venture, and that its terms of reference and membership to be drawn up for Council approval; noted the Brent Cross South Joint Venture Structure at Appendix 3 attached to the report of the Assets, Regeneration and Growth Committee on 30 November 2015; approved by the Committee on 30 November 2015; agreed the terms of reference for the Shadow Shareholder Board for the Brent South Joint Venture as outlined in paragraph 2.15; agreed that the composition and Membership of the Shadow Shareholder Board be agreed, as per paragraphs 2.13 and 2.14 of the report; noted the decisions outlined in Appendix 2 which will be required by the Shadow Shareholder Board as detailed in the Project Agreement and Shareholder and associated documentation necessary to form the Brent Cross South Joint Venture; and noted that the Project Agreement, Shareholder Agreement and associated documentation will be reported to Assets, Regeneration and Growth Committee on 17 March 2016 for approval and that that report will recommend that the Chief Executive be authorised in consultation with the Leader to finalise the documentation.

<http://barnet.moderngov.co.uk/documents/s29974/Report%20to%20Council%20Report%20->

[%20Report%20of%20Assets%20Regeneration%20adn%20Growth%20Com
mittee%20-%20Brent%20Cross%20Cricklew.pdf](#)

- 6.12 Delegated Powers Report (29 April 2016) re-confirm approval of Wragge Lawrence Graham & Co legal appointment to the Brent Cross Cricklewood Scheme and approve contract value extension
- 6.13 Delegated Powers Report (06 June 2016) approve contract value variation for Bilfinger GVA to June 2016 and note the change of company name from GVA Grimley to Bilfinger GVA.

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| | |
|---------------------------------------|--|
| | <p>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 26 April 2016</p> |
| <p>Title</p> | <p>Brent Cross Cricklewood – Gowling Wragge Lawrence Graham (UK) LLP</p> |
| <p>Report of</p> | <p>Commissioning Director, Growth and Development</p> |
| <p>Wards</p> | <p>Child’s Hill, Golders Green and West Hendon</p> |
| <p>Status</p> | <p>Public</p> |
| <p>Enclosures</p> | <p>None</p> |
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| <p>Summary</p> |
| <p>In October 2014, the Council appointed Wragge Lawrence Graham & Co LLP to provide specialist legal support on the Brent Cross Cricklewood Scheme. This support also covers procurement advice to Council on the selection of its preferred development partner for Brent Cross Cricklewood South. Wragge Lawrence Graham & Co will continue to provide legal advice on this scheme.</p> <p>This report seeks approval to:</p> <ul style="list-style-type: none"> vary the value of the existing contract between the Council and Gowling WLG (formerly Wragge Lawrence Graham & Co LLP) who were procured following an OJEU-compliant procedure from £800,000.00 to the value of £1,627,508.46. <p>This variation will allow the Council to make payments on all outstanding costs until the end of May 2016. Furthermore, officers will be preparing a report for the next Policy and Resources Committee to seek approval on future spend against this contract.</p> |

Decisions

- 1. To approve an emergency waiver under Clause 15.2 to vary the value of the existing contract between the Council and Gowling Wragge Lawrence Graham (formerly Wragge Lawrence Graham & Co LLP) from £800,000.00 to the value of £1,627,508.46.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Brent Cross Cricklewood Scheme is one of the major regeneration schemes and is being driven by a partnership comprising Hammerson, Standard Life and the Council (Brent Cross North); and a Joint Venture between Argent Related and the Council (Brent Cross South). Owing to the fragmented land ownership, mixed uses and the nature of previous land uses, and the scheme being separated into 3 distinctive development areas (North, South and Thameslink Station), the Council requires specialist legal advice in a number of key areas such as commercial, planning, property, CPO, network rail, procurement and on joint venture contract matters.
- 1.2 In February 2015, following an open procedure OJEU procurement process Wragge Lawrence Graham & Co LLP (now Gowling WLG) was appointed to provide specialist legal advice and support on the Brent Cross South scheme. They are currently providing legal advice on the Joint Venture contract between the Council and Argent Related, and they are also providing support on Brent Cross Cricklewood North and on the Thameslink Project.
- 1.3 The original contract value was set at £800,000 and this limit has now been reached. In order for the Council to continue with receiving specialist advice from Gowling WLG on the scheme, a variation is required on the contract value. The continuation of consistent legal advice is required and this variation will increase the contract value to enable payments on the outstanding fees and for costs incurred until the end of May 2016.
- 1.4 This variation will allow the Council to make payments on the outstanding fees (reported in Section 5.2) and cover any fees up to end of May 2016. A report will be submitted to Policy and Resources Committee in June 2016, to authorise future spend against this contract.

2. REASONS FOR DECISIONS

- 2.1 The Council still requires specialist legal support on this scheme and Gowling WLG are best placed to provide this support particularly with regards to the areas mentioned in paragraph 1.2.
- 2.2 Gowling WLG was procured in accordance with the public procurement rules and the contract is based on hourly/day rates and not on a lump sum fee. There is no time or value limit to this contract and it has been confirmed with HB Public Law that the Council does not need to undertake a re-tender process.

- 2.3 There is a risk that if the Council does not increase the limit of the contract value, the non-payment of fees may result in withdrawal of this service which will impact on its ability to continue to use Gowling WLG's services.
- 2.4 As highlighted in 2.2, the contract price is based on hourly/day rates and this is billed according to usage. Clause 2.2 of the contract with Gowling WLG also provides for Change (Variation of Contract Services) as long as the legal advice relates to the Brent Cross Cricklewood Scheme.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1 There are no suitable alternative options. Gowling WLG were the most economically advantageous tender and they were appointed to the scheme on this basis.
- 3.2 Gowling WLG are operating within the existing terms and conditions and if the value is not varied, the Council will be unable to pay the outstanding fees and any future costs.

4. POST DECISION IMPLEMENTATION

- 4.1 Once the decision has been approved the appropriate officers will go through the necessary internal processes to increase the contract value.
- 4.2 The limit will be reviewed at the end of this financial year (31st March 2017) to determine if the limit will require a further variation.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 which states that the council will work with local, regional and national partners to strive to ensure that Barnet is a place:

- of opportunity, where people can further their quality of life
- where people are helped to help themselves, recognising that prevention is better than cure
- where responsibility is shared, fairly
- where services are delivered efficiently to get value for money for the taxpayer

- 5.1.2 The Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the Borough and maintaining Barnet as a successful London suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross

Cricklewood is one of Barnet's priority regeneration areas, and will provide approximately 7,500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor, linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

Finance

- 5.2.1 From the period from October 2014 to date, the expenditure for Gowling WLG is £775,335.22 (excluding VAT and outstanding costs) and the original estimated contract value was £800,000.00. This report seeks authority to increase the budget to cover the costs incurred from December 2015 to May 2016. This would cover any outstanding costs which cannot be covered by the existing value limit as it stands (currently totalling £612,173.24) as well as any future costs.
- 5.2.2 Under the terms of the Principal Development Agreement (PDA) signed by the Council and the Development Partners (Hammerson/Cricklewood Regeneration Limited and Standard Life) are obliged to pay the Council's costs on Brent Cross Cricklewood North. At present, the Council recovers its costs on Brent Cross Cricklewood on a quarterly basis.
- 5.2.3 With regards to Brent Cross Cricklewood South, the Council has entered into a Joint Venture with Argent Related, its preferred development partner to take forward this scheme. Within this arrangement, there is provision for the Council to recover its costs from Argent Related and it can start to recover its costs from April 2016.
- 5.2.4 These costs are contained within the scheme budget, and it will be monitored by Re and reported to the council on a regular basis.
- 5.2.5 Any legal fees relating to the Thameslink project will be covered by the budget of £4.9 million which was approved by the Assets Regeneration Growth Committee on 30 November 2015.
- 5.2.6 The original budget of £800,000.00 has been exceeded for a number of reasons. The main reason for this increase is due to the complicated nature of the negotiations on the Joint Venture structure and on the contractual matters associated with this approach.
- 5.2.7 In November 2015, the Assets Regeneration and Growth Committee approved the Brent Cross South Joint Venture Structure. This was followed by a further Committee approval in March 2016 on the detailed terms of the Project Agreement, Limited Partnership Agreement, Shareholder Agreement and other associated documentation on the Joint Venture. In March 2016, Committee also approved the finalisation and completion of these documents

and authorised the Council entering into contract with the Joint Venture.

5.2.8 The Council entered into a Joint Venture Company (JV Co) with Argent Related from April 2016. As a result, Gowling WLG have been providing advice on the Joint Venture structure and they have also produced all the legal documentation for the creation of the JV Co.

5.2.9 The contract with Gowling WLG was signed and the budget was assigned prior to Argent Related appointment and before the Council entered into the JV Co. Whilst this situation did not alter the terms of Gowling WLG's contract, it had a significant impact on the budget.

5.2.10 The total expenditure for Gowling WLG in the financial year 2015-16 (including outstanding costs) was £1,190,587.46. This has resulted in an overspend of £390,587.46. The majority of this overspend comes from the two final invoices of that year (as shown in the table in paragraph 5.2.13).

5.2.11 In the contract with Gowling WLG (Appendix 2 under clause 1) a price review is due to take place on an annual basis, at the end of April each year. Going forward this will begin in January 2017 with a report to the Assets Regeneration and Growth Committee to update on the review.

5.2.12 This report seeks authority to increase the total budget to £1,627,508.46 which will cover all outstanding costs to the end of May 2016, after which the Policy and Resources committee will make a decision on a further variation to the contract to cover all costs until April 2018.

5.2.13 Below is a table outlining the current and future outstanding costs up until May 2016:

| Month and Year | Amount (VAT exc) |
|-----------------------|-------------------------|
| December 2015 | £45,712.56 |
| February 2016 | £150,844.40 |
| March 2016 | £218,695.28 |
| April 2016 | £196,921.00 |
| *May 2016 | £240,000.00 |

5.2.14 It is important to note that the figure for *May is an estimate based upon previous invoice amounts.

Procurement

5.2.15 Gowling WLG were procured on the basis that they would provide all legal advice (excluding advice on CPO) on the Brent Cross Cricklewood Regeneration and therefore, the increase in fees is permissible under the original terms of their contract.

5.3 Legal and Constitutional References

5.3.1 The procurement exercise for the appointment was carried out in accordance with the Council's Contract Procedure Rules (CPR) and public procurement regulations.

5.3.2 The CPR Appendix 1 Table A requires acceptance using a full officer DPR and if within budget variation report to the relevant thematic committee

5.3.3 The existing terms and conditions of contract will apply to future advice and the only requirement is to agree an updated specification of the services to be provided by GWLG.

5.3.4 The Council's Constitution (Contract Procedure Rules, Section 15 under 5.2 states that Directors, Assistant Directors, Commissioning Directors and Heads of Service may take decisions on emergency matters (i.e. an unexpected occurrence requiring immediate action) in consultation with the Chairman of Policy and Resources Committee providing they report to the next available Policy and Resources Committee, setting out the reasons for the emergency waiver. A copy of the relevant Policy and Resources Committee report must be provided to CSG Procurement and stored on the Council's contract repository.

5.4 Risk Management

5.4.1 As the original appointment was in full compliance with the public procurement rules and the CPR there is not a risk involved in extending the contract value due to the service nature of the procurement.

5.5 Equalities and Diversity

5.5.1 It is not envisaged that this appointment will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The council understands that it has an obligation to meet its public sector equalities duty under the Equality Act 2010 including where public functions are delivered on its behalf by other organisations and will do everything necessary to ensure that there is continuing compliance with this duty.

5.6 Consultation and Engagement

This contract extension does not require consultation and engagement.

6. BACKGROUND PAPERS

- 6.1 Cabinet, 29 March 2005 (Decision Item 6) – agreed to enter into a Collaboration Agreement with the development partnership (Cricklewood Regeneration Limited, Hammerson and Standard Life).

<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=120&MeetingId=265&DF=29%2f03%2f2005&Ver=2>

- 6.2 Cabinet Resources Committee, 25 March 2008 (Decision Item 16) – approved the outline terms so far agreed with the Brent Cross North Partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel’s advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement and the Property Development Agreements be reported to a future meeting of the Cabinet for approval.

<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/200803251900/Agenda/Document%2015.pdf>

- 6.3 Cabinet Resources Committee, 19 October 2010 (Decision Item 5) – approved the changes to the terms and conditions of the Development Framework Agreement and the two Property Development Agreements regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)

<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=151&MeetingId=446&DF=19%2f10%2f2010&Ver=2>

- 6.4 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>

- 6.5 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross

Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>

- 6.6 Assets, Regeneration and Growth Committee dated 9 July 2014 approved the procurement of a partner for the Brent Cross Cricklewood South development through an OJEU Negotiated route in accordance with the Brent Cross South Procurement and Delivery Strategy, and approved the Council's requirements for the Brent Cross Cricklewood South opportunity; and noted procurement timetable and that to meet this timetable an additional meeting would be needed to approve the selection of a preferred partner, which would be called in accordance with statutory requirements and the Council's constitution.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4>

- 6.7 Assets, Regeneration and Growth Committee dated 15 December 2014 noted progress on the Brent Cross Cricklewood project.

<http://barnet.moderngov.co.uk/documents/s19845/BXC%20update%20-%20Publish.pdf>

- 6.8 Delegated Powers Report (11 February 2015) re-confirm approval of Wragge Lawrence Graham & Co legal appointment to the Brent Cross Cricklewood Scheme.

- 6.9 Full Council dated 3 March 2015 approved the appointment of Argent and Related Companies PLC (Bidder Z) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme; the selection of Gateway Barnet consortium comprising Far East Consortium, Countryside Properties and Notting Hill Housing Trust (Bidder Y) as the Council's reserve development partner for the Brent Cross Cricklewood South Scheme; authorise Officers to work up the Business Plan, Project Agreement and documentation necessary to form the joint venture for consideration and approval by Assets, Regeneration and Growth Committee prior to formally entering into the joint venture contract and authorised the Commissioning Director (Growth and Development) to determine the exact structure of the joint venture arrangement.

<http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack%2003rd-Mar-2015%2019.30%20Council.pdf?T=10>

- 6.10 Assets, Regeneration and Growth Committee dated 30 November 2015 approved the terms for the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement and authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and any required subsequent changes in the associated commercial documentation; noted progress on land acquisitions within the CPO red line boundary and that the CPO Inquiry for Brent Cross Cricklewood CPO1 and Brent Cross Cricklewood CPO 2 is scheduled for 17 May - 17 June 2016; approved the Brent Cross South Joint Venture Structure that will inform the Project Agreement and documentation necessary to form the Brent Joint Venture; noted the establishment of the Shadow Joint Venture Board and gave approval for the terms of reference for Shadow Shareholder Board for the Brent Cross South Joint Venture to be drawn up including a process for appointing Members for agreement at the next practicable meeting of the Council; and noted progress on the Thameslink Station project, in particular the station design and funding strategy.

<http://barnet.moderngov.co.uk/documents/s27725/Brent%20Cross%20Cricklewood%20Project%20update.pdf>

- 6.11 Council 1 March 2-16 noted the report of Assets, Regeneration and Growth Committee on 30 November 2015 as attached at Appendix 1 which approved the Joint Venture Structure and authorised the establishment of a Shadow Shareholder Board for the Brent Cross South Joint Venture, and that its terms of reference and membership to be drawn up for Council approval; noted the Brent Cross South Joint Venture Structure at Appendix 3 attached to the report of the Assets, Regeneration and Growth Committee on 30 November 2015; approved by the Committee on 30 November 2015; agreed the terms of reference for the Shadow Shareholder Board for the Brent South Joint Venture as outlined in paragraph 2.15; agreed that the composition and Membership of the Shadow Shareholder Board be agreed, as per paragraphs 2.13 and 2.14 of the report; noted the decisions outlined in Appendix 2 which will be required by the Shadow Shareholder Board as detailed in the Project Agreement and Shareholder and associated documentation necessary to form the Brent Cross South Joint Venture; and noted that the Project Agreement, Shareholder Agreement and associated documentation will be reported to Assets, Regeneration and Growth Committee on 17 March 2016 for approval and that that report will recommend that the Chief Executive be authorised in consultation with the Leader to finalise the documentation.

<http://barnet.moderngov.co.uk/documents/s29974/Report%20to%20Council%20Report%20-%20Report%20of%20Assets%20Regeneration%20and%20Growth%20Committee%20-%20Brent%20Cross%20Cricklew.pdf>

7. DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8. OFFICER'S DECISION

I authorise the following action

1. To approve an emergency waiver under Clause 15.2 to vary the value of the existing contract between the Council and Gowling Wragge Lawrence Graham (formerly Wragge Lawrence Graham & Co) from £800,000.00 to the value of £1,627,508.46.


Signed



Cath Shaw
Commissioning Director, Growth & Development

Date

29/4/16

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|  | <p>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 3 May 2016</p> |
| <p>Title</p> | <p>Brent Cross Cricklewood – GVA Grimley Ltd Contract Variation</p> |
| <p>Report of</p> | <p>Commissioning Director, Growth & Development</p> |
| <p>Wards</p> | <p>Childs Hill, Golders Green and West Hendon</p> |
| <p>Status</p> | <p>Public</p> |
| <p>Enclosures</p> | <p>None</p> |
| <p>Officer Contact Details</p> | <p>Jessica Jones, Project Support Officer Email: Jessica.jones@barnet.gov.uk Tel: 0208 359 7813</p> <p>Angela Latty, Senior Regeneration Officer Email: angela.latty@barnet.gov.uk Tel: 0208 359 7188</p> |

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| <p>Summary</p> |
| <p>In September 2012, GVA Grimley was appointed as external advisors on the Brent Cross Cricklewood Scheme, in respect of the Brent Cross North Development, Brent Cross South Development and the Thameslink station.</p> <p>This report seeks authority to vary the contract of GVA Grimley. This is a value variation to enable payments on all outstanding costs until the end of June 2016. Furthermore, officers will be preparing a report for the next Policy and Resources Committee to seek approval on future spend against this contract.</p> <p>This report also notes that there is a trading name update for GVA Grimley who now trades as Bilfinger GVA (formerly GVA Grimley).</p> |

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| <p>Decisions</p> |
| <p>1. To approve a variation under Contract Procedure Rules 14.1 (b) “A change of contractor cannot be realistically made for economic or technical reasons and would cause significant inconvenience or substantial duplication of the Council’s costs” This authorisation is requested to enable payment of</p> |

outstanding costs concurred to the end of June 2016.

- 2. To authorise the update of contract as external advisors on the Brent Cross Cricklewood Scheme between the Council and GVA Grimley to reflect the new trading name Bilfinger GVA (formerly GVA Grimley).**

1. WHY THIS REPORT IS NEEDED

- 1.1 The report seeks authority to allow the extension of value of the Bilfinger GVA (GVA) contract to cover specialist strategic property advice on the Brent Cross Cricklewood Regeneration Scheme. In December 2014, the Committee approved the regularisation and continuation of GVA's contract, however further approval is now sought to vary the contract.

2. REASONS FOR DECISIONS

- 2.1 In November 2012, GVA were appointed to provide strategic property and financial advice to Council on matters relating to Brent Cross Cricklewood North, Brent Cross Cricklewood South and on Thameslink Station. This included undertaking scheme reviews, due diligence and phase reviews, and soft market testing for the procurement of the Developer for the Brent Cross Cricklewood South scheme. GVA also explored a number of potential funding strategies to bring forward the critical infrastructure within the regeneration site boundary. This included exploring funding strategies for the Thameslink Station.
- 2.2 In April 2013, Cabinet Resources Committee confirmed the continued appointment of the GVA on the scheme. The Council requires Bilfinger GVA (formerly GVA Grimley) to provide continuous advice on Brent Cross Cricklewood North and their expertise is also required on Brent Cross Cricklewood South. This is particularly in relation to Phase 1 and Phase 2 of the scheme. Further advice might also be required on the Thameslink Station Project.
- 2.3 The contract was subject to a competitive process and continues to represent the best available option for the Council.

2.4 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 2.5 There are no suitable alternative options. GVA were the most economically advantageous tender and they were appointed to the scheme on this basis.
- 2.6 GVA are operating within the existing terms and conditions and if the value is not varied, the Council will be unable to pay the outstanding fees and any

future costs. This will impact on its ability to continue to use GVA and achieve the continuation of service delivery that the Brent Cross projects require.

- 2.7 Therefore, it is not recommended to undertake a new procurement process for this area of work, as this approach will lead to a delay in delivering several key elements of the programme.

3. POST DECISION IMPLEMENTATION

- 3.1 Once the decision has been approved the appropriate officers will go through the necessary internal processes to increase the contract value.
- 3.2 Officers will be preparing a report for the next Policy and Resources Committee to seek approval on the use of Bilfinger GVA on the Brent Cross Cricklewood Scheme.

4. IMPLICATIONS OF DECISION

4.1 Corporate Priorities and Performance

- 4.1.1 The regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 which states that the council will work with local, regional and national partners to strive to ensure that Barnet is a place:

- of opportunity, where people can further their quality of life
- where people are helped to help themselves, recognising that prevention is better than cure
- where responsibility is shared, fairly
- where services are delivered efficiently to get value for money for the taxpayer

- 4.1.2 The Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the Borough and maintaining Barnet as a successful London suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross Cricklewood is one of Barnet's priority regeneration areas, and will provide approximately 7,500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor, linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.

4.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

4.2.1 **Finance**

4.2.2 From the period from November 2012 to date, the expenditure for Bilfinger GVA is £441,868.34 (excluding VAT and outstanding costs). This report seeks authority to increase the budget to cover outstanding fees from October 2015 to February 2016 and any further costs until the end of June 2016.

4.2.3 Under the terms of the Collaboration Agreement signed by the Council and the Development Partners, Hammerson/Cricklewood Regeneration Limited and Standard Life are obliged to pay the Council's consultants costs in connection with this project. In relation to Brent Cross Cricklewood South, the Council has entered into a Joint Venture with Argent Related and within this arrangement, there is provision for the Council to recover its costs from Argent Related and it can start to recover its costs from April 2016.

4.2.4 The original contract value was £119,040 in April 2013, which was to be extended as agreed on by the Council and Bilfinger GVA for continuation of services on an annual basis. The contract was extended in August 2014 to £439,000.00.

4.2.5 This was further extended through an Assets, Regeneration and Growth Committee report in December 2014 by £60,000.00, bringing the total contract amount to £499,040.00 for services up to December 2015.

4.2.6 The total spend including outstanding costs to June 2016 currently stands at £522,968.34 VAT exc.,

4.2.7 The costs associated with the further work required by Bilfinger GVA to progress the project in 2015/16 are estimated to be approximately £81,100.00 and will be recovered from the Development Partners.

4.2.8 Below is a table outlining the outstanding and future costs up until May 2016:

| Month and Year | Amount (VAT exc) |
|-----------------------------|-------------------------|
| September/October 2015 | £10, 080.00 |
| November 2015 | £13,920.00 |
| December 2015 | £10,080.00 |
| January 2016 | £4,800.00 |
| February 2016 | £1,920.00 |
| <i>* March to May 2016*</i> | <i>£40,300.00</i> |
| Total Amount | £81,100.00 |

4.2.9 It is important to note that the total figure for *March to June 2016* is an estimate based upon previous invoice amounts.

4.2.10 **Procurement**

- 4.2.11 Bilfinger GVA's contract was subject to a competitive process and continues to represent the best available option for the Council.
- 4.2.12 The contract and price is to be reviewed on an annual basis from April 2016 and will continue every April thereafter.
- 4.2.13 The price review will comprise the following elements: review of current and future requirements to ensure that these works are contained within the scope of the existing contract; justification and evidence to support any request for a price increase; explore which price elements can be fixed during the term of the year (if applicable)
- 4.2.14 The contract was appointed on an hourly fee basis. Upon review of the contract and costs, this fee has not increased since GVA began works as the scope specified. However, they have been asked to provide further works as per Phase 3 set out below, and these costs have been agreed between GVA and the appropriate officers as and when needed.
- 4.2.15 The original contract was put in place in April 2013 and was appointed for three different "phases" of works:
- Phase 1 – Advice regarding the re-phasing of the Brent Cross Cricklewood south project and preparation for the developer procurement process
 - Phase 2 – Advice and input into the preparation and delivery of the OJEU compliant developer partner/ developer consortium procurement process
 - Phase 3 – Advice and input into the development and delivery of a viable scheme
- 4.2.16 As the Brent Cross Regeneration Scheme is a 20 year project, there are likely to be instances where contracts will need to be extended to ensure continuity on key work areas.

4.3 Legal and Constitutional References

- 4.3.1 The procurement which enabled the award of the contract to GVA Grimley was through the HCA Framework Property Panel with a mini-competition which was delivered following and OJEU procedure. This is in accordance with the Council's Contract Procedure Rules (CPR) and public procurement regulations.

4.4 Risk Management

- 4.4.1 The appointment of Property and Financial Advice for Brent Cross Cricklewood Southern development is essential to safeguard the Council's interests and to support the development of options to help bring forward the Brent Cross Cricklewood regeneration project.
- 4.4.2 The appointment was subject to a competitive tender. The fees that arise out of this appointment are being covered by the Brent Cross Development Partners (Hammerson UK plc and Standard Life Investments, Argent and Related).
- 4.4.3 Having taken into account the above issues, it is not considered that the extension of GVA Grimley's contract will raise significant levels of public concern or give rise to policy considerations.

4.5 Equalities and Diversity

- 4.5.1 It is not envisaged that this appointment will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The council understands that it has an obligation to meet its public sector equalities duty under the Equality Act 2010 including where public functions are delivered on its behalf by other organisations and will do everything necessary to ensure that there is continuing compliance with this duty.

4.6 Consultation and Engagement

- 4.6.1 It is not considered that this issue will require consultation with service users, as these decisions relates to the extension of existing contracts, within the contractual terms, following a robust procurement process.

5. BACKGROUND PAPERS

- 5.1 Action taken by Cabinet Member (Executive Function) DPR 1830 12 November 2012, Brent Cross Cricklewood Southern Development - Property and Financial Advice Tender Acceptance(Contract no: 505710) <http://barnet.moderngov.co.uk/documents/s6628/1830%20-%20Brent%20Cross%20Cricklewood%20Southern%20Development.pdf>
- 5.2 Assets, Regeneration and Growth Committee dated 9 July 2014 approved the procurement of a partner for the Brent Cross Cricklewood South development through an OJEU Negotiated route in accordance with the Brent Cross South Procurement and Delivery Strategy, and approved the Council's requirements for the Brent Cross Cricklewood South opportunity; and noted procurement timetable and that to meet this timetable an additional meeting would be

needed to approve the selection of a preferred partner, which would be called in accordance with statutory requirements and the Council's constitution.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4>

- 5.3 Assets, Regeneration and Growth Committee dated 15 December 2014 noted progress on the Brent Cross Cricklewood project and approved the extension, regularisation and continuation of Bilfinger GVA's contract.

<http://barnet.moderngov.co.uk/documents/s19845/BXC%20update%20-%20Publish.pdf>

- 5.4 Full Council dated 3 March 2015 approved the appointment of Argent and Related Companies PLC (Bidder Z) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme; the selection of Gateway Barnet consortium comprising Far East Consortium, Countryside Properties and Notting Hill Housing Trust (Bidder Y) as the Council's reserve development partner for the Brent Cross Cricklewood South Scheme; authorise Officers to work up the Business Plan, Project Agreement and documentation necessary to form the joint venture for consideration and approval by Assets, Regeneration and Growth Committee prior to formally entering into the joint venture contract and authorised the Commissioning Director (Growth and Development) to determine the exact structure of the joint venture arrangement.

<http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack%2003rd-Mar-2015%2019.30%20Council.pdf?T=10>

- 5.5 Assets, Regeneration and Growth Committee dated 30 November 2015 approved the terms for the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement and authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and any required subsequent changes in the associated commercial documentation; noted progress on land acquisitions within the CPO red line boundary and that the CPO Inquiry for Brent Cross Cricklewood CPO1 and Brent Cross Cricklewood CPO 2 is scheduled for 17 May - 17 June 2016; approved the Brent Cross South Joint Venture Structure that will inform the Project Agreement and documentation necessary to form the Brent Joint Venture; noted the establishment of the Shadow Joint Venture Board and gave approval for the terms of reference for Shadow Shareholder Board for the Brent Cross South Joint Venture to be drawn up including a process for appointing Members for agreement at the next practicable meeting of the Council; and noted progress on the Thameslink Station project, in particular the station design and funding strategy.

<http://barnet.moderngov.co.uk/documents/s27725/Brent%20Cross%20Cricklewood%20Project%20update.pdf>

- 5.6 Council 1 March 2-16 noted the report of Assets, Regeneration and Growth Committee on 30 November 2015 as attached at Appendix 1 which approved the Joint Venture Structure and authorised the establishment of a Shadow Shareholder Board for the Brent Cross South Joint Venture, and that its terms of reference and membership to be drawn up for Council approval; noted the Brent Cross South Joint Venture Structure at Appendix 3 attached to the report of the Assets, Regeneration and Growth Committee on 30 November approved by the Committee on 30 November 2015; agreed the terms of reference for the Shadow Shareholder Board for the Brent South Joint Venture as outlined in paragraph 2.15; agreed that the composition and Membership of the Shadow Shareholder Board be agreed, as per paragraphs 2.13 and 2.14 of the report; noted the decisions outlined in Appendix 2 which will be required by the Shadow Shareholder Board as detailed in the Project Agreement and Shareholder and associated documentation necessary to form the Brent Cross South Joint Venture; and noted that the Project Agreement, Shareholder Agreement and associated documentation will be reported to Assets, Regeneration and Growth Committee on 17 March 2016 for approval and that that report will recommend that the Chief Executive be authorised in consultation with the Leader to finalise the documentation.

<http://barnet.moderngov.co.uk/documents/s29974/Report%20to%20Council%20Report%20-%20Report%20of%20Assets%20Regeneration%20and%20Growth%20Committee%20-%20Brent%20Cross%20Cricklewood.pdf>

7. DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8. OFFICER'S DECISION

I authorise the following action

- 8.1 The variation under Contract Procedure Rules 14.1 to enable payment of outstanding costs concurred to the end of June 2016.
- 8.2 The update of contract as external advisors on the Brent Cross Cricklewood Scheme between the Council and GVA Grimley to reflect the new trading name Bilfinger GVA (formerly GVA Grimley).,

Signed




Commissioning Director, Growth and
Development

Date

06/06/2016

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| | |
|---|---|
|  | <p>Assets, Regeneration, and Growth</p> <p>11/07/2016</p> |
| <p style="text-align: right;">Title</p> | <p>Colindale. Financial assistance for RAF museum site re-development:</p> |
| <p style="text-align: right;">Report of</p> | <p>Cath Shaw, Commissioning Director for Growth and Development</p> |
| <p style="text-align: right;">Wards</p> | <p>Colindale</p> |
| <p style="text-align: right;">Status</p> | <p>Public</p> |
| <p style="text-align: right;">Urgent</p> | <p>No</p> |
| <p style="text-align: right;">Key</p> | <p>Yes</p> |
| <p style="text-align: right;">Enclosures</p> | <p>Outline Business Case</p> |
| <p style="text-align: right;">Officer Contact Details</p> | <p>Martin Smith 0208 359 7419</p> |

| |
|--|
| <h3>Summary</h3> |
| <p>The RAF Museum at Colindale is both a nationally important visitor attraction and a generator of valuable economic activity within Colindale. The museum is approaching its centenary celebrations in summer 2018 and undertaking a renewal programme for its site, galleries and organisation with the ambition of creating a world-leading visitor destination that engages, inspires and connects everyone with the RAF story through the exploration of its people and its collections. The work is scheduled to complete in 2018 and to be the focal point for celebrations and high profile visits to the museum and the wider Colindale area. The total cost of the renewal programme is £23,000,000 which includes the development and delivery of 4 project phases. Phase 1 (£2m) was completed in December 2014. Phase 2 (19.5m) is due for completion in the centenary year 2018. To date (May 2016), since the fundraising campaign was launched in July 2015, the Museum has raised £12,931,460 towards its phase 2 target of £19,582,713 leaving a shortfall of £6.65m.</p> |
| <p>Of this shortfall, £4M is needed to be pledged by September 2016 to ensure the release of Heritage Lottery funds and that works are commenced in time to meet the Museum’s 2018 RAF Centenary year deadline. Council assistance of £500,000 is sought towards the delivery costs shortfall. The remaining balance (£6,151,253) will be met through continuing fundraising activity with corporate and private supporters of the Museum as well as public</p> |

fundraising initiatives. The museum remains confident that it can reach the £4m pledge target. A range of funding applications has been submitted to Trusts, Foundations, and large defence companies etc. These have been supplemented by high visibility public campaigns. The outcomes of those applications will be communicated during the next few months.

The grant sought from the council may be phased over the delivery period of the project 2016 - 2018

Recommendations

1. Subject to the approval of the Policy and Resources Committee that:

- (i) the Committee approve financial assistance totalling £500,000 to the RAF museum, phased on an agreed basis over the project period 2016-2018, released subject to confirmation by the museum that the remaining balance of the shortfall (£6,151,253) has been secured.**
- (ii) the Committee authorise the Commissioning Director Growth and Development in consultation with the Chairman of the Committee to agree the details of the payment programme in conjunction with the RAF Museum**

2. That the Committee recommends the above for approval at the next meeting of the Policy and Resources Committee.

1. WHY THIS REPORT IS NEEDED

- 2.** The RAF museum at Colindale is a visitor attraction of major significance both locally and nationally, providing vital economic activity and a wide range of community benefits for the local area. The museum has embarked upon an exciting renewal programme the completion of which is due to coincide with the high profile Centenary celebrations in summer 2018. The museum has been successful in attracting significant funds from the Government's Heritage and Lottery fund but still faces a shortfall of £6.6m to enable the scheme to push ahead. The committee is asked to pledge £500k towards this shortfall with actual payment to be phased over the years 2016-218 so that the larger HLF fund can be secured and works can commence.

3. REASONS FOR RECOMMENDATIONS

- 3.1** The Royal Air Force Museum is a registered charity and a National Museum with a purpose to tell the story of the RAF through its people and collections. It was constituted in 1968 to celebrate the 50th anniversary of the formation of the RAF in 1918 and opened on the former RAF Hendon site in 1972.

- 3.2 The RAF Museum is governed by a Board of Trustees appointed through the public appointments process and is a non-departmental public body audited by the National Audit Office. It receives grant-in-aid from the Ministry of Defence to support the National Collection and generates revenue from trading activities. It exists on three sites, in Colindale, London, Cosford, West Midlands and Stafford.
- 3.3 The Museum's 20-acre London site incorporates a series of five hangar structures and a number of ancillary buildings. The hangars house part of the National Collection relating to the RAF. The buildings are a mixture of listed First World War structures (including the Watch Office and Factory moved as part of a S106 agreement in 2003), 1930s ancillary brick buildings, and post-1970 structures built by the Museum. These are arranged around a large car park and some lawn
- 3.4 .The Museum's strategic direction is guided by a five year Strategic Plan 2013 - 2018 supported by a corporate business plan. It has a 10 year development programme focussing initially on the Colindale site. The Museum functions as a visitor attraction; an educational resource accessed by 28,000 school children in formal learning programmes in 15/16; and an events venue for corporate, private and community meetings, dinners, road-shows and lectures. It is a popular venue for children's birthday parties, bar and bat mizvahs, wakes and family outings.
- 3.5 The Museum welcomed 363,541 visitors in 2015/16. Of this total 15% were Barnet residents and approximately 3% came from the Grahame Park Estate. The estate was built on the former runways of the RAF Hendon and is currently subject to a major regeneration programme.
- 3.6 The Museum is undertaking a renewal programme for its site, galleries and organisation with the ambition of creating a world-leading visitor destination that engages, inspires and connects everyone with the RAF story through exploration of its people and its collections.
- 3.7 Tied to the Centenary of the Royal Air Force in 2018, the Museum will:
- 3.8 Execute a new interpretation strategy based on a chronological 'chapter structure' starting with the First World War in the Air and completing the Introduction and Now and the Future chapters by 2018.

- 3.9 Rearrange the circulation of the Museum to create a new visitor car park at the start of the visitor journey, a single point of entry into the Museum estate with improved visitor welcome facilities, and a hub and spoke orientation around the galleries.
- 3.10 Create a safe central green space, including a children's playground, with a naturally planted perimeter, and green landscaped core to reflect the former airfield heritage.
- 3.11 Restore a derelict historic 1930s building to become a new site restaurant. and bookable event space.
- 3.12 Improve the commercial and secondary spend opportunities within the new visitor centre with new bookable event spaces and dining areas within the museum galleries.
- 3.13 Create 10 new contract posts, funded for at least 2 years as part of the project. New permanent roles will be created by our catering partner and the Museum's trading company.
- 3.14 The project has been drawn up in consultation with the council, RAF Air Command, other key stakeholders and members of the public. The work has been assessed by English Heritage which is supportive of the plan. The project is being managed by professional project managers and is scrutinised by a dedicated project board.
- 3.15 A detailed programme is attached at Annex A

4. POST DECISION IMPLEMENTATION

- 4.1 The decision will enable the Council to formally pledge the funds whilst a phased payment schedule is negotiated between both parties

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The vision for 2020 expressed within the Council's corporate plan 2015-2020 expresses the principles of fairness, responsibility and opportunity and the following strategic objectives;

- 5.1.2 The council, working with local, regional and national partners, will strive to ensure that Barnet is the place:

- 1. of opportunity, where people can further their quality of life
- 2. where people are helped to help themselves
- 3. where responsibility is shared, fairly
- 4. where services are delivered efficiently to get value for money for the taxpayer

5.1.3 The RAF museum's renewal programme in creating economic and employment opportunities at the heart of the regeneration area will contribute to all four strategic objectives but with special focus on 1 and 4

5.1.4 The plan proposes a number of achievements. Those particularly relevant to this initiative as follows;

5.1.5 • more involved and resilient communities,

5.1.6 • a clean and attractive environment, with well-maintained roads and pavements, flowing traffic, increased recycling

5.1.7 • a responsible approach to regeneration, •.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 At its December 2015 meeting the Council's Policy and Resources Committee agreed a Colindale Highways and transport budget totalling £8.807 m (appendix c capital additions 2016 – 2020). This includes a sum of £4m from the infrastructure reserve. It is proposed to re-designate the use of the infrastructure reserve to include an appropriation of part of that towards the total payment of £500k to the museum to be profiled at £250k for financial years 16/17 and 17/18 respectively. This will be at no additional cost to the council's capital programme

5.2.2 Though within existing capital budget resources, this will be a new additional scheme, and as such will require the approval of Policy & Resources Committee.

5.3 Legal and Constitutional References

5.3.1 The terms of reference of Assets, Regeneration and Growth Committee which includes: to develop and oversee a Regeneration Strategy; develop strategies which maximise the financial opportunities of growth; oversee major regeneration schemes including those of key social housing estates; and all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council. This is outlined in the Council's Constitution.

5.3.2 The Constitution- Annex A Responsibility for Functions provide that the Policy and Resources Committee's remit includes the approval of the Corporate Plan, the Council's capital and revenue and budget setting (subject to Full Council) and Medium Term Financial Strategy, and to be responsible for the overall strategic direction of the Council.

5.4 Risk Management

5.4.1 There are three major risks associated with the council's investment in this facility. The first is that the full funding requirement is not in place in

sufficient time to enable the works programme to complete in time for the centenary celebrations. This might mean failure to achieve funds at HLF round 2. The mitigation for this is a solid funding platform, matched to the HLF requirements and robust fund raising strategy to raise all the necessary funds

5.4.2 The second risk is that project costs have been underestimated leading to overspend in response to the pressure to complete on time. The mitigation is the early appointment of a quantity surveyor and clear change control mechanisms.

5.4.3 The third risk is that the award of such a large grant to the museum is perceived as inappropriate at a time of financial restraint and reductions elsewhere. The mitigation is twofold; Firstly the Council's contribution to the overall cost represents around 2.2% of the overall funding envelope and as such represents a very high degree of leverage. Secondly the major economic and social benefits the museum brings to a disadvantaged area including employment and training opportunities, community facilities, open spaces, play facilities etc.

5.5 Equalities and Diversity

The Council is committed to improving the quality of life and wider participation for all the economic, educational, cultural, and social and community life within the borough. This is achieved by pursuing successful regeneration of the Borough's regeneration areas. This benefits all sections of society by directly addressing the shortage of housing in the Borough across all tenures.

The Council will seek to ensure that the benefits arising from this development are distributed amongst its most disadvantaged residents including those with protected characteristics through training, information and a range of engagement activities building on its existing structures.

5.6 Consultation and Engagement

5.6.1 In preparation for the Centenary Programme, the Museum has delivered considerable in-depth consultation with staff and volunteers, stakeholders, the local community and the heritage sector, consulting with over 1,100 people including:

5.6.2 Consultation focus groups:

5.6.3 Work with Grahame Park Community Researchers – local people looking to re-engage with work who have been trained in consultative research – to undertake research with visitors on perceptions of our thresholds and the use of green space at the heart of the site.

5.6.4 A site entry and exit workshop with internal and external stakeholders

5.6.5 Two attitudes and engagement workshops with local 15yr old boys

5.6.6 A workshop for professional nannies and full time mums

5.6.7 Two days of public consultation on the plans as part of the planning application. Staff, visitors and local community members attended

5.6.8 Museum leadership and project staff have met with and gained support for the project from;

5.6.9 London Borough of Barnet councillors and mayors

5.6.10 All stakeholder and residents' groups:

5.6.11 The Colindale Community Trust,

5.6.12 The Colindale Consortium (formerly Grahame Park Consortium), the Grahame Park Economic and Community Strategy Group

5.6.13 London Borough Barnet officers, local and regional regeneration teams

5.6.14 GLA regeneration teams

5.6.15 Our London Assembly Member, Andrew Dismore

5.6.16 Our local MP, Matthew Offord

5.6.17 Veterans of the RAF

5.6.18 The RAF Family of charities

5.6.19 RAF100, the committee at Ministry of Defence level which is managing the national RAF centenary events and legacy, headed by the Assistant Chief of the Air Staff

5.8 **Insight**

5.8.1 There are no data sources available that are applicable to this proposal

5.9 **Social Value**

- The renewal programme for the museum brings with it a range of social value, including;
- The creation of a new central green space with a children's playground.
- Environmental and highways improvements
- The creation of local employment and training opportunities in a disadvantaged neighbourhood with disproportionately high levels of unemployment
- Activity plans associated with the capital works will connect a local, national and international audience to the RAF Story through a targeted 'Historic Hendon' programme of local engagement, a new Science, Technology, Engineering and Maths learning programme and a digital story-collection project

6. **BACKGROUND PAPERS**

6.1 15th December 2015 Policy and Resources Report

6.2

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Annex A .Budget

The total cost of the project is £23,000,000 which includes the development and delivery of 4 project phases

| | | | |
|-----------------|-------------------------------------|-------------|-------------------------------|
| Phase 1 | First World War in the Air | £2,000,000 | Completed December 2014 |
| Phase 2A | RAF Centenary | £16,500,000 | Due for completion June 2018 |
| Phase 2B | Historic Hendon | £3,000,000 | Due for completion April 2018 |
| Phase 3 | Air Power in the Age of Uncertainty | £1,500,000 | Exhibition project. |

The budget for the Phase 2 projects totals £19,582,713

| Description | Phase 2A | Phase 2B | Total |
|--|-------------------|------------------|-------------------|
| Development of the project to RIBA 3 | 854,100 | 280,848 | 1,134,948 |
| Capital works to the buildings including refurbishment of historic buildings for reuse into restaurant, volunteer centre and workshops; and landscape renewal, including new threshold and car parks, outdoor playground | 9,546,946 | 1,844,417 | 11,391,363 |
| New exhibitions and interpretation, including object decant and conservation works | 3,440,128 | 170,000 | 3,610,128 |
| Activities and programming including digital engagement projects, STEM learning programme and local activities, including new posts and volunteer expenses. | 1,821,463 | 573,450 | 2,394,913 |
| Project management, marketing and fundraising | 920,077 | 131,285 | 1,051,362 |
| | 16,582,713 | 3,000,000 | 19,582,713 |

The Heritage Lottery Fund has awarded the RAF Museum development grants (£579,100) for Phases 2A and 2B in two separate rounds of funding against development costs of £1,134,948.

The Heritage Lottery Fund has signified approval in principle for two further grants towards the delivery of Phase 2 following the submission of detailed plans including

- Conservation Management Plan
- Full Business Plan
- 10 Year Management & Maintenance Plan
- 2 Engagement Activity Plans
- Detailed match funding plan

| Phase | Delivery costs | HLF Grant sought | HLF decision |
|----------|----------------|------------------|--------------|
| Phase 2A | 15,728,613 | 4,594,900 | 27-Sep-16 |
| Phase 2B | 2,719,152 | 1,831,200 | 27-Nov-16 |

To date (May 2016), since the fundraising campaign was launched in July 2015, the Museum has raised £12,931,460 towards its £19,582,713 target.

Of this £6.65M shortfall, £4M is needed to be pledged by September 2016 for HLF funds to be released and permission to start granted in time to meet the Museum’s 2018 RAF Centenary year deadline.

A council grant of £500,000 is sought towards the delivery costs shortfall. The balance (£6,151,253) will be met through continuing fundraising activity with corporate and private supporters of the Museum as well as public fundraising initiatives.

The grant sought from the council may be phased over the delivery period of the project 2016 - 2018

The delivery programme for the works assumes that funds are released from the HLF decision in September 2016

| Start | Complete | RIBA stage | Key tasks |
|--------|----------|---|---------------------------------|
| Jun-16 | Sep-16 | RIBA 4 Technical design | Tendering (Phase 2A) |
| Oct-16 | Jan-17 | Enabling works on site, mobilisation Phase 2B 'catches up' Phase 2A for construction | |
| Feb-17 | Jan-18 | RIBA 5 Construction | Landscaping and building works |
| Feb-18 | May-18 | RIBA 6 Handover | Exhibition fit out |
| | May-18 | RIBA 7 In Use | Soft launch and snagging |
| | Jun-18 | | Royal Opening and launch events |

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|---------------------------------------|--|
| | <p>Assets, Regeneration and Growth Committee 11 July 2016</p> |
| <p>Title</p> | <p>Brent Cross Cricklewood Compulsory Purchase Order (No. 3) and Project Update Report.</p> |
| <p>Report of</p> | <p>Interim Deputy Chief Executive and Commissioning Director, Growth and Development</p> |
| <p>Wards</p> | <p>Childs Hill, Golders Green and West Hendon</p> |
| <p>Status</p> | <p>Public</p> |
| <p>Urgent</p> | <p>No</p> |
| <p>Key</p> | <p>Yes</p> |
| <p>Enclosures</p> | <p>Appendix 1 of 2 Plan of Proposed Boundary of CPO3 Appendix 2 of 2 Plan of Proposed Boundary of CPO3 Appendix 3 Draft Statement of Reasons Appendix 4 Proposed Station Layout Appendix 5 Consultation Update</p> |
| <p>Officer Contact Details</p> | <p>Karen Mercer, Project Director Re, Karen.Mercer@barnet.gov.uk, 0208 359 7563</p> |

Summary

This report requests that the Committee approves the making of a compulsory purchase order (CPO) in respect of the land and interests needed to deliver the Thameslink Station phase in the Brent Cross Cricklewood Regeneration Scheme in respect of land to the south of the North Circular as shown on the plans at Plan 1 of 2 and Plan 2 of 2 (“the CPO Plans”).

Recommendations

- The Committee is requested to note the content of this report and to recommend the following to full Council for approval:**
 - That a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as**

amended) for the acquisition of the land shaded pink on the plan at CPO Plans and pursuant to section 13 of the Local Government (Miscellaneous Provisions) Act 1976 to acquire new rights in respect of the land shaded blue on the CPO Plans.

- To authorise the appropriate Chief Officers to settle the final form and content of the draft CPO, the CPO Plans and Statement of Reasons.
- To authorise the appropriate Chief Officers to take all necessary steps to secure confirmation of the CPO and the acquisition of all third party interests in the CPO and of the new rights. This authorisation includes the publication and advertisement of the CPO, serving statutory notices, and seeking confirmation of the CPO.
- In pursuance of its statutory duty to treat to authorise the appropriate Chief Officers to enter into agreements and make undertakings, contracts and transfers on behalf of the Council with third parties having an interest in the CPO or for the creation of new rights or with parties otherwise affected by the CPO to facilitate the development.
- To authorise the appropriate Chief Officers following confirmation of the CPO to authorise the publication and service of all appropriate notices of confirmation of the CPO and to make one or more general vesting declarations or serve notices to treat and notices of entry (as appropriate) in respect of the land within the CPO (“the Order Land”).
- To authorise the appropriate Chief Officers to initiate or take part in any arbitration or proceedings before the Upper Tribunal (Lands Chamber) or the Courts in order to resolve any disputes as to compensation or other payments payable for any interests in the Order Land or arising from the making or confirmation of the CPO or securing possession of any part of the Order Land or title to any part of the Order Land.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report is requesting that the Assets, Regeneration and Growth Committee approve the making of a compulsory purchase order (“the CPO”) and other related steps in order to acquire the land and interests and new rights needed to facilitate the delivery of Thameslink Station phase of the comprehensive regeneration of Brent Cross Cricklewood on land to the south of the North Circular. The extent of the land proposed to be acquired pursuant to the CPO is shown edged red and shaded pink on the plans at Appendix Plan 1 of 2 and Plan 2 of 2 (“the CPO Plans”). The acquisition of new rights is sought over the land shaded blue on the CPO Plans.
- 1.2 The Committee will recall that on 17 March 2016, the Assets, Regeneration and Growth Committee approved the making of a compulsory purchase order in respect of CPO3 and other related steps in order to acquire the land and interests needed to enable part of the station phase of the comprehensive regeneration of Brent Cross Cricklewood to go ahead on land to the south of

the North Circular. The extent of the land acquisition needed was shown shaded pink on the plans at Appendix Plan 1 of 2 and Plan 2 of 2 attached to that report. Since the 17 March 2016 resolution, the extent of land acquisition required has been amended and it is therefore necessary to seek a fresh approval for the making of the CPO.

- 1.3 The amendments to the boundary include the addition of land adjacent to the A5, which is required to provide the proposed relocated waste transfer station; and the addition of land over which new permanent rights need to be acquired for the purposes of construction of the station and infrastructure within the phase and permanent rights in respect of the vehicular and pedestrian bridges proposed over the Midland Mainline railway. The land to the rear of Brent Terrace which was previously included within the proposed CPO boundary has now been removed as this is no longer needed for the construction of the Midland Mainline Bridge or Spine Road. Further details are set out within the report.
- 1.4 This report therefore seeks the Committee's approval to the making of a CPO (referred to for the purposes of this report as CPO3) as set out in the recommendations of this report in respect of the land shown on the CPO Plans appended to this report. The purpose in seeking to make the CPO is set out in this report and in the Draft Statement of Reasons which is attached at Appendix 3.
- 1.5 The Committee will recall that on 1 June 2015, it decided as a matter of principle that the Council was prepared to use its compulsory purchase powers pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) to acquire the land required to deliver the early delivery of the Thameslink Station in order to support the comprehensive regeneration of the Brent Cross Cricklewood area. The Committee noted that the negotiations to acquire the land and interests in the areas required to deliver the Thameslink Station by private treaty had commenced and it approved the entering into agreements and undertakings with the owners and/or occupiers of the land in the said areas so as to facilitate its acquisition. The Committee also noted that work was being undertaken to prepare for a possible compulsory purchase order together with the associated documentation and, if necessary, a further report would be brought back to the Committee seeking authority to make a CPO.
- 1.6 The Council's purpose in seeking to acquire the land and new rights shown on the CPO Plans is to facilitate the development, re-development and improvement of the land by way of a mixed use scheme, comprising commercial, retail, residential, hotel, conference and leisure development; community facilities; car parking, infrastructure and highway works; new rail station, station buildings, railway sidings, rail stabling facilities and associated rail infrastructure; rail freight facilities; a waste transfer facility; public realm and environmental improvement works ("the CPO3 Development"). This forms what is known as the Thameslink station phase of the wider Brent Cross Cricklewood regeneration area), one of the largest regeneration opportunities

in London, a long-standing objective of the Council and key regeneration priority of the London Mayor.

- 1.7 In order to authorise officers to make and pursue CPO3, section 226 of the Town and Country Planning Act 1990 requires that members must be satisfied that the use of compulsory purchase powers will facilitate the development, redevelopment or improvement of land, and that it is likely to contribute towards the promotion or improvement of the economic, social and environmental well-being of the area. Further, members must be satisfied that there is a compelling case in the public interest for making and promoting the CPO, that the use of the powers is necessary and proportionate, and that the public benefits associated with the proposed regeneration will clearly outweigh the interference with the rights of those affected. These matters are explained and considered in more detail below and within the attached Draft Statement of Reasons.
- 1.8 The CPO3 Development forms part of the wider Brent Cross Cricklewood regeneration scheme (“BXC”). An extant outline planning permission exists for the BXC regeneration reference F/04687/13 dated 23 July 2014 (the “s.73 Permission”).
- 1.9 As the Committee is aware, two separate compulsory purchase orders CPO1 and CPO2 have already been made for the first phase of BXC and a joint inquiry commenced on 17 May 2016. The Inquiry is due to close on 6 July 2016
- 1.10 BXC CPO 1 will facilitate the improvement and extension of the Brent Cross Shopping Centre to the North of the BXC area; the provision of infrastructure associated with and required for the redevelopment of the shopping centre; significant infrastructure to support the redevelopment and regeneration of the wider BXC area (and in particular development to the south of the North Circular). This part of the scheme is to be delivered by Hammerson UK and Standard Life Ltd.
- 1.11 BXC CPO 2, which relates to the remaining part of the first phase of the BXC area to the South of the North Circular, will facilitate a mixed use development including residential and retail development; community and leisure facilities; car parking; infrastructure and highways works, public realm and environmental improvement works. This part of the scheme is to be delivered by Argent Related and LBB through a joint venture company.
- 1.12 Both CPOs 1 and 2 will facilitate the delivery of Phase 1 of the BXC scheme.
- 1.13 The CPO3 Development comprises two main components:

- 1) The “**Thameslink Station**”. This part of the scheme is to be delivered by the Council, and comprises:
 - a) The Thameslink Station - works to facilitate the new station development and the remediation of brownfield land needed to support the comprehensive regeneration of the area;
 - b) Thameslink Station entrance buildings (east and western entrances) and service points providing access to the new Thameslink Station which is essential to the Integrated Transport Strategy for the wider BXC development;
 - c) A new pedestrian overbridge in combination with a new station concourse over the Midland Mainline railway and linking the area to the west of the railway to the remainder of Brent Cross South (BXS);
 - d) The Midland Mainline Bridge (“MML Bridge”) – creating a new vehicular link from the A5 on the western side of the railway, to the Thameslink Station, and beyond to the remainder of BXS on the eastern side of the Midland Mainline;
 - e) Spine Road North – which, in accordance with the Integrated Transport Strategy, will link the proposed Midland Mainline Bridge with the proposed Transport Interchange T1, new Station and Station Square, and which will continue along High Street South into the expanded Brent Cross Shopping Centre;
 - f) A new pedestrian and cycle path - will provide a link from Brent Terrace to the new MML Bridge / Spine Road North.
 - g) A Rail Freight Facility – the relocation of an existing rail freight facility from the east to the west side of the railway which will release railway land for development. A modern freight facility will be provided which is better able to meet market demand, and provide a long term future for those facilities;
 - h) New Waste Handling Facility – the provision of a new road based waste transfer station to replace the existing rail based Hendon Waste Transfer Station, which will be relocated from the east to the west side of the railway, releasing land for the construction of the MML Bridge, the Spine Road and mixed use development. The new waste facility will provide a modern facility with road connections; and
 - i) Relocated Rail stabling and sidings – the location of the new Thameslink Station is currently occupied by the East Midland Train sidings and a dis-used rail freight building. The existing sidings will be relocated to the south east of the site adjacent to the newly commissioned Thameslink Sidings, enabling facilities to be combined.

- 2) The “**Station District**”. This part of the scheme is to be delivered by Argent Related and LBB through the joint venture company, and comprises:
- a) Station Quarter (West) – providing a significant amount of business and employment use together with a mix of residential, retail, leisure uses and public realm;
 - b) Station Square – a significant new public square that anchors the western end of the High Street South and connects the heart of Brent Cross South to the new Transport Interchange and a variety of other transport modes which will cluster around the Station;
 - c) Brent Terrace (North – Building Zone BT2) – which will provide in the region of 900 new homes together with retail, a crèche and other community facilities in a series of courtyard buildings around internal communal gardens; and
 - d) Brent Terrace Park – Neighbourhood Park 3 and associated Green Corridor 8 as defined in the s.73 Permission, the provision of which may be delivered in two phases with the northern section delivered with Spine Road North.
- 1.14 In order to facilitate the delivery of the CPO3 Development it is necessary for the Council to acquire the land interests and new rights within the Order Land as identified on the CPO Plans.
- 1.15 As explained below, discussions are now well under way with a view to acquiring the necessary land interests and rights to deliver the Thameslink station phase. Given the need to secure all land to ensure delivery of the scheme and the realisation of the public benefits, the Council is of the view that a CPO is required so as to provide the certainty of land assembly in the event that it is not possible to acquire the necessary interests by negotiation. The Council will continue in parallel with the CPO process to negotiate with owners and occupiers of land to secure property by agreement.
- 1.16 As with CPO1 and CPO2, the appropriate power is Section 226(1) (a) of the Town and Country Planning Act 1990. This enables authorities with planning powers to acquire land compulsorily if they think that to do so will facilitate the carrying out of development, redevelopment or improvement on, or in relation to, the land. The power in section 226(1)(a) is subject to subsection (1A) of section 226, which provides that the acquiring authority must not exercise the power unless they think that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility.
- 1.17 DCLG Guidance on Compulsory Purchase Process and the Crichel Down Rules (2015) (“the CPO Guidance”) sets out guidance for local authorities regarding the making of CPOs. The Guidance includes key policy tests which

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need to be satisfied before a CPO can be confirmed. Before resolving to make a CPO members must be satisfied that there is a compelling case in the public interest for making and promoting a CPO, that the use of the powers is necessary and proportionate, and that the public benefits associated with the proposed regeneration will clearly outweigh the interference with the rights of those affected. These matters are referred to below.

- 1.18 As indicated in Section 3 below and set out in Draft Statement of Reasons, the Thameslink station will increase the attractiveness of Brent Cross Cricklewood area as a place to live, shop and work and by doing so promote a more rapid pace of development and delivery of wider economic and social benefits. It is an essential component of the Integrated Transport Strategy to ensure the comprehensive regeneration of BXC.
- 1.19 The CPO3 Development includes the relocation of the existing Strategic Rail freight facility and Hendon Waste transfer station from the east to west side of the railway lines as envisaged by the BXC s.73 Permission, providing a long term future for these facilities.
- 1.20 The CPO3 Development also includes the station quarter elements of Brent Cross South comprising residential, commercial, community, retail and leisure uses alongside public transport improvements. These transport improvements include the transport interchange adjacent to the station, and the spine road linking the Midland Mainline Bridge to the Station Square, along the southern high street and into the expanded Brent Cross Shopping centre in accordance with the integrated transport strategy approved by the s.73 Permission. The station quarter elements of the project will be taken forward and funded by Brent Cross South JVLP.
- 1.21 The delivery of the Thameslink Station itself is a key element in achieving the objective of creating a regional town centre that offers priority to sustainable transport modes including rail, bus, cycling and walking.
- 1.22 Accordingly, officers are of the view that a compelling case in the public interest for making and promoting a CPO is made out, that the use of the powers is both necessary and proportionate, and that the well-being benefits which will result from the proposed regeneration outweigh the interference with the rights of human rights of those affected.
- 1.23 The Guidance advises that an acquiring authority should be sure that the purposes for which it is making a compulsory purchase order justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights (ECHR) (right to the peaceful enjoyment of property) and, in the case of a dwelling, Article 8 of the ECHR (right to respect for private and family life, home and correspondence).
- 1.24 Before deciding whether to authorise the making of CPO3, the Committee must therefore consider whether the exercise of compulsory powers, and the public benefit that this will bring, outweighs the interference with the human

rights of those affected by CPO3 that the exercise of the compulsory powers will necessitate.

2. PROJECT UPDATE

Brent Cross North

- 2.1 On 23rd July 2014, following the completion of the Section 106 agreement, the Section 73 planning permission for the comprehensive Brent Cross Cricklewood scheme was granted. Planning permission is therefore now in place for the scheme.
- 2.2 Since then the Brent Cross North Partners have focussed on discharging the relevant pre-reserved matters planning conditions and preparing the necessary reserved matters applications in respect of the critical infrastructure to be provided to support the shopping centre and comprehensive regeneration of the area.
- 2.3 The Committee will recall that on 17 March 2016, the Committee noted that the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement as set out in the Exempt Report to the Committee report 30 November 2015, was being progressed. The documentation has now been agreed and is being completed in parallel with the Brent Cross South documentation.
- 2.4 The Brent Cross North Partners are also now progressing the detailed design of the shopping centre. Discussions on the detailed design are underway, and it is anticipated that a reserved matters application will be submitted in early 2017. This is running in parallel with highway and infrastructure workstreams. The Brent Cross North Partners are continuing to work with TFL and the Council's highways team to progress the transport modelling work to support the detailed design and to inform the required highway infrastructure agreements.
- 2.5 The anticipated construction start date is early 2018, with phased opening and a target completion date end of 2021.
- 2.6 As requested by the Assets, Regeneration and Growth Committee on 17 March 2016, the Brent Cross North Development Partners will be providing a presentation to members at the meeting outlining next steps.
- 2.7 The Committee is also advised that the Council and its partners are currently reviewing the project governance arrangements in place and any amendments will be reported to Committee in September 2016.
- 2.8 As aforementioned the CPO1 Inquiry will shortly close. In relation to land acquisitions, the Council has now agreed heads of terms with eight residential owners in the CPO1 area, and the council has completed three acquisitions.. It is anticipated that the Council will complete further acquisitions shortly.

- 2.9 Similarly, the Council has reached agreement with commercial owners and has completed on two acquisitions(Lewis Properties and Dixons land)

Brent Cross South

- 2.10 As the Committee is aware, on 3 March 2015 the Council approved the appointment of Argent and Related Companies PLC (Argent Related) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme through a staged OJEU procurement process.
- 2.11 On 17 March 2016, the Committee formally re-confirmed Argent Related as the Council's development partner and approved the business plan and legal documentation as detailed below so that the Joint Venture can be created to deliver the south side regeneration. The Committee also noted that the Council had agreed the terms of reference for the Shareholder Board for the Brent South Joint Venture and the composition and Membership of the Shareholder Board, as per paragraphs 2.13, 2.14 and 2.15 of the report to Full Council on 1 March 2016; Approved the establishment of LBBCo for Brent Cross South and approved the Best Consideration Mechanism as detailed in the Project Agreement and authorise the Section 151 Officer to determine Best Consideration in accordance with the Project Agreement.
- 2.12 The legal documentation, including the Project Agreement, Limited Partnership Agreement, Shareholder Agreement and associated documentation (including a Compulsory Purchase Indemnity Agreement) are now agreed and are in the process of being completed, upon which the JVLP will be formally created.
- 2.13 In February this year, the Argent Related commenced the procurement process to select a Registered Provider (RP) for the first phase. A Pre-Qualification Questionnaire was issued to a number of Registered Providers (RPs) to register their expression of interest to participate in this tender process. The CPO2 Development Partners received eight PQQ and have now shortlisted three potential RPs. An Invitation to Tender will be issued in August with a view to selecting the preferred RP by October 2016. As part of this process, residents will be consulted and will have the opportunity to participate in selection of the RP.
- 2.14 The JVLP will also be developing further the BXS Business Plan considered by the Committee at the 17 March 2016 meeting. It is anticipated that the updated Business Plan will be submitted to the LBB Shareholder Board for approval later this year.
- 2.15 In respect of land acquisitions, GL Hearn are currently negotiating head of terms with six residential owners within CPO2 and these acquisitions are due to be completed shortly. As the Committee is aware, the Council has already acquired commercial properties within the CPO2 area.

Thameslink Station Phase

- 2.16 The Committee is aware the Council has been working with the GLA, HM Treasury, DCLG and Department for Transport for the last two years to develop the Business Case and funding strategy to bring forward the station phase proposals.
- 2.17 The Outline Business Case was considered by the Finance Sub-Committee in February 2015. Following this, the Government announced in its March 2015 Budget Statement that the government will provide £97m grant funding and ring-fence the local 50% share of business rate growth to support the London Borough of Barnet and the Greater London Authority plans for the regeneration of Brent Cross, and facilitating the delivery of 7,500 new homes.
- 2.18 This funding commitment was reaffirmed by the Chancellor in the November 2015 Spending Review.
- 2.19 The Council submitted the Full Regeneration Business Case to HM Government on 22 January 2016. The Business Case was reviewed by the Department of Communities and Local Government Finance Sub-Committee on 25 February 2016, following which the Chancellor again reconfirmed the funding commitment in the Budget Statement on 16 March 2016, which confirmed that *“The government has approved the full business case for a new Thameslink station at Brent Cross Cricklewood, unlocking 7,500 new homes. This follows the Government’s previous commitment to provide £97 million of grant funding and ringfence the local share of business rates”*.
- 2.20 Under the proposals, the Council will receive a grant of £97m from the Treasury, and will borrow the remaining funds required to build the station. This borrowing will be repaid by ring-fencing the local share (i.e. the 30% currently retained by the Council and the 20% currently retained by the Greater London Authority) of business rate growth delivered by the expansion of the shopping centre.
- 2.21 To support the business case and the delivery of the station phase, the Council entered into a Design Services Agreement with Network Rail in July 2015 to take forward a feasibility study on the options for the station design in accordance with Network Rail’s GRIP (Governance Railway Investments Projects) procedures to develop a single option selection (known as GRIP 3).
- 2.22 The main purpose of this exercise was to establish the required rail-side track works and location of the platforms to provide an updated cost estimate and design to support the Full Business Case as well as to progress to and inform the detailed design stage (known as GRIP 4) with full approval from Network Rail and the Department of Transport. The GRIP 3 (Single Option Selection) for the new Thameslink Station, which undertaken by Network Rail supported by Capita and Carillion, is now complete.
- 2.23 As reported to the Committee previously, the emerging design is based on two island platforms (four faces) long to accommodate 12 car Thameslink Class 700 trains with a stopping pattern of 8 trains per hour in the 3hr peak and 4 trains an hour off peak on the slow lines. This will require track re-

alignment works, overhead line, signalling and telecoms for the station area, sidings and the Midland Mainline Bridge.

2.24 As the Committee will recall, the Committee subsequently approved on 17 March 2016:

- the Station Single Option Design as shown at Appendix 5 of that report; and noted the funding and delivery strategies for the Brent Cross Cricklewood Thameslink Station project;
- the commencement of the detailed design of the station (known as GRIP 4) and associated work packages within the station phase of the Brent Cross South; and delegate to the Chief Operating officer permission to agree terms and enter into the Design Service Agreement with Network Rail to deliver the railway works elements of the GRIP 4 process.
- the revised spend in respect of Thameslink as detailed in the report and noted that Policy and Resources will be recommended to approve the budget.

2.25 The Council's Policy and Resources Committees on 17 May 2016 and 28 June 2016 authorised an increase in the Council's capital financing requirement to accommodate the borrowing required for the station and associated infrastructure works.

2.26 Work has commenced to develop the single option to and progress the approval in principle design work (GRIP 4), including the undertaking of environmental surveys. The ecology survey is underway and the topographical survey is scheduled for early October 2016. Design feasibility work has also concluded the positioning of the station bridge as shown on the plan attached at Appendix 4. The Design Services Agreement is currently being negotiated with Network Rail and will be concluded by the end of July 2016.

2.27 The Committee will recall that on 1 June 2015, the Committee confirmed, as a matter of principle, that the Council was prepared to use its compulsory purchase powers pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) to acquire the land required to deliver the early delivery of the Thameslink Station.

2.28 The Committee also noted that negotiations to acquire the land and interests in the areas required to deliver the Thameslink Station by private treaty had commenced and approved entering into agreements and undertakings with the owners and/or occupiers of the land in the said areas so as to facilitate its acquisition as detailed above.

2.29 Network Rail own a significant proportion of the Order Land. The Committee will be aware that the Council, through the proposed acquisition of Cricklewood Regeneration Limited, will be able to exercise an option in respect of the land outside of the operational area required for the railway and

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within Network Rail's ownership. The CPO is proposed to include this land to ensure that all interests in that land which could otherwise prevent the delivery of the development can be acquired.

- 2.30 In addition to Network Rail, the Council is consulting and negotiating with a number of other stakeholders in the area in order to bring forward the CPO3 Development.
- 2.31 In relation to the proposed 'open access' freight facility ('open access' being where all freight operating companies have equal access rights to any rail freight facility on the network, with the freight facility owner charging the same cost all freight operating companies for use of the facility and any additional needs, e.g. storage and handling, to be negotiated separately) which will replace the existing Rail Freight Facility, the Council has been actively pursuing negotiations with the current leaseholder of the existing facility, DB Cargo, since 2014. Negotiations with DB Cargo are continuing to provide DB Cargo the opportunity to take the lead on the design, delivery and management of the new open access facility. However, in the absence of having reached an agreement, and given the need to guarantee the delivery of the new freight facility, and for it to be brought forward in a co-ordinated manner alongside the remainder of the CPO3 Development, it has been necessary for the Council to include the existing freight facility in the CPO. Whilst discussions will continue with DB Cargo in parallel with the CPO process, the Council is developing its own detailed proposals for the new freight facility to ensure that its delivery is not frustrated or delayed.
- 2.32 The NLWA currently lease the Hendon Waste Transfer Station from Network Rail for the purposes of a waste handling facility. The Council has been in extensive discussions with NLWA regarding their proposed relocation and has sought to identify an alternative site. The Council is currently in discussions with NLWA regarding the proposed terms of relocating to the Selco site to the west of the railway and is also in discussion with Hammerson to agree terms to acquire the site. The Selco site (2 Geron Way) is currently owned by Hammerson (the Council's joint venture partner on BXN) and occupied by Selco on a lease that expires in December 2016. The Council have agreed terms with Hammerson for the purchase of the property with vacant possession.
- 2.33 GL Hearn are undertaking negotiations on behalf of the Council in relation to 106 Brent Terrace and Cemex, Brent Terrace and the land adjacent to Unit 7 Staples Corner Industrial Estate.
- Terms have been agreed with the freeholder of 106 Brent Terrace for the purchase of their interest and exchange of contracts will occur shortly, with completion in November 2016. 106 Brent Terrace is occupied by Clockwork Removals and the Council, through GL Hearn, is seeking to agree terms to acquire their interest.
 - Correspondence has been issued to Cemex in respect of the acquisition of their interest and discussions are being progressed

through their appointed representatives. The Council are continuing to try and engage with Cemex to purchase their interest by agreement and identify their relocation requirements.

- Discussions have been held with the freeholder of Unit 7 Staples Corner Retail Park as to the acquisition of his interest and will continue to be progressed in an effort to acquire the land by agreement. Cineworld, who have a right to use the car park, has been approached but there has been no response to date.

2.34 The land included in the proposed CPO3 has been amended since the 1 June 2015 and 17 March 2016 Committee meetings reflecting progress in the scheme design and delivery strategy. The main changes to the CPO3 boundary are as follows:

- The inclusion of land 2 Geron Way to facilitate the proposed relocation of the Hendon Waster Transfer Station as indicated above.
- The exclusion of land to the rear of Brent Terrace, which is owned by Network Rail but used as gardens by some of the residents on Brent Terrace. This land is no longer needed to facilitate the construction of the Midland Mainline Bridge and Spine Road linking the bridge to the new High Street.
- The inclusion of land to acquire new rights over the land which is shown shaded blue on the CPO Plan attached at Appendices 1 and 2. These rights can be summarised as follows:
 - Rights required for the MML Bridge – rights to enter onto the land for the purposes of the construction of the new MML Bridge, including crane oversailing rights, the rights to pass and repass over the MML Bridge once constructed, rights to run service media and rights of access for maintenance purposes.
 - Rights required for the Pedestrian Bridge - rights to enter onto the land for the purposes of the construction of the new pedestrian bridge over the Midland Mainline Railway, including crane oversailing rights, the rights to pass and repass over the pedestrian bridge once constructed, rights to run service media and rights of access for maintenance purposes.
 - Rights to enter and use land during construction – rights to enter and use land for the purposes of a temporary construction compound during the construction of the CPO3 Development.

2.35 The Council has continued negotiations to acquire the land and interests within the Order Land by private treaty, and whilst progress is being made with landowners, a compulsory purchase order is required to ensure that land assembly can be completed within a reasonable timeframe.

- 2.36 Running parallel to this, the Council and Network Rail are working jointly to obtain the necessary regulatory approvals from the Office of Rail and Road in respect of the proposed changes to the operational railway (which will constitute “Network Change” in regulatory terms) through a procedure called the Complex Project Procedure. Network Change is the regulatory process which must be adhered to when a proposed material change to the operation of the Rail Network or of trains operated on the rail network.
- 2.37 The Council and Network Rail are currently preparing the scoping document in accordance with the Complex Projects Procedure outlining the approach to be adopted to obtain the Network Change approval for publication by Network Rail as project sponsor by the end of July 2016.
- 2.38 The procurement strategy to deliver the station and associated work packages is under development. It is anticipated that this will be reported to the Committee later this year so that competitive tender documentation can be issued in early 2017 to enable a start on site in early 2018. The target opening date for the station remains late 2021.

3. REASONS FOR RECOMMENDATIONS

- 3.1 By virtue of Section 226(1)(a) of the Act the Council has the power to make a compulsory purchase order for any land in its area if it thinks that the acquisition of the land will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land. The Council believes that the acquisition of the Order Land will facilitate the carrying out of development, both of the CPO3 Development and also the regeneration of the wider BXC area.
- 3.2 Section 226(1A)(a) of the Act provides that the Council may not exercise the power unless it thinks that the development, re-development or improvement is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of its area. The Council does think that the development of the Order Land is likely so to contribute.
- 3.3 Section 226 (4) of the Act provides that it is immaterial that the development, re-development or improvement may be carried out by a third party.
- 3.4 Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to compulsorily acquire such new rights over the land as are specified in a compulsory purchase order.
- 3.5 The Guidance on Compulsory Purchase Process and The Crichel Down Rules for the Disposal of Surplus Land Acquired by, or under the Threat of, Compulsory Acquisition (October 2015) (“CPO Guidance”) provides guidance on the use of these compulsory purchase powers. The Introduction to the CPO Guidance states that:

“Compulsory purchase powers are an important tool to use as a means of assembling the land needed to help deliver social, environmental and economic change. Used properly, they can contribute towards effective and

efficient urban and rural regeneration, essential infrastructure, the revitalisation of communities, and the promotion of business – leading to improvements in quality of life.”

- 3.6 The main body of the CPO Guidance provides general guidance on the use of compulsory purchase powers by acquiring authorities whilst Tier 2, Section 1 provides specific guidance for local authorities on the use of their powers under Section 226. Paragraph 65 provides that:

“This power is intended to provide a positive tool to help acquiring authorities with planning powers to assemble land where this is necessary to implement proposals in their Local Plan or where strong planning justifications for the use of the power exist. It is expressed in wide terms and can therefore be used to assemble land for regeneration and other schemes where the range of activities or purposes proposed mean that no other single specific compulsory purchase power would be appropriate.”

- 3.7 The Council’s purpose in seeking to acquire the land and new rights shown on the CPO Plans is to facilitate the development, re-development and improvement of the land by way of a mixed use scheme, comprising commercial, retail, residential, hotel, conference and leisure development; community facilities; car parking, infrastructure and highway works; new rail station, station buildings, railway sidings, rail stabling facilities and associated rail infrastructure; rail freight facilities; a waste transfer facility; public realm and environmental improvement works (“the CPO3 Development”). This forms what is known as the Thameslink station phase of the wider Brent Cross Cricklewood regeneration area), one of the largest regeneration opportunities in London, a long-standing objective of the Council and key regeneration priority of the London Mayor.
- 3.8 Projects of this scale and nature require co-ordination of substantial amounts of resource across large areas of land, involving many different types of tenure and discussions with key stakeholders. The lead-in process to develop a major infrastructure project such as the CPO3 Development is very lengthy as it involves site assembly, planning, design, funding, and extensive changes to the existing highways and infrastructure network, including the network change required for the changes to the operational railway land.
- 3.9 As explained above and in the Statement of Reasons, the Station Phase works are focused on two areas: (i) the delivery of the new Thameslink Station, Midland Mainline Bridge and Spine Road, which form an essential part of the ITS, and (ii) the integration of the station and the surrounding lands with the Station District and the wider BXC development. The earlier than planned delivery of the Thameslink Station will accelerate the delivery programme of both the residential and commercial accommodation within BXS, but for the station to make its maximum contribution to the BXC scheme its integration within the wider development is key. To achieve this, the relocation of the existing Hendon Waste Transfer Facility is required, thereby releasing the eastern landing site of the new station bridge for development as part of the Station Square. The acquisition of 106 Brent Terrace and the Cemex site will allow both the delivery of the Spine Road and the full

integration of the Station District development with the adjoining Brent Terrace and Market Square development areas.

- 3.10 The certainty of having control of the whole of the Order Land is therefore vital to the delivery of the Thameslink Station and to the regeneration of the Station District both of which contribute towards the regeneration of the remainder of BXS. The Thameslink proposals connect into the Station Quarter (West) at the western part of BXS, and the two developments are closely linked. It is essential that the two facets of the CPO3 Development are progressed in a manner that reflects and respects the connectivity between the two development areas. Furthermore, to ensure that BXS is delivered in a comprehensive manner, there is a need to integrate the Station Quarter (West) with adjoining development, notably that which will be facilitated by CPO2. In order to secure the delivery of the wide range of significant public benefits that the CPO3 Development (and the wider BXC proposals) will bring, it is essential for the proposals to come forward in a comprehensive and co-ordinated manner.
- 3.11 The complex works and logistical arrangements needed to deliver the Thameslink Station requires the acquisition of the Order Land for the purposes of decommissioning and remediating under-utilised operational rail land. It will be necessary to establish a large, safe construction compound, which is capable of being separated from operational rail land so as to not interfere with services. The construction period will last approximately 4 years. Thereafter, this “brownfield” land will be released for development as part of BXS. It is anticipated that land will be released in phases to ensure that the momentum of delivery is maintained.
- 3.12 Paragraph 76 of the CPO Guidance provides that, in deciding whether or not to confirm a CPO, the Secretary of State can be expected to consider factors including the following:
- whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area or, where no such up-to-date Plan exists, with the draft Local Plan and the National Planning Policy Framework;
 - the extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area;
 - whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means. This may include considering the appropriateness of any alternative proposals put forward by the owners of the land, or any other persons, for its reuse. It may also involve examining the suitability of any alternative locations for the purpose for which the land is being acquired.
- 3.13 Members must consider these factors in deciding whether to make CPO3.

- 3.14 As to the first factor (planning policy), the planning permission for the regeneration of Brent Cross Cricklewood gives effect to the policy requirement found in the Core Strategy and saved policies of the UDP, and as reflected in the London Plan, for a comprehensive approach across the whole area so that its potential can be fully realised. The development of the CPO3 land, including remediation works to facilitate the new station development, is an essential phase of that regeneration and the integrated transport strategy needed to enable and accommodate development being brought forward across the wider BXC development. The CPO3 development has the benefit of the planning permission that has been granted for the comprehensive regeneration of the area.
- 3.15 The area is identified as an Opportunity Area in the London Plan, and as such is one of the Mayor's key regeneration areas for the City. Given its importance, it is vital that the area's regeneration benefits are maximised, and the use of the Council's CPO powers is key to ensuring that this happens.
- 3.16 As to the second factor (contribution to well-being), as explained above, the use of CPO powers to facilitate the redevelopment and regeneration of the land shown on Appendix Plan 1 of 2 and Plan 2 of 2 will contribute towards the Council's promotion of the economic, social and environmental well-being of the area, and to the achievement of the Council's regeneration and planning objectives, and will also result in substantial public benefits being realised, both within the land shown in the Appendices, and in the wider BXC area. The detail of the public benefits are set out later in this report and in Section 8 of the Draft Statement of Reasons.
- 3.17 As to the third factor (other means of achieving the Council's purpose in acquiring the land), the purposes for which the land is to be acquired could not be achieved by any alternative means including through development in other locations. All of the Order Land is required for the CPO3 Development. The regeneration of the Order Land will not be achieved without the use of compulsory purchase powers, but the powers will only be used where the required land and interests cannot be acquired by negotiation. As such, the use of compulsory purchase powers is proportionate. This is given further consideration in section 4 below.
- 3.18 Paragraph 13 of the CPO Guidance advises that it will be difficult to show conclusively that the compulsory acquisition of land is justified in the public interest if the acquiring authority cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable time-scale.
- 3.19 There is a clear strategy for the development of the Order Land, based on the s.73 Permission. It is likely that, if CPO3 is confirmed, the development, redevelopment and improvement for the purposes of which the Order has been made will be delivered.
- 3.20 As explained in section 9 of the Draft Statement of Reasons, the Council has secured funding for the delivery of the Thameslink Station. For the Station District, a development partner, BXS LP, has been appointed with access to the necessary resources, and a joint venture agreement to deliver the CPO3 proposals will shortly be entered into. Funding is available to deliver the CPO3

Development timeously (paragraph 14 of the CPO Guidance) and there are no likely impediments to the scheme (paragraph 15 of the CPO Guidance).

- 3.21 Paragraph 2 of the CPO Guidance refers to the taking of steps by an acquiring authority to acquire land by agreement where possible.
- 3.22 Whilst landowners have been contacted, and negotiations have taken place and are ongoing, (as explained in more detail in section 10 of the draft Statement of Reasons) it is clear that, unless the Order is confirmed, the Council and BXS LP would be unlikely to be able to assemble the land and interests needed for the key first phase of the regeneration of the area within a reasonable timescale. Therefore, unless CPO3 is confirmed, the disparate land ownership and the process of land assembly will inevitably delay the delivery and progression of the CPO3 Development, which is an essential stage of the wider BXC regeneration through a comprehensive scheme that includes CPO1 and CPO2 (Paragraphs 74 and 75 of the CPO Guidance).
- 3.23 Accordingly, the Council considers that the tests in section 226(1)(a) and section 226(1)(A) of the Town and Country Planning Act 1990 are met, the CPO Guidance is satisfied, and there is a compelling case in the public interest for the confirmation of the Order.

Benefits of the Brent Cross Cricklewood Scheme

- 3.24 The comprehensive regeneration of BXC is a long-standing objective of the Council and a key regeneration priority of the Mayor of London. At 151 Ha, it is one of the largest regeneration schemes in Europe. The London Plan identifies it as an Opportunity Area with an indicative employment capacity target of 20,000 jobs and a minimum new homes target of 7,500 homes. The Council's Core Strategy reinforces the significant comprehensive regeneration opportunity, which includes a new town centre, major new and improved transport and community facilities, and other infrastructure and public areas.
- 3.25 The BXC area is significantly constrained by the existing road network and rail infrastructure, but given its location at the connections between the M1 and the A406 and between the A5 and A41, it has the potential to be an attractive gateway into London. That potential is enhanced by the proximity to the Northern Line at Brent Cross station, the Midland mainline, and Brent Cross bus station.
- 3.26 The BXC scheme will create a new town centre and residential quarter, uniting the areas north and south of the North Circular, providing an attractive and vibrant place to live and work. It will contribute to the future prosperity of the Borough. The first phase alone is expected to create 3,000 person years of construction jobs, and an additional 4,000 permanent jobs over the next 5-7 years, and 27,000 overall. About 99,000 sqm of additional retail and commercial floorspace will be provided on the land proposed to be the subject of CPO1.
- 3.27 Substantial infrastructure needs to be provided in order to realise the area's potential. The comprehensive redevelopment and improvement of the Brent Cross Shopping Centre and other major development in the area provides the opportunity for the major infrastructure to be funded and delivered that will

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enable and facilitate the wider BXC regeneration. In particular, in addition to major improvements to existing roads, public transport and social infrastructure, the BXC proposals will create strong and attractive linkages between the communities to the north and south of the North Circular.

- 3.28 BXC is a key element of the Council's regeneration and housing programme and will provide over 7,540 new homes over the next 20 years, including affordable homes and replacement homes for the Whitefield Estate. BXC will also provide new and improved educational, community and health facilities for the community, and improved open space and recreational facilities for the community to enjoy and use.
- 3.29 The new Thameslink Station alongside the major highways and junction improvements (including those to junctions on the M1, A5, A406 (the North Circular), A407 and A41) will vastly improve the accessibility of the area and will help realise the regeneration of the area to its full potential. To address the existing barriers to accessibility between the communities to the north and south of the North Circular, as part of the first stage of development a series of bridges are proposed to be delivered including the Living Bridge (a new pedestrian and cycle bridge over the North Circular adjacent to Claremont Avenue and Market Square); the Templehof Bridge (replacing the existing Templehof Bridge over the North Circular); the A406/M1 Junction Pedestrian and Cycle Bridge – a new shared pedestrian and cycle bridge over the A406 adjacent to this improved junction; changes to the Staples Corner Pedestrian Bridge; 9 road bridges across the improved and diverted River Brent, and a further two bridges for the use of pedestrians and cyclists only.
- 3.30 The Thameslink phase of the development, as well as the delivery of a new passenger station 12 minutes from St Pancras handling 5 million passengers per annum, will include a new bridge over the Midland Mainline linking the A5 to the new road, public transport, pedestrian and cycle network connecting to Station Square transport interchange and serving the wider BXC development. The pedestrian and cycle network will be further improved by the provision of a new pedestrian bridge which will be combined with the new station concourse over the railway and linking the area to the west of the railway to the new BXC town centre.
- 3.31 The regeneration of BXC will be a major component of achieving the Council's priority objectives in its Corporate Plan 2013-2016, including to 'maintain the right environment for a strong diverse local economy', with the strategic objective under this priority being to sustain Barnet by 'promoting growth, development and success across the borough'.
- 3.32 The scheme also supports the achievement of the objectives set out in 'One Barnet - A Sustainable Community Strategy for Barnet 2010–2020', including:

"Sharing opportunities for success' and 'choice and responsibility', where the proposals will provide high quality homes. The Scheme itself will offer more choice by providing a number of different housing options such as shared

equity, shared ownership and private homes for sale to residents and those in the wider community".

- 3.33 In addition, it will further the strategic objectives in the Council's Housing Strategy 2010-2025 which include:
- (a) increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and
 - (b) promoting mixed communities and maximising opportunities available for those wishing to own their home.
- 3.34 The policy basis for the regeneration of BXC is therefore clear, and attention must now focus on delivery and the key issue of land assembly.
- 3.35 Regeneration is to be realised on a phased basis. The early phases comprise the regeneration of the shopping centre and its environs; and the delivery of Critical Infrastructure, and regeneration of land to the south of the North Circular.
- 3.36 In order to achieve a comprehensive approach, the planning permission and Property Development and Co-operation Agreements completed with Hammerson and Standard Life in March 2015, contain provisions relating to the delivery of the Critical Infrastructure. The lack of such infrastructure has prevented the area being redeveloped in the past, and the scheme now being advanced secures the investment needed to deliver the infrastructure required to deliver the rest of the development.

Public Benefits of CPO3

- 3.37 The report asks the Committee to recommend the making of the London Borough of Barnet (Brent Cross Cricklewood) Compulsory Purchase Order (No 3) 2016.
- 3.38 The CPO3 Development will make a very significant contribution to the economic, social and environmental well-being of the area and will also be an important catalyst to the development of the wider BXS area.
- 3.39 The Thameslink Station will facilitate the delivery of important and wide ranging public benefits including a new station for 5 million passengers per annum, 12 minutes from St Pancras station, as part of the Integrated Transport Strategy to enable and accommodate the entire BXC development.
- 3.40 It will, through development of a bridge over the Midland Mainline, create a new link from the A5 to the new Spine Road to be delivered as part of BXC, which, together with the new pedestrian bridge over the Midland Mainline will significantly improve the public transport, pedestrian and cycle network, including connecting the Thameslink Station transport interchange with the wider BXC development. The Midland Mainline Bridge will also connect the CPO3 Development with the existing Edgware Road area, establishing a relationship between the two areas promoting permeability and connectivity

throughout. These improvements will provide enhanced connectivity for the community and will break down the dominance of infrastructure across the BXC area.

- 3.41 The new rail freight facility will provide an improved “open access” development providing two 450m freight sidings connecting to the existing mainline railway. The facility will operate as an aggregate import and storage terminal serving up to four different operators. The existing facility is rarely used for its intended rail-based purpose with only one operator, North London Waste Authority, using it at present, principally by road.
- 3.42 The new Waste Handling Facility to be located on the Western side of the development will provide a modern waste facility capable of handling up to 175,000 tonnes of municipal waste per annum. The facility also provides for easier and segregated transport routes to and from the facility. In comparison to the current facility, the new facility will create an improved environment for the local population due to the modern air filtration systems and waste disposal technology that will be utilised at the new site.
- 3.43 The significantly improved public transport accessibility as a result of the development of the Thameslink Station will provide a platform for delivering sustainable, high quality and high density development across the remainder of BXS. The Thameslink Station and the Station District are very closely linked, and the development of the entirety of the Order Land by way of the CPO3 Development represents a real opportunity to secure the comprehensive regeneration of the entire BXS.
- 3.44 By accelerating the delivery of the Thameslink Station, including the provision of the Midland Mainline Bridge, which will connect into the Brent Terrace Spine Road North, and the proposed Thameslink Station Bridge, which will connect on the east side into the proposed transport hub at Station Square; this provides the opportunity for land to be released for development at an earlier stage for the regeneration of BXS, acting as a catalyst for regeneration. The material improvements in the accessibility of the area by the delivery of the Thameslink Station will therefore help realise the regeneration of the area to its full potential.
- 3.45 The Thameslink Station will increase the attractiveness of Brent Cross Cricklewood area as a place to live, shop and work and by doing so promote a more rapid pace of development across the remainder of BXS and the delivery of wider economic and social benefits. It is an essential component of the Integrated Transport Strategy to ensure the comprehensive regeneration of the Brent Cross Cricklewood area and will provide a catalyst for earlier investment in order to secure the anticipated regeneration.
- 3.46 The Station District will deliver new residential accommodation (including affordable housing), contributing significantly to the achievement of the Mayor’s Housing Strategy for London and that of the Council.
- 3.47 It will deliver much needed commercial and business development, which will provide opportunities for jobs; the range of employment generating floorspace will improve not only the quantum of jobs but also the diversity of employment opportunities available and accessible to local people. The improved

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accessibility of the site as a result of the transport improvements will also increase employment opportunities in the wider area.

- 3.48 There will be a demonstrable improvement of visual appearance and environment of the Order Land. Parts of the area are dominated by fragmented and industrial land uses, and have a low visual quality. The delivery of the Station District, and the links over the Midland Mainline, will integrate the area with the remainder of BXS, and will deliver a significantly improved urban environment. The proposed new public realm around the station and new transport interchange, with surrounding retail and leisure uses, will contribute to a vibrant, bustling environment, where people can work, live and play.
- 3.49 The delivery of the new neighbourhood park NH3 (referred to as Brent Terrace Park within the s73 Permission) will be part of the additional quantum of new open space provided within BXC. Brent Terrace Park is proposed to be a linear park providing an attractive outlook for existing properties on Brent Terrace and high quality green open space for both existing and new residents. The park will also form part of the proposed green corridor (GC8).
- 3.50 The development of the Order Land will also contribute to the remediation of contaminated land. Some of the current and previous uses have resulted in contamination of the land. In order to create a high quality and safe environment, soil remediation to satisfactory levels will be necessary.
- 3.51 The development of the Order Land will also play a vital role in the wider regeneration of the BXC area including the provision of the integrated town centre with its range of services and facilities.
- 3.52 These benefits, and those described in section 8 of the draft Statement of Reasons, clearly demonstrate that there is a compelling case in the public interest for the Order. Moreover, without the Order it is most unlikely that the land and interests needed for the CPO3 Development could be assembled within any reasonable timeframe.

4. ALTERNATIVE OPTIONS

- 4.1 If the CPO is not made, then the only way of acquiring the land and interests needed to deliver the Thameslink station phase of development would be by agreement. It is clear however, that unless CPO3 is made and confirmed, the Council would be unlikely to be able to assemble the land and interests needed within a reasonable timescale to support the wider BXC regeneration area development. In these circumstances, there is a significant risk that regeneration of key areas to the south of the North Circular and to complete the Integrated Transport Strategy would not come forward at all, or at best would be delayed by many years.
- 4.2 Careful consideration has been given to the extent of the land and rights included in CPO 3 and whether it is necessary to include all of these.
- 4.3 All of the land shown on the plan at Appendix Plan 1 of 2 and Plan 2 of 2 is needed in order to ensure that the CPO3 Development can be delivered.
- 4.4 The Thameslink station and the Midland Mainline Bridge are essential to the delivery of the ITS to enable and accommodate the development being brought forward across the wider BXC regeneration areas.
- 4.5 The relocation of the Waste Facility west of the railway is a key component of the S73 planning permission to facilitate the comprehensive regeneration of BXC and will also ensure a facility is provided that meets the requirements of NLWA and the Council.
- 4.6 The development of railway and other land will also allow completion of a key route running from Market Square along High Street South to Station Square and connecting to the A5 on the western side of the Midland Main Line to enabling comprehensive development
- 4.7 The Council does not consider that there are any alternative means which would achieve its purposes in seeking to deliver the Thameslink Station, Station District, and/or the remainder of the comprehensive BXC scheme. No alternative proposals have been put forward by the owners of the land, or any other persons, for its re-use. Nor are there any alternative locations which are suitable for the purpose for which the land is being acquired. The location of the Thameslink Station is within the parameters set by the section 73 Permission and has been subject to a detailed design process involving Network Rail. The station is appropriately located to deliver the wider comprehensive development requirements as defined in Development Plan policies, to best serve the wider Brent Cross Cricklewood development and help to deliver the required modal shift in transport use.

5. POST-DECISION IMPLEMENTATION

- 5.1 It is proposed that, if authorised, the CPO will be made (executed) as soon as reasonably practical after the date the Council approves the CPO. The CPO is anticipated to be made by the end of July and an inquiry could be held before the end of the year.
- 5.2 A specialist land referencing company (TerraQuest) has already been engaged to identify all parties with interests in the area covered by the CPO so that they will all be served with the appropriate notices and be involved in the process if they so wish. Parties with interests in the land are required to be identified in a detailed schedule which, together with the order map, forms the CPO.
- 5.3 After the CPO is made, statutory notice of the making of the CPO will be served on all affected parties, advertised in the local press, and posted up on the site. The notices served on those affected will be accompanied by the statement of reasons, which sets out the background to and justification for using its CPO powers. Service and advertisement of the statutory notices will take place very shortly after the CPO is made.
- 5.4 Following service of the notices described above, those affected and members of the public will be given a period of 28 days within which to make representations including, if they see fit, object to the CPO. (The period required by law is a minimum of 21 days, but officers wish to provide the community and those affected with ample opportunity to make representations).
- 5.5 If there are no objections, or if all objections made are withdrawn, then the Council may be authorised by the Secretary of State for Communities and Local Government to confirm CPO3 itself. If there are objections and these are not withdrawn then the Secretary of State will arrange for a public inquiry to be held and will appoint an inspector to hold it. It is likely that a public inquiry would be held towards the end of 2016. Those affected and the public may attend and if they so wish, present their objections and cross-examine the Council's witnesses regarding the case for the CPO, and be cross-examined themselves on their objections.
- 5.6 Following the inquiry, the Inspector will prepare a report in which a recommendation will be made to the Secretary of State as to whether the CPO 3 should be confirmed. The Secretary of State will then make his decision. This is to be expected by Summer 2017.
- 5.7 Following the confirmation of the CPO, the Council will have 3 years within which to exercise the powers and acquire the land and interests needed for the development.

6. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

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- 6.1 The regeneration of Brent Cross Cricklewood supports the Corporate Plan 2013-2016 priority '*To maintain the right environment for a strong diverse local economy*', and the strategic objective under this priority to sustain Barnet by '*promoting growth, development and success across the borough*'.
- 6.2 The Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the Borough and maintaining Barnet as a successful London suburb. The BXC regeneration proposals will play a major role in delivering this objective, doubling the size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. BXC is one of Barnet's priority regeneration areas, and will provide approximately 7,500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor, linking BXC with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.
- 6.3 The Thameslink station phase will increase the attractiveness of Brent Cross Cricklewood area as a place to live, shop and work and by doing so promote a more rapid pace of development and delivery of wider economic and social benefits. It is an essential component of the Integrated Transport Strategy to ensure the comprehensive regeneration of the Brent Cross Cricklewood regeneration.

Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 6.4 There are two main elements of costs associated with the CPO process: the costs of preparing and pursuing the CPO itself, and the compensation and consideration to be paid to those whose land and interests are acquired.

- 6.5 The Project Agreement and corporate documentation between Argent Related and the Council, which deals with the delivery of the redevelopment and regeneration of the land to the south of the North Circular is now agreed and currently being completed.
- 6.6 A CPO Indemnity Agreement, under which the Argent Related provide the Council with an indemnity in respect of the costs of promoting the CPO and the compensation payable to third parties in respect of whose land and interests are acquired pursuant to the CPO to deliver the station quarter elements of BXS is anticipated to be completed prior to making the CPO.
- 6.7 The delivery of the Station, Midland Mainline Bridge and waste and freight facilities, including land acquisitions, will be funded by public sector initially from the existing Council capital budgets (as approved by the Assets, Regeneration and Growth Committee on 17 March 2016 and Policy and Resources Committees on 17 May 2016 and 28 June 2016) and also HM Government grant funding and public sector borrowing.
- 6.8 As detailed above, HM Government in March 2015 announced £97 million of funding and ring fencing of the local 50% share of business rate growth to support the London Borough of Barnet and the Greater London Authority's (GLA) plans for the regeneration of Brent Cross. This was re-confirmed by the Chancellor in the November Spending Review 2015, and again in the March Budget Statement. The Grant Agreement now being progressed and will be issued prior to the Council making the CPO.
- 6.9 The GLA issued the Mayoral Direction on 17 March 2016 confirming the funding package for the proposed new Thameslink Station. This includes creation of a designated area by the Secretary of State which will allow the Council to retain 50% of the growth in business rate income locally for a period up to 15 years overall.
- 6.10 In terms of the costs of pursuing the CPO, this will require input from internal and external resource covering various disciplines, including senior officers, legal input, surveying and valuation expertise, planning input, input from the preferred developer when selected, technical input from engineers and consultants, and the cost of witnesses at the public inquiry. There will also be costs associated with the organisation and holding of the public inquiry. This is being met by the existing Thameslink Station and land acquisitions budget as approved by the Committee on 17 March 2016 and Policy and Resources Committee on 28 June 2016. The current budget for the Thameslink project, as approved on 28th June, is £16.650m. In addition, Policy & Resources Committee agreed, on 17th May 2016, an increase to the capital financing requirement, to enable borrowing to provide initial finance for Brent Cross Cricklewood. Ultimately, the CPO3 acquisition costs will be financed from either Argent Related, if appropriate, or the £97m grant referred to above.

Legal and Constitutional References

- 6.11 The CPO process is governed by law, principally the Acquisition of Land Act 1981. There is a public and lawful process which must be followed by the Council in order to secure the confirmation of CPO powers.
- 6.12 Under section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) the Council, if authorised by the Secretary of State for Communities and Local Government, has the power to acquire land compulsorily where it thinks that the acquisition will facilitate the development, redevelopment or improvement of land. Section 226(1A) provides that the Council may only use this power if it thinks that doing so will contribute to the achievement of the economic, social and environmental well-being of the area. Members must therefore address these questions when deciding whether to authorise the use of the CPO powers.
- 6.13 Also, under section 13 of the Local Government (Miscellaneous Provisions) Act 1976 the Council is able to acquire new rights over land. Members will see that there are areas of land shaded blue on the CPO Plans at Appendix 1 and 2, which identifies land over which new rights are required for construction and for the delivery of the MML and pedestrian bridges.
- 6.14 The Secretary of State will only confirm CPO3 if he is satisfied that there is a compelling case in the public interest to do so.
- 6.15 The Council has been in discussions and negotiations with those whose land and interests are required, and are seeking to acquire the land and interests by agreement. These efforts to acquire the land and interests by agreement will continue, but it is clear that without the use of CPO powers it will not be possible to acquire all of the required land and interests within a reasonable timeframe.
- 6.16 Those who wish to object to the CPO may do so and are entitled to be heard at a public inquiry held to consider the case for, and the objections to, the CPO. Those whose land and interests are acquired will be entitled to compensation calculated on the basis of legislation and related case law known as the “Compensation Code”.
- 6.17 Consideration must also be given to the interference with rights protected by the Human Rights Act 1998, including Article 8 (respect for private and family life and home), and Article 1 (the right to peaceful enjoyment of possessions) of the European Convention on Human Rights. A decision to make a CPO must strike a fair balance between the public interest associated with the regeneration of the land and the interference with private rights. With the implementation of relocation strategies; the attempts to acquire by agreement; the fact that parties will receive fair compensation under the “Compensation Code”, and the fact that there is a compelling case in the public interest for the exercise of the Council’s CPO powers, it is considered that the interference with the private rights of those affected that would be the inevitable result of the exercise of compulsory purchase powers conferred by CPO3 would be lawful, justified and proportionate.

- 6.18 Council Constitution - Management of Asset, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop appropriate change of use of, or dispose of assets within its Asset portfolio
- 6.19 Council Constitution, Responsibility for Functions paragraph 6.1 states that “Any Committee may decide to report on any matter to Council. In such cases the decision is reached by the usual process, such as a majority vote. The report may make recommendations or seek instructions
- 6.20 Council Constitution - Management of Asset, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop appropriate change of use of, or dispose of assets within its Asset portfolio
- 6.21 Council Constitution, Responsibility for Functions, Annex A – sets out the terms of reference of the Assets, Regeneration and Growth Committee which includes to:
- “Oversee major regeneration schemes – including those of key housing estates”; and
 - “Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.”

Risk Management

- 6.22 The key project risks are explained in the report to the Committee on 17 March 2016. In relation to the CPO, the key risks can be summarised as follows:
- 6.23 Affected parties failing to be identified in the CPO – a specialist land referencing firm, TerraQuest, have been appointed to undertake the land referencing exercise to mitigate against this risk. The discussions being held by the Council with those affected when seeking to acquire their land and interests also help to identify the parties with interests in the area.
- 6.24 The preparation of a CPO and related documents is a technical and complex area, carrying a risk of challenge. However, the Council has retained experienced and expert external legal advice and the documents will be reviewed by leading counsel.
- 6.25 There is a risk that owners and occupiers will seek sums in excess of the Council’s estimates for the costs of land acquisitions. This risk has been mitigated through the receipt of professional valuation advice and the setting of appropriate budgets.

Equalities and Diversity

- 6.26 The public sector equality duty under section 149 of the Equality Act 2010 (“PSED”) requires the Council to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is

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prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. 'Protected characteristics' are: gender, race and disability, sexual orientation, age, religion or belief, pregnancy and maternity and gender reassignment.

- 6.27 The Council is committed to improving the quality of life for all and wider participation in the economic, educational, cultural, social and community life in the Borough.
- 6.28 The development proposals for the BXC scheme will make a significant contribution to the provision of additional, high quality affordable housing units in the Borough as well as providing employment through the creation of a new town centre with leisure, health and educational facilities. The delivery of the Thameslink Station will enhance public transport provision and improve accessibility and provide greater choice for all. It should be emphasised that a fully integrated and accessible town centre will be created as part of these proposals.
- 6.29 An Equalities Impact analysis was carried out in respect of the Outline Planning Application granted in 2010, which took fully into account the demographic makeup of the regeneration area and addressed the impact on the protected characteristics. This anticipated a significant positive impact from the regeneration proposals.
- 6.30 BXC is an opportunity to extend Barnet's success as a desirable and attractive suburb, by creating a new urban village for London which sets the tone for future evolution of the borough more widely and emphasises the need to create a place that makes residents, workers and visitors feel good – inviting people to meet and spend time in the spaces, and to walk or cycle.
- 6.31 Importantly, the requirements highlight that BXC will be a place for people of all ages, with housing mix that reflects different life stages, a range of housing tenures, and public spaces which are accessible to all. It emphasises that promoting health and wellbeing and reducing dependency will be ingrained in the place.

Consultation and Engagement

- 6.32 Extensive consultation has and will continue to be undertaken with key stakeholders and the community to ensure that the BXC scheme reflects local needs including the needs of those with protected characteristics, as well as securing the future of North London's only regional shopping centre.
- 6.33 There has also been consultation and engagement with local stakeholders and the community during the planning process, and the CPO process is designed to allow parties an opportunity to make representations and, if desired, attend a public inquiry and state their cases. An update is provided at Appendix 5.

- 6.34 Consultation with the rail industry stakeholders has been undertaken, and continues, via a regular Station Project Board Meeting, membership includes, TfL, DfT, Train operating Companies (GTR & EMT) Network Rail and designers.
- 6.35 Further rail industry meetings have taken place with DfT in support of the Transport Business Case and have included GTR for acceptance of the time table modelling.

Communication and Consultation update

- 6.36 The Council and its Development Partners have carried out widespread consultation and engagement with residents within BXC and in the surrounding area in relation to the scheme proposals. This has included sending out consultation letters to more than 20,000 local residents and businesses, including the parts of Brent and Camden adjacent to the planning application boundary, in relation to the planning applications.
- 6.37 The proposals have been subject to full consultation through the planning process, and contact has also been made with all known residents, owners and occupiers of residential and non-residential properties and discussions are ongoing regarding the acquisition of the interests and the relocation options for those affected. The Council, and its Development Partners and their advisors, have engaged with residents directly as well as through the Whitefield Estate Steering Group and Open Meetings, Resident Surgeries and through other organised meetings including the Cricklewood Community Forum.

CPO1

- 6.38 The Whitefield Estate residents within the CPO1 Order Land have been consulted on designs of the replacement homes in Plots 53 and 54 of the RMA, through a series of workshops organised by the CPO1 Developer which included training on understanding plans and design workshops. This was followed briefing sheet sent to residents which included information about the design and layout of the replacement homes. Residents were also involved in the selection of the Catalyst Housing Group, a leading Registered Provider, to deliver and manage the replacement homes.
- 6.39 The Council and its Development Partners met with the CPO1 Whitefield Estate Sub Steering Group on the 12 May 2016, to provide a progress update.
- 6.40 The Council has also agreed terms with eight residential homeowners and have acquired properties in Claremont Way and Whitefield Avenue.

CPO2

- 6.41 Following the formation of BXS LP, a series of meetings and events is planned to step up engagement between the Residents Steering Group and BXS LP. This includes a recruitment effort to increase participation in the Whitefield Residents Steering Group, as well as general information meetings

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to which all residents will be invited. It is envisaged that this group will be the forum for future consultation on the design, timing and delivery of the new replacement homes. Concurrently, the Council with GL Hearn and PEP (Resident Independent Advisor) continue to run a programme of resident surgeries and workshops for Council tenants and leaseholders.

- 6.42 Argent Related and Barnet Council have appointed Soundings to lead an early community consultation around the Brent Cross South regeneration scheme. Soundings is organising a number of consultation events in July 2016 with the CPO2 Whitefield Residents and with residents and community groups in the Brent Cross South wider area.

CPO3

- 6.43 Over the last few months the Council and Argent Related have consulted with residents in Brent Terrace and will be continuing their discussions with all affected land owners in this area.

Additional Activities

- 6.44 Over the last 4 months, PEP the Resident Independent Advisor has held resident surgeries on the following dates Wednesday 16th March 2016, Wednesday 16th March 2016, Saturday 19th March, Wednesday 20th April 2016, Saturday 30th April 2016, Tuesday 3rd May 2016, Thursday 12th May 2016 and Tuesday 17th May.
- 6.45 The Council has held special CPO Surgeries on Saturday 30th April 2016, Tuesday 3rd May 2016 and Thursday 12th May 2016, in the lead up to the CPO Inquiry which commenced on Tuesday 17th May 2016.

7 BACKGROUND PAPERS

- 7.1 Cabinet, 26 April 2004 (Decision Item 8) – approved the adoption of the Cricklewood, Brent Cross and West Hendon Development Framework as Supplementary Planning Guidance.
- 7.2 Cabinet, 29 March 2005 (Decision Item 6) – agreed to enter into a Collaboration Agreement with the development partnership (Cricklewood Regeneration Limited, Hammerson and Standard Life).
<http://barnet.moderngov.co.uk/Data/Cabinet/200503291900/Agenda/Document%204.pdf>

- 7.3 Cabinet, 5 December 2005 (Decision Item 7) – approved, amongst other matters, that 1) the Eastern Lands Addendum be adopted as Supplementary Planning Guidance; and 2) the Eastern Lands Supplementary Guidance is incorporated into the Cricklewood, Brent Cross and West Hendon Development Framework.
<http://barnet.moderngov.co.uk/Data/Cabinet/200512051900/Agenda/Document%204.pdf>
- 7.4 Cabinet Resources Committee, 25 March 2008 (Decision Item 16) – approved the outline terms so far agreed with the Brent Cross partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel's advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement and the Principal Development Agreements be reported to a future meeting of the Cabinet for approval.
<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/200803251900/Agenda/Document%2015.pdf>
- 7.5 Cabinet, 21 October 2009 (Decision Item 7) – approved the terms and conditions of entering into the Development Framework Agreement and the Principal Development Agreements, subject to approval of the Brookfield Europe and Hammerson Guarantor companies by the Director of Finance and the Leader of the Council, and the approval of the appropriate land transaction and financial arrangements by the Secretary of State. The approval was also subject to agreement of the plans, the historic costs and the form of the legal documents.
<http://barnet.moderngov.co.uk/CeListDocuments.aspx?CommitteId=120&MeetingId=306&DF=21%2f10%2f2009&Ver=2>
- 7.6 Cabinet Resources Committee, 19 October 2010 (Decision Item 5) – approved the changes to the terms and conditions of the Development Framework Agreement and the two Principal Development Agreements regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)
<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/201010191900/Agenda/Document%203.pdf>
- 7.7 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.
<http://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=8369&ISATT=1#search=%22Brent%20Cross%20%22>

- 7.8 Cabinet Resources Committee, 16 January 2014 (Decision Item 6) - approved the changes to the terms of the Brent Cross Principal Development Agreement (as considered and approved by CRC in October 2010) and the terms for the Co-operation Agreement as set out in Section 9 of this report; authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Principal Development Agreement and Co-operation Agreement; approved commencement of market testing through the issue of a Prior Information Notice to inform the delivery strategy for the Brent Cross Cricklewood South area; and approve that the Council enter into negotiations with landowners to acquire land required in advance of any Compulsory Purchase Order, subject to approval of the bid for capital funding by Cabinet on 25 February 2014; and approved that the Council continue the design and development work to develop the business case and funding strategy for delivery of the Thameslink Station, subject to approval of the capital funding bid by Cabinet on 25 February 2014; and delegate authority to the Strategic Director for Growth and Environment to procure the necessary advice and consultants to progress the Brent Cross project workstreams and deal with the related contractual issues and arrangements. <http://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=12505&ISATT=1#search=%22Brent%20Cross%20%22>
- 7.9 Assets, Regeneration and Growth Committee dated 9 July 2014 approved the procurement of a partner for the Brent Cross Cricklewood South development through an OJEU Negotiated route in accordance with the Brent Cross South Procurement and Delivery Strategy, and approved the Council's requirements for the Brent Cross Cricklewood South opportunity; and noted procurement timetable and that to meet this timetable an additional meeting would be needed to approve the selection of a preferred partner, which would be called in accordance with statutory requirements and the Council's constitution. <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&Mid=7960&Ver=4>

- 7.10 Assets, Regeneration & Growth Committee, 8 September 2014 (Decision Item 10) – approved the appropriate Chief Officers be authorised to negotiate and enter into agreements to acquire by private treaty the land and interests and; to approve and enter into agreements and undertakings with the owners and/or occupiers of the land in the said areas so as to facilitate its acquisition.
<http://barnet.moderngov.co.uk/documents/s17302/Brent%20Cross%20Cricklewood%20-%20Report.pdf>
- 7.11 7.11 Assets, Regeneration & Growth Committee, 8 September 2014 (Decision Item 10) – approved the appropriate Chief Officers be authorised to negotiate and enter into agreements to acquire by private treaty the land and interests and; to approve and enter into agreements and undertakings with the owners and/or occupiers of the land in the said areas so as to facilitate its acquisition.
<http://barnet.moderngov.co.uk/documents/s17302/Brent%20Cross%20Cricklewood%20-%20Report.pdf>
- 7.12 Assets, Regeneration and Growth Committee dated 15 December 2014 noted progress on the Brent Cross Cricklewood project.
<http://barnet.moderngov.co.uk/documents/s19845/BXC%20update%20-%20Publish.pdf>
- 7.13 Urgency Committee, 26 February 2015 (Decision Item 1)
<https://barnetintranet.moderngov.co.uk/documents/s21721/Annex%201%20report%20to%20Urgency%20Committee%2026%20February%202015.pdf>
- 7.14 Full Council dated 3 March 2015 approved the appointment of Argent and Related Companies PLC (Bidder Z) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme; the selection of Gateway Barnet consortium comprising Far East Consortium, Countryside Properties and Notting Hill Housing Trust (Bidder Y) as the Council's reserve development partner for the Brent Cross Cricklewood South Scheme; authorise Officers to work up the Business Plan, Project Agreement and documentation necessary to form the joint venture for consideration and approval by Assets, Regeneration and Growth Committee prior to formally entering into the joint venture contract and authorised the Commissioning Director (Growth and Development) to determine the exact structure of the joint venture arrangement.
<http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack%2003rd-Mar-2015%2019.30%20Council.pdf?T=10>
- 7.15 Full Council dated 3 March 2015 approved that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land shaded pink on the plan at Appendix 1 and pursuant to section 13 of the Local Government (Misc Provisions) Act 1976 to acquire new rights in respect of the land shaded blue on the said plan to deliver (CPO1); That the appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation and take all action needed to pursue the CPO and secure its confirmation; That the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and

acquire title to and/or take possession of the land ; That the appropriate Chief Officers be authorised to carry out the necessary procedures under Part 11 of the Housing Act 1985 and to use Ground 10A to obtain vacant possession of Council owned dwellings that are occupied by secure tenants in the area shown shaded pink on the plan at Appendix 1 ; that the appropriate Chief Officers be authorised to approve the service of Initial and Final Demolition Notices as required pursuant to the Housing Act 2004 to suspend the right to buy on properties due for demolition which are situated on the Whitefield Estate but fall within the Brent Cross North Development and on the Rosa Freedman Centre; and that the appropriate Chief Officers be authorised to take all necessary steps to re-house secure tenants from the Sheltered Housing Units at Rosa Freeman and to pay statutory home loss and disturbance to those tenants.

<http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack%2003rd-Mar-2015%2019.30%20Council.pdf?T=10>

- 7.16 Full Council on 3 March 2015 approved that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land to deliver the first south side phase (known as CPO2) shaded pink on the plan at Appendix 1 ; That the appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation and take all action needed to pursue the CPO and secure its confirmation; That the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and acquire title to and/or take possession of the land; That the appropriate Chief Officers be authorised to carry out the necessary procedures under Part 11 of the Housing Act 1985 and to use Ground 10A to obtain vacant possession of Council owned dwellings that are occupied by secure tenants in the area shown shaded pink on the plan at Appendix 1 and that the appropriate Chief Officers be authorised to approve the service of Initial and Final Demolition Notices as required pursuant to the Housing Act 2004 to suspend the right to buy on properties due for demolition which are situated on the Whitefield Estate but fall within the Brent Cross South Development..
- <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MID=7819#AI11444>

- 7.17 Assets, Regeneration and Growth Committee dated 1 June 2015 noted progress on the Brent Cross Cricklewood project; A) approved the terms for the draft Collaboration Agreement between the Council and Argent and Related Companies as set out in the Exempt Report; B) authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Collaboration Agreement; Confirmed as a matter of principle, that the Council is prepared to use its compulsory purchase powers pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) to acquire the land edged red on the plan at Appendices A & B; noted that a) the appropriate Chief Officers are commencing negotiations to acquire by private treaty the land and interests in the areas required to deliver the Thameslink Station as shown on the plan at Appendices A & B and to approve and enter into agreements and undertakings with the owners and/or occupiers of the land in the said areas so as to facilitate its acquisition; and that the

appropriate Chief Officers are undertaking the work needed to prepare for a possible Compulsory Purchase Order (CPO) together with the associated documentation and, if necessary, will bring a further report back to the Committee seeking authority to make a CPO in respect of the land shown on the plan at Appendix C.

<http://barnet.moderngov.co.uk/documents/s23463/Brent%20Cross%20Cricklewood%20Station%20Project%20Update%20-%20REPORT.pdf>

- 7.18 Assets, Regeneration and Growth Committee dated 30 November 2015 approved the terms for the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement and authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and any required subsequent changes in the associated commercial documentation; noted progress on land acquisitions within the CPO red line boundary and that the CPO Inquiry for Brent Cross Cricklewood CPO1 and Brent Cross Cricklewood CPO 2 is scheduled for 17 May - 17 June 2016; approved the Brent Cross South Joint Venture Structure that will inform the Project Agreement and documentation necessary to form the Brent Joint Venture; noted the establishment of the Shadow Joint Venture Board and gave approval for the terms of reference for Shadow Shareholder Board for the Brent Cross South Joint Venture to be drawn up including a process for appointing Members for agreement at the next practicable meeting of the Council; and noted progress on the Thameslink Station project, in particular the station design and funding strategy.

<http://barnet.moderngov.co.uk/documents/s27725/Brent%20Cross%20Cricklewood%20Project%20update.pdf>

- 7.19 Council 1 March 2016 noted the report of Assets, Regeneration and Growth Committee on 30 November 2015 as attached at Appendix 1 which approved the Joint Venture Structure and authorised the establishment of a Shadow Shareholder Board for the Brent Cross South Joint Venture, and that its terms of reference and membership to be drawn up for Council approval; noted the Brent Cross South Joint Venture Structure at Appendix 3 attached to the report of the Assets, Regeneration and Growth Committee on 30 November 2015; approved by the Committee on 30 November 2015; agreed the terms of reference for the Shadow Shareholder Board for the Brent South Joint Venture as outlined in paragraph 2.15; agreed that the composition and Membership of the Shadow Shareholder Board be agreed, as per paragraphs 2.13 and 2.14 of the report; noted the decisions outlined in Appendix 2 which will be required by the Shadow Shareholder Board as detailed in the Project Agreement and Shareholder and associated documentation necessary to form the Brent Cross South Joint Venture; and noted that the Project Agreement, Shareholder Agreement and associated documentation will be reported to Assets, Regeneration and Growth Committee on 17 March 2016 for approval and that that report will recommend that the Chief Executive be authorised in consultation with the Leader to finalise the documentation.

<http://barnet.moderngov.co.uk/documents/s29974/Report%20to%20Council%20Report%20of%20Assets%20Regeneration%20and%20Growth%20Committee%20-%20Brent%20Cross%20Cricklewood.pdf>

7.20 Assets, Regeneration and Growth Committee 17 March 2016 (Decision Item 14) 1).Noted that the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement as set out in the Exempt Report to the Committee report 30 November 2015, which authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and required subsequent changes in the associated commercial documentation are being progressed and will be completed in parallel with the Brent Cross South documentation.2) Noted that Council agreed the terms of reference for the Shareholder Board for the Brent South Joint Venture and the composition and Membership of the Shareholder Board, as per paragraphs 2.13, 2.14 and 2.15 of the report to Council on 1 March 2016. 3.Re-confirmed Argent Related as the joint venture development partner in accordance with the OJEU procurement process as approved by the Committee on 22 July 2014. 4).Approved the detailed terms of the Project Agreement, Limited Partnership Agreement, Shareholder Agreement and associated documentation (including Compulsory Purchase Indemnity Agreements) as set out in this report and the Exempt Report to the Committee; Authorise the Chief Executive in consultation with the Leader to finalise and complete the documentation associated with the JVLP and enter into contract with JVLP. 5) Approved the establishment of LBBCo for Brent Cross South. 6.) Approved the Best Consideration Mechanism as detailed in the Project Agreement and authorise the Section 151 Officer to determine Best Consideration in accordance with the Project Agreement. 7.Approved the Brent Cross South Business Plan as attached to the Exempt report.; 8.Noted progress on land acquisitions within the CPO red line boundary and preparation for the CPO Inquiry for Brent Cross Cricklewood CPO (CPO1) and Brent Cross Cricklewood CPO (CPO 2) scheduled for 17 May - 17 June 2016. 9). Approved the Station Single Option Design as shown at Appendix 5; and note the funding and delivery strategies for the Brent Cross Cricklewood Thameslink Station project; 10) Approved the commencement of the detailed design of the station (known as GRIP 4) and associated work packages within the station phase of the Brent Cross South; and delegate to the Chief Operating officer permission to agree terms and enter into the Design Service Agreement with Network Rail to deliver the railway works elements of the GRIP 4 process; 11) Approved the revised spend in respect of Thameslink as detailed in the report and note that Policy and Resources will be recommended to approve the budget. 12.) Noted progress on the land acquisition strategy to deliver the station phase and that a separate report is being considered by this Committee to resolve to make a CPO to deliver this element of the Brent Cross Cricklewood regeneration project.
<http://barnet.moderngov.co.uk/documents/s30516/Brent%20Cross%20Cricklewood.pdf>

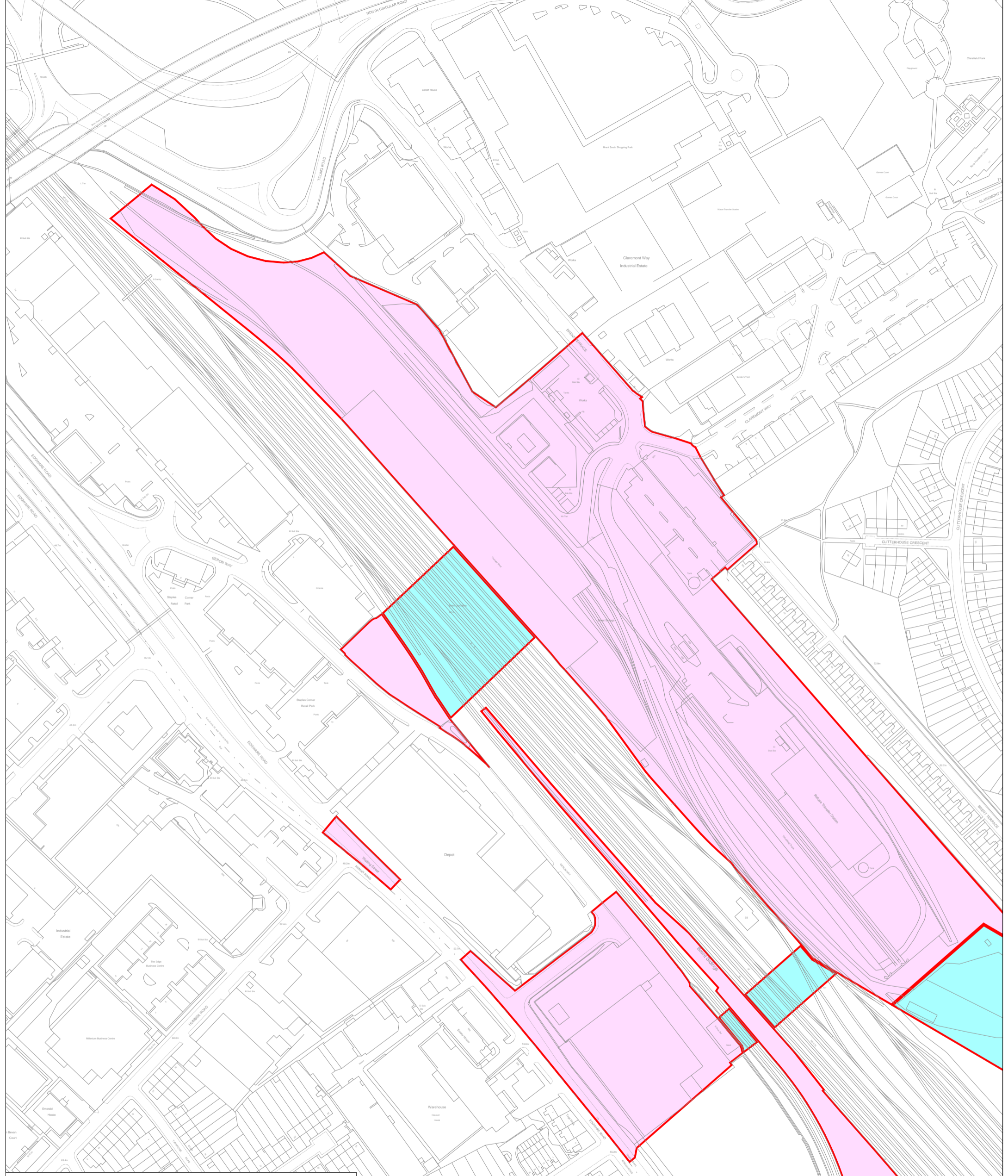
7.21 Assets, Regeneration and Growth Committee 17 March 2016 (Decision Item 13) approved:that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land shaded pink on the plan at Appendix 1 of 2 Plan and 2 of 2 Plan; that the appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation, including the Statement of Reasons, and take all action

[Type text]

needed to pursue the CPO and secure its confirmation and that the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and acquire title to and/or take possession of the land.

<http://barnet.moderngov.co.uk/documents/s30532/Brent%20Cross%20Cricklewood%20Compulsory%20Purchase%20Order%20No.%203.pdf>

- 7.22 Policy and Resources Committee Committee: 17 May 2016 approved the addition of the GRIP 4 detailed design costs to the capital programme as per para 1.4.8; the increase to the capital financing requirement and required changes to the Treasury Management Strategy to accommodate borrowing requirement in relation to Brent Cross Cricklewood programme, as set out in para 1.6.6; noted the total funding requirement as detailed in para 1.6.6 and notes that it will be requested to consider and to approve this in subsequent relevant budget setting cycles (as detailed in para 1.6.5); approved engagement with the council's treasury advisors to find more preferential rates than Public Works Loan Board (PWLB) to secure funding; and authorised officers to continue to work with DCLG and GLA to ring fence the growth in business rates from Brent Cross North in order to pay back the borrowing requirement.



The London Borough of Barnet (Brent Cross Cricklewood)
Compulsory Purchase Order (No.3) 2016

Plan 1 of 2 showing the proposed boundary of CPO3

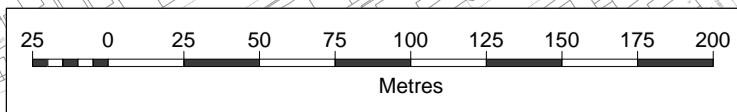
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CPO Area 3 Acquisition

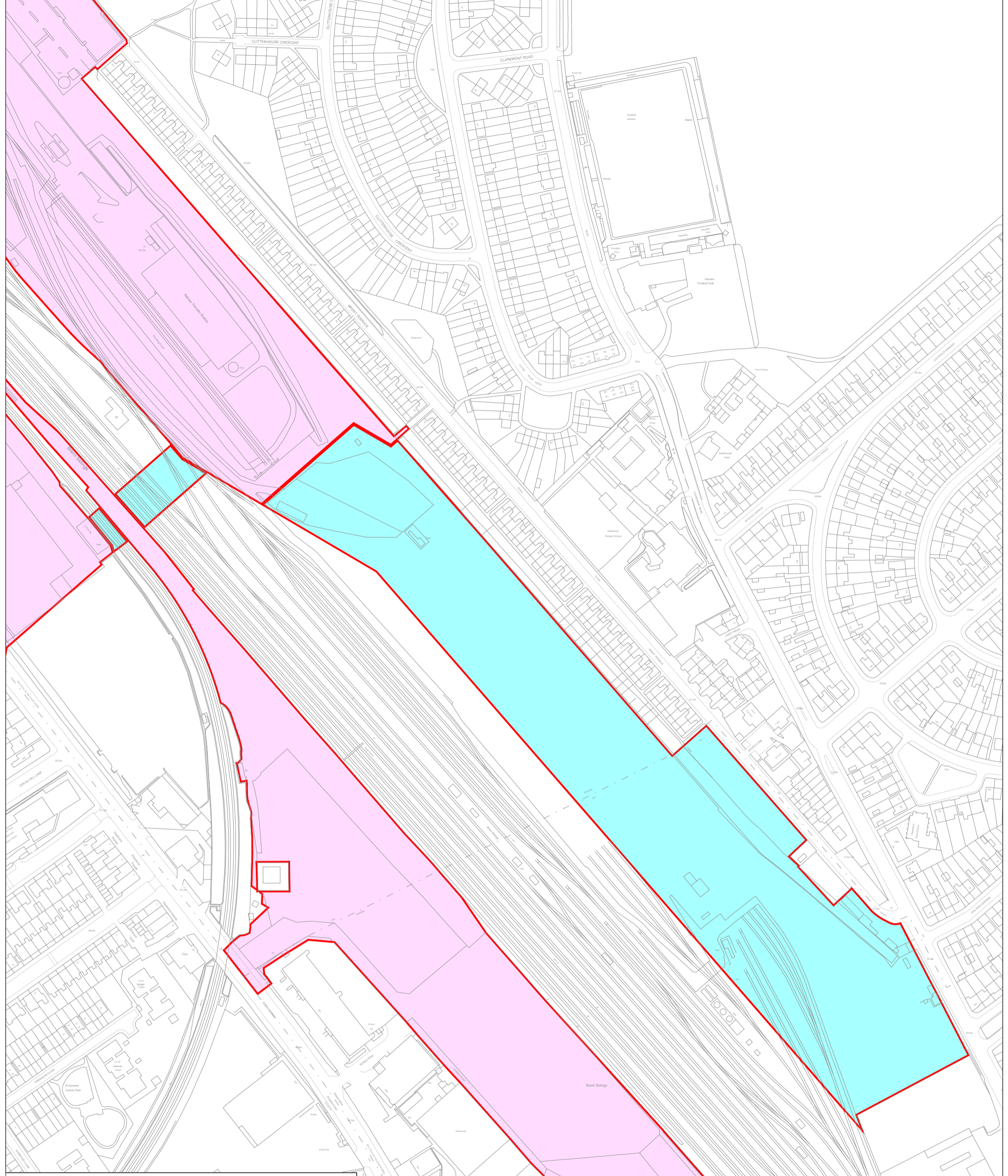


CPO Area 3 New Rights



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The London Borough of Barnet (Brent Cross Cricklewood)
Compulsory Purchase Order (No.3) 2016

Plan 2 of 2 showing the proposed boundary of CPO3

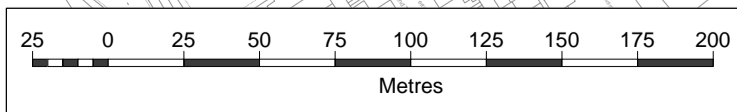
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CPO Area 3 Acquisition



CPO Area 3 New Rights



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THE TOWN AND COUNTRY PLANNING ACT 1990

AND

THE ACQUISITION OF LAND ACT 1981

AND

THE LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

THE LONDON BOROUGH OF BARNET

**(BRENT CROSS CRICKLEWOOD) COMPULSORY PURCHASE ORDER
(NO.3) 2016**

STATEMENT OF REASONS

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1. INTRODUCTION

- 1.1 This document is the Statement of Reasons of the London Borough of Barnet ("**the Council**" or "**the Acquiring Authority**") prepared in connection with a compulsory purchase order made by the Council on [], entitled The London Borough of Barnet (Brent Cross Cricklewood) Compulsory Purchase Order (No. 3) 2016 ("**the Order**") and submitted to the Secretary of State for Communities and Local Government for confirmation.
- 1.2 The Order was made having regard to the Guidance on Compulsory Purchase Process and The Crichel Down Rules for the Disposal of Surplus Land Acquired by, or under the Threat of, Compulsory Acquisition (October 2015) ("**the CPO Guidance**").
- 1.3 The Council has made the Order pursuant to Section 226 (1)(a) of the Town and Country Planning Act 1990 ("**the Act**") and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976. In this Statement of Reasons, the land and rights included in the Order are referred to as "**the Order Land**". The Council is the local planning authority and the local highway authority for the Order Land.
- 1.4 The Council's purpose in seeking to acquire the Order Land is to facilitate the development, re-development and improvement of it by way of a mixed use scheme, comprising commercial, retail, residential, hotel, conference and leisure development; community facilities; car parking, infrastructure and highway works; new rail station, station buildings, railway sidings, rail stabling facilities and associated rail infrastructure; rail freight facilities; a waste transfer facility; public realm and environmental improvement works ("**the CPO3 Development**").
- 1.5 The CPO3 Development forms part of the wider Brent Cross Cricklewood regeneration scheme ("**BXC**"). An extant outline planning permission exists for the BXC regeneration reference F/04687/13 dated 23 July 2014 (the "**s.73 Permission**").
- 1.6 The regeneration of the wider BXC area, one of the largest regeneration opportunities in London, is a long-standing objective of the Council and is a key regeneration priority of the London Mayor (see further detail below in Section 5).
- 1.7 The principal components of the CPO3 Development, which are together known as '**The Station Phase**', are as follows: -
 - 1.7.1 The "**Thameslink Station**", which comprises the new Thameslink railway station; the Thameslink station entrance buildings; the provision of railway sidings, rail stabling facilities and associated rail infrastructure; a new rail freight facility; the relocation of the existing waste transfer facility; a new road bridge and a new pedestrian bridge over the Midland Mainline railway; and the Spine Road (North) which will provide a link from the A5 to the west of the railway to Station Square to the east.

- 1.7.2 The "**Station District**", which comprises new public realm and associated highways infrastructure for the proposed public square and transport interchange known as Station Square; mixed use and residential development focussed around Station Square; business and employment uses with an associated mix of residential, retail and leisure use within the Station Quarter (West); and new homes, retail and community facilities within Brent Terrace (North).
- 1.8 The Thameslink Station development will be delivered by the Council in partnership with Network Rail. The Station District development will be delivered by a joint venture, known as Brent Cross South Limited Partnership ("**BXS LP**"), between the Council and Argent Related (which is itself a joint venture partnership between Argent and Related Companies), which has been established to deliver regenerative development to the south of the A406 North Circular Road ("**Brent Cross South**" or "**BXS**").
- 1.9 The Council considers that the CPO3 Development will contribute significantly to the economic, environmental and social well-being of its area by delivering important public benefits as referred to in Sections 7 and 8 below.
- 1.10 [The Council's Assets, Regeneration and Growth Committee authorised the making and promotion of the Order at its meeting on 11th July 2016.]
- 1.11 Two other separate compulsory purchase orders have been made by the Council to facilitate the development of other land as part of the comprehensive BXC regeneration scheme:
- 1.11.1 The London Borough of Barnet (Brent Cross Cricklewood) Compulsory Purchase Order (No.1) 2015, has been made to deliver part of the first phase of BXC, principally on land to the north of the A406 North Circular ("**Brent Cross North**" or "**BXN**") which comprises the major redevelopment and improvement of the existing Brent Cross Shopping Centre ("**BXSC**"); residential, retail, office, leisure and community uses; and major highways and transport infrastructure to support both the BXSC and the regeneration of the wider BXC area, including a 'Living Bridge' over the A406 which will connect BXN with BXS ("**the CPO1 Development**"). The CPO1 Development is being delivered by Hammerson and Standard Life Investments ("**the CPO1 Development Partners**"); and
- 1.11.2 The London Borough of Barnet (Brent Cross Cricklewood) Compulsory Purchase Order (No.2) 2015, has been made to facilitate the development of part of the first phase of Brent Cross South (BXS), by way of a mixed use scheme comprising residential, retail, office and leisure development; community and educational facilities; new public realm; car parking; infrastructure and highways works, and a new Market Square ("**The CPO2 Development**"). The CPO2 Development is to be delivered by BXS LP.
- 1.12 The Secretary of State for Communities and Local Government directed that a public local inquiry be held to determine whether CPO1 and CPO2 should be

confirmed. The inquiry into both orders commenced on 17 May 2016 [and closed on 6th July 2016].

2. THE NEED FOR REGENERATION

- 2.1 The redevelopment of BXC is a long-standing objective of the Council due to the existing poor environment and urban structure. Extending to around 151 hectares in total, it is one of London's major regeneration schemes. BXC is defined to the west by the Edgware Road (A5) and the Midland Mainline railway line, and to the east by the A41, and is bisected east to west by the A406 North Circular Road. It is adjacent to Junction 1 of the M1 (Staples Corner) and includes the existing Brent Cross Shopping Centre and Bus Station as well as the existing Sturgess Park to the north of the North Circular Road.
- 2.2 Approximately two thirds of BXC lies to the south of the North Circular Road (approximately 100 hectares) and comprises under-utilised brownfield land, including the Brent South Retail Park, the Whitefield Estate, Whitefield Secondary School, Mapledown Special School and Claremont Primary School, and Hendon Leisure Centre, the Hendon Waste Transfer Station, Claremont Way Industrial Estate, the Railway lands, and Cricklewood Railway Station to the far south. The area also includes Clarefield and Claremont Parks, and Clitterhouse Playing Fields.
- 2.3 The BXC area is dominated and constrained by the existing road network and rail infrastructure. Although extremely well connected by road, and adjacent to tube and rail lines, the area suffers from poor public transport accessibility, particularly within BXS. The existing transport infrastructure creates a busy and hostile environment. The North Circular Road comprises a significant barrier between the communities to the north and to the south. In addition to the infrastructure forming a physical barrier between communities, the environment is unattractive to pedestrians and cyclists.
- 2.4 Substantial change needs to be effected, and significant amounts of new infrastructure need to be provided, if the area's potential to deliver much needed new homes and significant job opportunities is to be realised as envisaged by the national, regional and local planning policy guidance as well as the Council's Corporate Plan and other strategies. The delivery of the CPO3 Development is an important element of achieving that ambition.
- 2.5 The comprehensive regeneration of BXC is reliant on the delivery of an Integrated Transport Strategy ("**ITS**") providing efficient public transport, reducing the need for cars and parking space, improving traffic flows and permitting increased development densities. The delivery of the Thameslink station, together with improvements to the public transport network by the provision of a new Midland Mainline bridge, linking the A5 and station transport interchange via a new spine road to the Station District and CPO2 Development, is an essential component of the ITS.
- 2.6 Accessibility to good public transport is one of the key drivers of demand for the proposed new housing and commercial development within BXS. The

delivery of the Thameslink Station, transport interchange and improvements to public transport as a result of the CPO3 Development, will significantly improve the accessibility and the attractiveness of the BXC scheme and enable the realisation of important regeneration benefits. The CPO3 Development is therefore an integral part of the ITS to facilitate and accommodate the comprehensive development of the BXC. It will improve the Public Transport Accessibility Level (“**PTAL**”) of BXS, which will permit higher density development, and ensure that the new development is delivered in a sustainable manner which promotes the use of public transport. The Station Phase is therefore being brought forward sooner than originally envisaged under the outline planning permission for BXC, so that it is delivered alongside Phase 1 of BXC, ensuring that it forms an integral part of the wider BXC, and laying the foundations to enhance the pace of delivery of the remainder of BXS.

- 2.7 In summary, BXC has the potential to become a new and much needed economic centre for London, combining housing (with a guaranteed minimum of 15%, and up to a cumulative target of 30%, affordable homes with the potential for each phase to deliver up to 50% subject to viability), employment, retail, leisure and social infrastructure such as schools, public realm and green space. This 'new town centre for London' will offer benefits to both the local population and, through its strategic location and enhanced connectivity, the whole Greater London region.

3. **DESCRIPTION OF THE BXC DEVELOPMENT**

- 3.1 The overall aim of the BXC development under the s.73 Permission is:

“to unite the regeneration area north and south of the A406 and to stitch together the damaged fabric of this extensive urban area. The Development Partners will create a sustainable town centre comprising attractive residential environments, a major commercial core and a retail environment along a new High Street. This will result in BXC becoming a vibrant place to live, work and socialise, providing a catalyst for further economic growth in the surrounding area. BXC represents an opportunity to create a high quality modern development within a mixed community providing local shops, restaurants, offices and schools”. (Planning Statement Addendum, October 2013, paragraph 4.1).

- 3.2 This aim accords with the Council’s regeneration and corporate policy objectives for the area, and with national and London strategies, as identified in section 6 below of this Statement. Throughout the Council’s various strategic documents and the s.73 Permission itself, there is a consistent message that development must be comprehensive, creating a town centre environment bringing together a mix of retail, commercial, leisure and residential uses. The Council’s approach to the delivery of BXC (as described in section 9 of this Statement) is squarely aimed at ensuring the comprehensive nature of the development while recognising that development of this scale takes many years to complete.

- 3.3 The core elements of BXC are:

- 3.3.1 the creation of an attractive, mixed use, vibrant town centre;
 - 3.3.2 the delivery of a large number of new homes (approximately, 7,550) of mixed tenure including affordable homes;
 - 3.3.3 the development of an improved and accessible public transport offer;
 - 3.3.4 an environmentally sustainable development which provides residents, workers and visitors with the opportunity to reduce their carbon footprint;
 - 3.3.5 a high quality urban environment with a long term management regime; and
 - 3.3.6 the creation of safe and attractive routes through the site which integrate with the surrounding area.
- 3.4 The BXC proposals cover two main areas:
- 3.4.1 **Brent Cross North:** covering approximately 50 hectares of land to the north of the North Circular Road and which includes the CPO1 Development to be delivered by the CPO1 Development Partners; and
 - 3.4.2 **Brent Cross South:** covering approximately 100 hectares of land to the south of the North Circular Road, and which includes the CPO2 and CPO3 Developments to be delivered by the Council and by BXS LP.
- 3.5 The outline planning permission which has been granted for BXC provides for the BXC development to be delivered over seven phases. Phase 1 will be facilitated in part by CPO1 and in part by CPO2.

The CPO1 Development

- 3.6 The CPO1 Development will facilitate the delivery of Phase 1A (North) and Phase 1B (North) of the s.73 Permission. This includes:
- 3.6.1 The extended and reconfigured Brent Cross Shopping Centre;
 - 3.6.2 Brent Cross Main Square and High Street North;
 - 3.6.3 Highways infrastructure to support the Northern Development and Phase 1 (South), as well as some of the key highways infrastructure for BXS. This includes junction improvements, and new bridges over the North Circular, seeking to overcome the existing physical barrier between the communities north and south of the North Circular Road;
 - 3.6.4 A new pedestrian and cycle only bridge (the Living Bridge) linking the development areas and communities north and south of the North Circular Road;

- 3.6.5 A new bus station providing extra capacity and much improved facilities and links (including to Cricklewood Railway Station and Brent Cross Underground Station);
 - 3.6.6 Works to divert the River Brent and the creation of Riverside Park;
 - 3.6.7 New housing units including replacement residential units for some of the homes and sheltered housing which will be lost from the Whitefield Estate;
 - 3.6.8 Improvements to Sturgess Park, Clitterhouse Playing Fields and Claremont Park.
- 3.7 Reserved matters for all items in Phase 1A (North) of the s.73 Permission have been secured. The detailed design for Phase 1B (North) is currently still evolving and it is anticipated that it will be submitted for approval by the CPO1 Development Partners through a reserved matters application in early 2017.

The CPO2 Development

- 3.8 The CPO2 Development comprises part of the Market Quarter and part of the Eastern Lands Development Zones (as defined in the s.73 Permission). The CPO2 Development lies at the heart of BXS and is a vital and early part of the regeneration of BXS. It will be brought forward alongside the enhancements to existing public realm within Claremont Park and Clitterhouse Playing Fields, which together will form the initial core of development of BXS.
- 3.9 The design of the CPO2 Development will be worked up in detail through applications for reserved matters approvals, and will include:
- 3.9.1 Around 1100 homes (of which a proportion will be affordable, including the replacement Whitefield Estate units, and further provision to accord with the s.106 Agreement requirements);
 - 3.9.2 Small and medium enterprise business space;
 - 3.9.3 Education and community space, including the replacement Claremont School;
 - 3.9.4 Retail floorspace at ground level, including a foodstore;
 - 3.9.5 High quality public realm and green spaces, including the creation of a market square which will act as a link between the new Living Bridge to the improved Clitterhouse Playing Fields to the south; and
 - 3.9.6 New streets and cycle routes (including a new high street) which will create an attractive and active environment.

The CPO3 Development

- 3.10 The CPO3 Development comprises two main components:

- 3.10.1 The **Thameslink Station**, which comprises:
- 3.10.1.1 The Thameslink Station – including works to facilitate the new station development and the remediation of brownfield land needed to support the comprehensive regeneration of the area;
 - 3.10.1.2 Thameslink Station entrance buildings (east and western entrances) and service points providing access to the new Thameslink Station which is essential to the Integrated Transport Strategy for the wider BXC development;
 - 3.10.1.3 A new pedestrian overbridge in combination with a new station concourse over the Midland Mainline railway and linking the area to the west of the railway to the remainder of BXS;
 - 3.10.1.4 The Midland Mainline Bridge ("**MML Bridge**") – creating a new vehicular link from the A5 on the western side of the railway, to the Thameslink Station, and beyond to the remainder of BXS on the eastern side of the Midland Mainline;
 - 3.10.1.5 Spine Road North – which, in accordance with the Integrated Transport Strategy, will link the proposed Midland Mainline Bridge with the proposed Transport Interchange T1, new Station and Station Square, and which will continue along High Street South into the expanded Brent Cross Shopping Centre;
 - 3.10.1.6 A new pedestrian and cycle path - will provide a link from Brent Terrace to the new MML Bridge / Spine Road North.
 - 3.10.1.7 A Rail Freight Facility – the relocation of an existing rail freight facility from the east to the west side of the railway which will release railway land for development. A modern freight facility will be provided which is better able to meet market demand, and provide a long term future for those facilities;
 - 3.10.1.8 New Waste Handling Facility – the provision of a new road based waste transfer station to replace the existing rail based Hendon Waste Transfer Station, which will be relocated from the east to the west side of the railway, releasing land for the construction of the MML Bridge, the Spine Road and mixed use development. The new waste facility will provide a modern facility with road connections; and
 - 3.10.1.9 Relocated Rail stabling and sidings – the location of the new Thameslink Station is currently occupied by the East

Midland Train sidings and a dis-used rail freight building. The existing sidings will be relocated to the south east of the site adjacent to the newly commissioned Thameslink Sidings, enabling facilities to be combined.

3.10.2 The **Station District**, which comprises:

3.10.2.1 Station Quarter (West) – providing a significant amount of business and employment use together with a mix of residential, retail, leisure uses and public realm;

3.10.2.2 Station Square – a significant new public square that anchors the western end of the High Street South and connects the heart of Brent Cross South to the new Transport Interchange and a variety of other transport modes which will cluster around the Station;

3.10.2.3 Brent Terrace (North – Building Zone BT2) – which will provide in the region of 900 new homes together with retail floorspace, a crèche and other community facilities in a series of courtyard buildings around internal communal gardens; and

3.10.2.4 Brent Terrace Park – Neighbourhood Park 3 and associated Green Corridor 8 as defined in the s.73 Permission, the provision of which may be delivered in two phases with the northern section delivered with Spine Road North.

3.11 The CPO3 Development will be delivered in the manner described in section 9 of this Statement.

3.12 Overall, CPO1 will facilitate the delivery of the critical infrastructure required to support the CPO1 Development, the CPO2 Development and the remainder of BXS. The delivery of the entire BXS is anticipated to take 20 years, beginning with the CPO2 Development for which a start on site is expected in 2018, and which will form the initial core of development of BXS. The CPO3 Development will provide transport infrastructure both to serve the CPO1 and CPO2 developments and to act as a catalyst for the delivery of the remainder of BXS. It will also complete the High Street and the link to the A5, which connects the CPO1, CPO2 and CPO3 Order Lands, therefore contributing to the comprehensive development of BXC as a whole.

4. **LOCATION AND DESCRIPTION OF THE ORDER LAND**

4.1 Details of the land and interests to be acquired are set out in the Schedule to the Order and are shown shaded pink on the map which accompanies it (“**the Order Map**”). Much of the land within CPO3 boundary is railway land owned by Network Rail and used for industrial/storage and distribution uses.

Set out below is a description of the land to be acquired and its existing uses, together with a summary of why it is necessary to acquire the land for the CPO3 Development.

The Railway Lands (East) Description

- 4.2 The Railway Lands are an extensive area of land and buildings positioned to the east and west of the railway tracks which fall within the ownership of Network Rail.
- 4.3 That part of the railway land to be acquired which is situated to the east of the railway tracks incorporates a mixture of uses, including:
- 4.3.1 Plots [], [] and [] comprise scrub land that that lies between the cement batching facility at Brent Terrace owned and occupied by Cemex (land and premises to the west of Nightingale Works), and the access road leading to the railway sidings and the Hendon Waste Transfer facility;
 - 4.3.2 Plot [] comprises of a single storey brick building located to the west of the Cemex concrete batching plant;
 - 4.3.3 Plot [] comprises open storage land used for waste recycling; railway sidings (occupied by GB Railfreight and Scrap Metal Recycling Limited); a large shed (Jerich Shed) which is a disused intermodal freight facility previously used for transferring palletised products from rail to road; and an area of land occupied by trees and vegetation located to the west of the houses on the southern section of Brent Terrace;
 - 4.3.4 Plot [] comprises a small parcel of land providing access to Brent Terrace;
 - 4.3.5 Plot [] comprises railway sidings occupied by GB Railfreight who use the sidings to export construction waste materials by rail, and by Scrap Metal Recycling who use the area as a yard for the storage of scrap metal for export by road;
 - 4.3.6 Plot [] comprises the Hendon Waste Transfer Station which incorporates a large warehouse, open storage land and railway sidings. The property is accessed off the northern section of Brent Terrace and has a site area of 2.46 hectares (6.08 acres) with the warehouse having an area of 2,700 sq. m. (29,062 sq. ft.). The freehold interest in the property is held by Network Rail Infrastructure Limited. North London Waste Authority let the land where it is used as a rail and road served Waste Transfer Station.

Railway Lands (East) – Need for the land

- 4.4 Most of the land to the east of the Midland Mainline will, once decommissioned, be used as a construction and laydown compound to support the complex works required to deliver the new Thameslink station platform and buildings

and the MML Bridge. The construction period is expected to last 4 years. Once completed, non-operational land will be released for development and will form part of the Station District and Brent Terrace Development Zones.

- 4.5 The detailed design and methodology for constructing the bridge over the Midland Mainline railway and the approach road has not yet been developed. However, the bridge needs to be approximately 6 metres above the railway, which means that it will be about 4 metres above the level of Brent Terrace. The approach road to the bridge, the Spine Road North, is planned to be formed with retained earth embankments sloping away from the bridge with the road at a gentle gradient. Access may be required across the narrow strip of non-operational railway land at the rear of Brent Terrace during the construction. If so agreement will be sought for this purpose from the owner.
- 4.6 The existing Hendon Waste Transfer Station site sits directly in the path of the proposed new MML Bridge and Spine Road North. Once acquired, the existing assets will be demolished and removed from the site, enabling the remediation of the land and construction of a retained earth embankment to support the Spine Road. Piled abutments will also be constructed forming the eastern end of the MML Bridge. Upon completion of the MML Bridge and Spine Road the remaining land will be released for development as part of the Brent Terrace Development Zone, which will predominantly comprise residential and community uses, and the green corridor.

Railway Lands (West) - Description

- 4.7 That part of the railway land to be acquired which is situated to the west of the railway line comprises the following plots of land:
 - 4.7.1 The land identified as Plot [] and [] on the Order Map is the Downside Goods Yard, Edgware Road. It comprises a large parcel of open storage land measuring 4.87 hectares (12.03 acres) that was formerly railway sidings. The land, which is accessed from Edgware Road, is divided into a number of smaller plots which are utilised for the storage of items such as scaffolding, motor vehicles (including scrap) and building materials and waste. Advertising hoardings are located on the northern side of the entrance to the site. The freehold interest is in the ownership of Network Rail who have granted a long lease to DB Cargo (UK) Limited who in turn have sub-let the land to Euro Storage (UK) Limited, Payless Motors Limited, Pearce Leane Scaffolding Limited, RJ Auto Servicing and Primesight. Euro Storage's business is the letting of open storage land and they further sub-let the land to a number of individuals and businesses;
 - 4.7.2 Where Plot [] adjoins Edgware Road there are advertising hoardings that are let to Primesight;
 - 4.7.3 Plot [] is a thin strip of land formed of overgrown vegetation that sits between the Goods Yard and the railway; and

- 4.7.4 Plot [] forms the access into the Goods Yard from Edgware Road. It comprises an area of tarmacadam-surfaced access road which has advertising hoardings positioned on its northern side.

Railway Lands (West) – Need for the Land

- 4.8 The operational railway land to the west leased by DB Cargo and used for storage and distribution uses is required for the delivery of the new rail freight facility. Once operational, the rail freight facility will enable the storage and transfer of building materials and aggregates from and to rail based freight wagons.

106 Brent Terrace – Description

- 4.9 106 Brent Terrace is identified as [plots] on the Order Map. The property is located at the southern end of the northern section of Brent Terrace and comprises of two warehouse units constructed in the late 1980s. The buildings are of steel portal frame construction with the elevations formed of blockwork at the lower level and metal cladding on the upper part. The roof is pitched and is constructed of profiled metal sheets incorporating roof lights. The warehouses occupy the eastern part of the site with an access road running through the middle. On the western part of the site is a designated area for the parking of cars (18 spaces) and an area of hard standing for the parking of larger vehicles. Unit 1 (the northernmost unit) comprises 1,824.08 sq. m. (19,828 sq. ft.) of accommodation that is divided between the large warehouse and office accommodation spread over three floors. Unit 2 comprises 557.98 sq.m. (6,006 sq.ft.) of accommodation that is divided between a warehouse area and a small amount of office accommodation over two floors.

106 Brent Terrace – Need for the Land

- 4.10 Together with the Cemex Plant, 106 Brent Terrace is situated in an important position, forming part of the area where three development zones (Station District, Market Quarter and Brent Terrace) converge. The new Spine Road (North) extends along the western boundary of the land resulting in a portion of the site being required for the construction of the road. Once construction of the road is complete, the site will form an important part of the Brent Terrace Development Zone and Station Quarter Development Zone.

Land and Premises to the west of Nightingale Works, Brent Terrace ('Cemex Plant') - Description

- 4.11 The Cemex Plant is identified as plot [] on the Order Map. It comprises a parcel of land measuring 0.25 hectares (0.61 acres) that is situated on the western side of Brent Terrace, immediately north of the road's junction with Claremont Way. The land freehold of the land is owned by Cemex UK Operations Limited who occupy the site, operating a concrete batching plant. Situated against the northern boundary of the site is a shed measuring circa 185sq.m. (1,991sq. ft.) which is used for the batching with the remainder of the site, which has a tarmacadam surface, used in part for the parking of

vehicles in part as a circulation area for cement trucks and other vehicles. Within the site is an electrical substation which is identified on the Order Map as Plot [].

Cemex Plant - Need for the Land

- 4.12 The Cemex Plant site is required initially for the construction of the Spine Road (North) which will cross the western part of the site before turning and extending across the northern part of the site where the shed currently resides. On completion of the construction of the road, the remainder of the site will form an important development plot within the Station District Development Zone, situated on the corner of the point where the Station District and Market Quarter Development Zones converge.

2 Geron Way – Description

- 4.13 The land is identified as Plot [] on the Order Map. It comprises a warehouse and associated surface car park located on the west side of the railway line and on the south side of Geron Way. The property has an internal area of 5,779 sq. m. (62,209sq. ft.) The property is owned by Hammerson UK plc and is occupied by Selco Builders Merchants.

2 Geron Way – Need for the Land

- 4.14 This land is required initially to enable the piled abutments and the approach ramp for the MML Bridge to be constructed. Once this work is completed the land will be used to construct the new Waste Handling Facility and junction improvements.

Land at 400 Edgware Road – Description

- 4.15 The land is identified as Plot [] on the Order Map. 400 Edgware Road is a large research facility and office building, however no part of the building itself is proposed to be acquired. The land within the Order comprises a small triangle of land in the north-west corner of the site, consisting of a boundary wall and landscaped area.

Land at 400 Edgware Road – Need for the Land

- 4.16 The land is required in order for junction improvements to be undertaken for the access to the new rail freight facility.

Land adjacent to Unit 7 Staples Corner Retail Park, Geron Way – Description

- 4.17 The land is identified as Plot [] on the Order Map and comprises a surface car park which sits directly to the south-east of Unit 7, Staples Corner Retail Park, which is a six screen cinema operated by Cineworld Group plc. No part of the

building itself is proposed to be acquired. The car park provides 83 spaces and falls within the freehold title of Unit 7 Staples Corner which is owned by Alphachoice Limited. Cineworld are holding over on their right to use the spaces under the terms of their lease. An electricity substation is situated on the eastern boundary of the site which will be unaffected.

- 4.18 Immediately to the south-east of the car park is an area of overgrown land that is identified as Plot [] on the Order Map which is in the ownership of Hammerson Cricklewood Limited. To the west of the car park is an area of paved land that sits between the car park and the public footpath which is identified as Plot [] on the Order Map.

Land adjacent to Unit 7 Staples Corner Retail Park, Geron Way – Need for the Land

- 4.19 This land is required to provide the western station access incorporating escalators and lifts to the pedestrian overbridge combined with station concourse, ticket office and cycle parking facilities. The entirety of the car park land will be required as a work site for the construction of the pedestrian bridge.

Highway known as Brent Terrace and Claremont Way – Description

- 4.20 A section of highway is included in the Order and is shown on the Order Map as Plots [], [] and []. The highway falling within Plot [] is known as Brent Terrace with Plot [] forming part of Claremont Way. Plot [] forms a public footpath that extends along the eastern side of 106 Brent Terrace and connects the northern and southern parts of Brent Terrace.

Highway known as Brent Terrace and Claremont Way - Need for the Land

- 4.21 The highway land is required for the construction of the buildings that will form the eastern part of the Station District Development Zone along its interface with the Market Quarter Development Zone and Brent Terrace Development Zone.

New Rights to be Acquired

- 4.22 The Order seeks the acquisition of new rights over the land which is shown shaded blue on the Order Map. The proposed rights, in summary, comprise the following:

- 4.22.1 **Rights required for the MML Bridge – (Plot []) –**rights to enter onto the land for the purposes of the construction of the new MML Bridge, including crane oversailing rights, the rights to pass and repass over the MML Bridge once constructed, rights to run service media and rights of access for maintenance purposes.
- 4.22.2 **Rights required for the Pedestrian Bridge – (Plot [])-** rights to enter onto the land for the purposes of the construction of the new pedestrian bridge over the Midland Mainline Railway, including crane

oversailing rights, the rights to pass and repass over the pedestrian bridge once constructed, rights to run service media and rights of access for maintenance purposes.

- 4.22.3 **Rights to enter and use land during construction – (Plots []) –** rights to enter and use land for the purposes of a temporary construction compound during the construction of the CPO3 Development.

5. **PLANNING HISTORY OF THE ORDER LAND**

- 5.1 The Brent Cross Cricklewood area (including the Order Land) was identified as an Opportunity Area by the Mayor in the first London Plan in 2004, leading to the publication of the 2004 Development Framework. The policy background is considered in more detail in section 6 of this Statement below.
- 5.2 Planning permission reference number C17559/08 for the regeneration of BXC including the Order Land was granted on 28 October 2010 ("**the 2010 Permission**"). A section 106 agreement was completed on the same date. The 2010 Permission was granted largely in outline, but with details provided for improvements to strategic junctions providing access into the site, including the A41/A406 junction and the M1/A5/A406 junction.
- 5.3 Planning permission pursuant to an application made under Section 73 of the Act was granted on 23 July 2014 ("**the s.73 Permission**"). A section 106 Agreement was completed on 22 July 2014 ("**the s.106 Agreement**"). The s.73 Permission (reference number F/04687/13) permits the development of BXC, including the Order Land, subject to updated conditions that facilitate more efficient delivery of the wider BXC.
- 5.4 The s.73 Permission is for comprehensive mixed use redevelopment of the Brent Cross Cricklewood Regeneration Area comprising residential uses (Use Class C2, C3 and student/special needs/sheltered housing), a full range of town centre uses including Use Classes A1 - A5, offices, industrial and other business uses with Use Classes B1 - B8, leisure uses, rail based freight facilities, waste handling facility and treatment technology, petrol filling station, hotel and conference facilities, community, health and education facilities, private hospital, open space and public realm, landscaping and recreation facilities, new rail and bus stations, vehicular and pedestrian bridges, underground and multi-storey parking, works to the River Brent and Clitterhouse Stream and associated infrastructure, demolition and alterations of existing building structures, CHP/CCHP, relocation electricity substation, free standing or building mounted wind turbines, alterations to existing railway including Cricklewood railway track and station and Brent Cross London Underground station, creation of new strategic accesses and internal road layout, at grade or underground conveyor from waste handling facility to CHP/CCHP, infrastructure and associated facilities together with any required temporary works or structures and associated utilities/services required by the Development.
- 5.5 The s.73 Permission permitted uses are:

| | Total Scheme (sqm) |
|---|---------------------------|
| Residential (Class C3) | 712,053 |
| Retail and Related Uses (Classes A1 - A5) – North | 78,133 |
| Retail and Related Uses (Classes A1 - A5) – South | 32,794 |
| Business (Class B1) | 395,297 |
| Hotel (Class C1) | 61,264 |
| Leisure (Class D2) | 26,078 |
| Community Facilities (Class D1) | 34,615 |
| General Industrial/Storage & Distribution incl. WHF and Rail Freight (Classes B2 B8) | 61,314 |
| Rail & Bus Station (Sui Generis) | 2,533 |
| Private Hospital | 18,580 |
| Petrol Filling Station | 326 |
| Total | 1,422,987 |

5.6 The s.106 Agreement contains planning obligations relating to the provision and funding of infrastructure and other mitigation relating to education, health, community, child care, leisure, energy and waste facilities, open space, affordable housing, estate management, business and residential relocation provisions, public art, employment and skills provisions, the River Brent diversion, a transport fund (£26,670,000 index linked), bus and train stations, highways and bridges (including the Living Bridge), supplementary transport measures (including a reasonable worst case sum available to mitigate any unforeseen Northern Development impacts occurring South of the A406), construction consolidation centre(s), car parking provision, bus network mitigation, pedestrian and cycle links and the creation or appointment of various groups, plans, strategies and co-ordinators.

5.7 The primary purpose of the s.73 Permission was to make changes to the planning conditions imposed on the 2010 Permission to reflect the evolution in the scheme design and the revised strategy for delivery in accordance with the clear policy commitment to seek comprehensive development of the entire regeneration area. The main changes were:

- 5.7.1 Creation of a pedestrian and cycle bridge with landscaping (named the Living Bridge) over the North Circular Road to improve pedestrian and cycling connectivity across the site and provide better integration between the northern and southern components of the development;
 - 5.7.2 Alterations to the layout of development within Brent Cross East Development Zone (i.e. around the remodelled Brent Cross Shopping Centre) including creating the interface with the Living Bridge, as well as consequential amendments to the alignment of the River Brent;
 - 5.7.3 Alterations to the phasing of the development to bring more of the Brent Cross East Development Zone into Phase 1 including the new bus station; and
 - 5.7.4 Alterations and improvements to the open space and public realm provision, including the reconfiguration of Brent Cross Square and Market Square to integrate with the Living Bridge.
- 5.8 As part of the s.73 application the CPO1 Development Partners sought amendments to the Section 106 Agreement associated with the 2010 Permission so as to enable changes to the phased delivery of the BXC development.
- 5.9 The s.73 Permission reflects the fact that Phase 1 of BXC is proposed to be delivered in sub phases which are essentially divided between north and south of the A406 North Circular. This is consistent with the Council's and Development Partners' revised delivery responsibilities, including the Council's role in delivering the regeneration to the south of the North Circular. These, and other changes to the 2010 Permission, were designed to enable the strategic vision for comprehensive regeneration of the whole area to be delivered in a timely, effective and beneficial manner.
- 5.10 BXC is supported by the ITS. This makes substantial provision for public transport and other sustainable modes of travel whilst also providing appropriately for car based travel. This recognises that the car will continue as a significant mode of travel in the BXC site, but the proposals also include the provision of a high quality level of service for access by public transport and other sustainable modes. This has required a balanced approach that seeks to allow people the opportunity to have access to a car but, through the delivery of a step change in public transport and other modes, also provides increasingly attractive alternatives to car use, particularly during the peak travel periods.
- 5.11 The ITS is incorporated in the original Transport Assessment that was approved pursuant to the 2010 Planning Permission and the s.73 Permission. The ITS identifies the separate but complementary components that will deliver the transport vision set out in the Cricklewood, Brent Cross and West Hendon Regional Area Development Framework.
- 5.12 The Transport Vision referred to in the ITS includes the following principles:

- 5.12.1 Create a new outer London town centre that will reduce journeys into central London during periods of peak travel demand;
 - 5.12.2 Mixed-use development that creates opportunities for short local trips and linked trips, especially by non-car modes of travel;
 - 5.12.3 New and improved public transport services that provide additional capacity, new links between areas and an overall higher standard of service;
 - 5.12.4 Integration between modes of travel to facilitate access by public transport to the area;
 - 5.12.5 Improved accessibility and convenience to walking and cycling routes to make journeys easier and more attractive; and
 - 5.12.6 Limited new parking associated with development to discourage the use of the car for non-essential journeys.
- 5.13 The ITS also embodies the following underlying principles:
- 5.13.1 Meeting an unrestrained demand for car travel through the provision of new highway network alone would be unacceptable as to do so would fail to encourage use of more sustainable modes, particularly during peak travel times;
 - 5.13.2 Delivery of the strategy over a long development period requires flexibility to respond to changing conditions but always within parameters and controls established by the s.73 Permission;
 - 5.13.3 Development can only proceed if the necessary related infrastructure has been implemented in step with or slightly ahead of need and in line with the promotion of the necessary progression towards the overall mode share targets;
 - 5.13.4 In order to overcome initial transport constraints, significant new infrastructure is being provided; and
 - 5.13.5 As each element of transport infrastructure is brought forward the improvements provided will cater for the full BXC development, making best use of investment and reducing the overall impact of any subsequent construction works.
- 5.14 At the core of the ITS is the provision of a fully integrated and, as far as achievable, sustainable public transport network of appropriate travel modes, to provide a good quality and attractive level of service provision for those visiting the BXC site and the surrounding area whilst at the same time maintaining the level of service on the highway network to avoid any detriment arising through the proposed development.
- 5.15 The provision of sustainable modes of travel will be achieved through a number of measures, including the construction of the new Thameslink

Station, that will enable the proposed scheme and existing communities to access the planned uplift in capacity of Thameslink services passing through the area.

- 5.16 Transport policy support for the BXC development has been predicated upon the delivery of sustainable regeneration, which in transportation terms minimises the need for car use and provides a comprehensive range of improvements to public transport and a good level of accessibility by all modes across the area and in particular cycling and walking. The transport infrastructure and highways works that will be facilitated by CPO3 will make a major contribution to improving accessibility to and permeability through the BXC wider area (including the Order Land), and will promote the use of sustainable transport modes in accordance with national, regional and local transport policies. Particular consideration has been given to the sustainability of travel to, from and within the site in relation to public transport, cycling and walking, and a need to generate a mixed use development which will encourage and promote alternatives to the private car.

6. **PLANNING FRAMEWORK**

6.1 **National Planning Policy**

- 6.1.1 The National Planning Policy Framework ("**NPPF**") published on 27 March 2012 sets out the Government's planning policies for England and how they are to be applied. It confirms that the purpose of the planning system is to contribute to the achievement of sustainable development. Therefore, at the heart of the NPPF is 'the presumption in favour of sustainable development' which should be seen as the 'golden thread' running through both plan-making and decision-taking.
- 6.1.2 The NPPF's purpose is to send a strong signal to all those involved in the planning process about the need to plan positively for appropriate new development so that both plan-making and development management are proactive and driven by a search for opportunities to deliver sustainable development, rather than frustrated by unnecessary barriers.
- 6.1.3 Paragraph 17 of the NPPF identifies twelve core planning principles of which the following are of particular relevance:
- 6.1.3.1 proactively drive and support sustainable economic development to deliver the homes, business units, infrastructure and thriving local places that the country needs. Every effort should be made to identify and meet housing, business and other development needs of an area, and respond positively to wider opportunities for growth;
 - 6.1.3.2 encourage the effective use of land by reusing brownfield land;
 - 6.1.3.3 promote mixed use developments;

- 6.1.3.4 actively manage patterns of growth to make the fullest possible use of public transport; and
- 6.1.3.5 take account of land and support local strategies to improve health, social and cultural wellbeing for all, and deliver sufficient community and cultural facilities and services to meet local needs.
- 6.1.4 The NPPF also specifically requires planning policies to be positive and plan for the management and growth of centres over the plan period to ensure the needs for retail, leisure and other main town centres are met in full.
- 6.1.5 The NPPF recognises the role that mixed use development can play in promoting healthy lifestyles by encouraging interactions between different sections of the community and highlights that sustainable development can be achieved through three specific roles of the planning system including: economic, social and environmental.
- 6.1.6 The NPPF requires Local Planning Authorities (“LPAs”) to meet objectively assessed need and deliver housing which provides people with a choice about where they live and the type of accommodation available. Furthermore, the NPPF states that planning authorities should ensure that there is sufficient land available to support economic growth, particularly in areas well served by transport infrastructure.
- 6.1.7 The Government issued the National Planning Practice Guidance in 2014 to assist with the implementation of the NPPF.

6.2 **Regional Planning Policy**

The London Plan

- 6.2.1 The London Plan 2015, like its 2004 predecessor, identifies Cricklewood/Brent Cross as an Opportunity Area. Policy 2.13 indicates that the Mayor will provide proactive encouragement, support and leadership for partnerships preparing and implementing opportunity area planning frameworks to realise the growth potential in these areas. Policy 2.13 also states that development proposals within Opportunity Areas should (inter alia):
 - 6.2.1.1 Support the strategic policy directions for the Opportunity Areas set out in Annex 1 and adopted opportunity area planning frameworks;
 - 6.2.1.2 Seek to optimise residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth, and where appropriate, contain a mix of uses;

- 6.2.1.3 Contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity; and
- 6.2.1.4 Support wider regeneration (including in particular improvements to environmental quality) and integrate development proposals into the surrounding areas especially areas for regeneration.
- 6.2.2 Annex 1 of the London Plan (2015), in Table A1.1 sets the Cricklewood/Brent Cross Opportunity Area (which includes West Hendon) an indicative employment capacity target of 20,000 jobs and a minimum new homes target of 10,000 units. The strategic policy direction for the Opportunity Area states that:
- "Subject to office demand, a potential Strategic Outer London Development Centre (see Policy 2.16). Brent Cross/Cricklewood also has significant potential for wider economic development, new housing and regeneration, capitalising on public transport improvements including Thameslink and the Northern Line upgrade. The area combines former railway lands and the wider hinterland surrounding Brent Cross regional shopping centre across the A406 North Circular Road. Brent Cross is to be redeveloped to become a town centre complementing the roles of other centres nearby and with an extended mix of town centre activities. This should include a significant increase in new housing together with local ancillary services. A rail station on the Cricklewood site is proposed and new development should be phased with improvements to public transport and accessibility. A site for a major waste facility within the area will form a key role in North London Waste Strategy. There is significant potential for improvement to the public realm including restoration of the River Brent."*
- 6.2.3 Annex 1 also defines the Opportunity Area planning framework of BXC as 'adopted', which refers to the Cricklewood, Brent Cross and West Hendon Regeneration Area Development Framework.
- 6.2.4 Annex 2 identifies Brent Cross as a regional shopping centre but with the potential to change classification over the plan period to a Metropolitan town centre.
- 6.2.5 Policy 2.16 identifies Strategic Outer London Development Centres. Table 2.1 identifies Brent Cross with a 'retail' strategic function and Brent Cross Cricklewood with a strategic office (subject to demand) function of greater than sub-regional importance. Policy 2.16 states that within these centres there will be a focus on: co-ordinating public and private infrastructure investment; bringing forward adequate development capacity; placing a strong emphasis on creating a distinct and attractive business offer and public realm through design and mixed use development; and improving Londoners' access to new employment opportunities.

- 6.2.6 The Plan advocates the need to make the most efficient use of brownfield land and recognises that in areas of high public transport accessibility densities should be maximised.
- 6.2.7 It is noted in Annex 1 that the provision of a major waste facility in the area forms a key role within the North London Waste Strategy.

Draft North London Waste Strategy

- 6.2.8 The seven North London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest are working together to produce the North London Waste Plan ("NLWP"). Once adopted, the North London Waste Plan (NLWP) will form part of the 'Development Plan' for the North London Boroughs which comprises the London Plan and Borough Local Plans. The NLWP must be in general conformity with the London Plan and consistent with other documents in Borough Local Plans.
- 6.2.9 The NLWP has two main purposes:
- 6.2.9.1 to ensure there will be adequate provision of suitable land to accommodate waste management facilities of the right type, in the right place and at the right time up to 2032 to manage waste generated in North London; and
 - 6.2.9.2 to provide policies against which planning applications for waste development will be assessed, alongside other relevant planning policies/guidance.
- 6.2.10 The Draft NLWP was published in July 2015. It recognises that the existing rail linked Hendon Waste Transfer Station is due to be redeveloped as part of BXC. The site of the new Waste Handling Facility at Geron Way/ Edgware Road approved in the s.73 Permission is identified in Figure 13 of the Draft NLWP as a proposed new waste site (site reference S01-BA). In addition to the Hendon Waste Transfer Station, three other existing waste management sites within BXC are identified in Table 15, Schedule 1 in Appendix 2 of the Draft NLWP as existing safeguarded waste sites in North London. These are:
- 6.2.10.1 PB Donoghue (site reference BAR 3);
 - 6.2.10.2 McGovern Brothers (site reference BAR 6); and
 - 6.2.10.3 Cripps Skippis (Ground Waste Recycling) (site reference BAR 7)
- 6.2.11 The Draft NLWP (para 8.10) recognises that the regeneration of BXC will affect existing waste sites.

6.3 Local Planning Policy and Guidance

- 6.3.1 In 2004 the Cricklewood, Brent Cross and West Hendon Regeneration Area Development Framework ("**Development Framework**") was

adopted by the Council as Supplementary Planning Guidance. It was updated in 2005 to include the Eastern Lands. The Development Framework was produced by the Council in collaboration with the GLA, other stakeholders and development partners. It was intended to guide and inform the design and delivery of the development of BXC with the aim of achieving high quality comprehensive redevelopment of the area around a new sustainable mixed use town centre for Barnet spanning the A406 North Circular Road.

6.3.2 The key features for the regeneration of Brent Cross Cricklewood as identified within the Development Framework's vision for the area (Chapter 2) include:

6.3.2.1 A New Town Centre: A new Town Centre on both sides of the North Circular providing a new mix of uses to the area attracting people throughout the day and into the evening.

6.3.2.2 A New Commercial District: Over 20,000 new jobs in office, media, IT and Construction sectors for local people and the new communities moving into the area. A Sustainable Community: In the region of 10,000 new homes (including residential development at West Hendon) including affordable for local people and key workers.

6.3.2.3 High Quality Usable Green Open Space: A new park alongside Brent Terrace providing play areas and gardens. Clitterhouse Fields and Claremont Park to be improved and Clarefield Park will be re-provided. A new riverside walk along the River Brent.

6.3.2.4 Streets and Routes for Pedestrians and Cyclists: Specific Routes for cyclists and pedestrians will be created throughout the area including a new pedestrian route linking the High street and Market square to the Brent Cross Underground Station.

6.3.2.5 Quality of Life: Improvements or additions to existing social and cultural facilities.

6.3.2.6 Freight and Waste: A new freight facility to be established to ensure that there is adequate capacity to move consumer goods by rail. Provision of a new waste handling facility.

6.3.2.7 Accessibility: Improvements of Public Transport Accessibility of the area through: New Main Line railway station and associated Public Transport Interchange; New Bus station with modern facilities and improved services; high quality transit system from Cricklewood Station to Brent Cross Shopping Centre and Brent Cross Underground via The New Town Centre

6.3.2.8 Deliverability: A commitment to ensuring that the development presents a deliverable solution with measurable benefits and a comprehensive approach to the area's regeneration to both the north and south of the North Circular.

6.4 **Barnet's Local Plan - Core Strategy (2012)**

6.4.1 Barnet's Core Strategy is one of a suite of documents forming the Local Plan. The Local Plan sets out the policies for delivering sustainable development in the Borough. The Core Strategy details the vision and objectives for the Borough over the plan period (to 2025/26), and a series of strategic policies.

6.4.2 The Core Strategy states that the regeneration of Brent Cross Cricklewood represents (p40 para 8):

"...the largest and most important development in Barnet and one of London's most important strategic proposals. The development includes the creation of a sustainable new mixed use town centre for Barnet and North London including substantial residential, commercial and retail uses."

6.4.3 The Core Strategy was adopted in September 2012 and identifies Brent Cross Cricklewood as a major Opportunity Area (p40 'Brent Cross – Cricklewood Regeneration Area' para 1) Policy CS1 states that:

"As our focus of housing and employment growth we will promote opportunities on the west side of the borough in the strategically identified North West London – Luton Coordination Corridor."

6.4.4 A number of Core Strategy policies expressly recognise the role that BXC is expected to play. In addition to Policy CS2, BXC's contribution to accommodating a substantial amount of the borough's new development including housing, office and comparison retail development are set out in Policies CS3, CS6, CS7 and CS8. Significant investment in public transport is anticipated in Policy CS9.

6.4.5 Policy CS7 in particular relates to Transport Improvements and states that the Council will seek to provide a number of specific matters including the following relevant items:

6.4.5.1 Inclusion of a vehicular link across the railway to connect to Edgware Road;

6.4.5.2 A new railway station;

6.4.5.3 Upgraded rail freight facilities, and

6.4.5.4 Enhanced waste transfer station.

- 6.4.6 The Core Strategy also includes the following outputs for the development of Brent Cross Cricklewood:

"The proposals include approximately 7,550 housing units, of which, subject to a viability assessment, 2,250 are targeted to be affordable.

The Brent Cross Shopping Centre will be transformed into an outward-facing town centre with approximately double the current amount of floorspace, which will be focused on a new High Street which traverses the North Circular Road. The application proposals comprise a net addition of 55,000m² gross comparison retail floorspace as part of town centre north. The area south of the North Circular Road will comprise a mix of town centre and residential uses and will include new schools and community uses as well as a new food superstore (to replace the existing foodstore) and smaller retail units. The 'bridging of the North Circular Road' with a new metropolitan scale sustainable town centre will create the heart and focus of activities at the 'hub' of Brent Cross Cricklewood. In the later phases of the development a new office quarter is proposed to the north west of the area (south east of the existing Staples Corner) which will be served by a new railway station in the later phases of the development. A new 'state of the art' bus station is proposed at the Brent Cross Shopping Centre, linked to the realignment and enhancements of the River Brent corridor."

- 6.4.7 Amongst the supporting infrastructure noted in the Core Strategy to be delivered as a part of the comprehensive delivery of the Brent Cross Regeneration area are the following which are of particular relevance to the Order:

- 6.4.7.1 a new station;
- 6.4.7.2 the delivery of open spaces and squares;
- 6.4.7.3 extensive improvements to the road network;
- 6.4.7.4 a new Waste Handling Facility; and
- 6.4.7.5 a new Rail Freight Facility.

6.5 **Saved Policies of Chapter 12 of Barnet's UDP (2006)**

- 6.5.1 The majority of policies within the UDP, including those contained within Chapter 12, were saved in May 2009 by direction from the Secretary of State under Schedule 8 of the Planning and Compulsory Purchase Act. The Local Plan replaced the policies of the UDP with the exception of Chapter 12 relating to Brent Cross Cricklewood and the saved policies contained within it. Development within BXC therefore continues to be subject to the control of the saved UDP Chapter 12 policies. The importance of BXC is reflected in saved UDP Policy G Crick which states:

"The Cricklewood, Brent Cross and West Hendon Regeneration Area, as defined on the proposals map, will be a major focus for the creation of new jobs and homes, building upon the areas strategic location and its key rail facilities. All new development will be built to the highest standards of design as well as to the highest environmental standards. A new town centre developed over the plan period, will be fully integrated into the regeneration scheme."

6.5.2 Policy C1 (Comprehensive Development) states that the Council will seek comprehensive development in accordance with the adopted Cricklewood, Brent Cross and West Hendon Regeneration Area Development Framework and delivery strategy. Development proposals will be supported if they are consistent with the policies of the UDP and their more detailed elaboration in the Development Framework.

6.5.3 The 2006 UDP recognised the unique characteristic of the BXC site and the relationship between the railway lands and the strategic links to the rest of London and beyond (paragraph 12.3.21). It therefore identified the need for future development to be linked to an enhanced role for public transport and works towards a modal shift from car use to public transport.

6.5.4 Policy C7 promotes transport improvements in the Regeneration Area, as well as seeking to facilitate strategic transport links to and through the development, including improved vehicular links to the A406, new railway and bus stations, rail freight facilities and a rail link to an improved waste transfer station to service the north London waste transfer station.

6.6 **The Council's Corporate and other policies**

Barnet's Corporate Plan 2015-2020

6.6.1 The regeneration of BXC will be a major contributor to achieving the Council's priority objectives in its Corporate Plan 2015-2020 and Corporate Plan Addendum and Targets 2016/17.

6.6.2 BXC is at the heart of the Council's programme of major growth and regeneration which will be delivered over the next decade and beyond to ensure that the borough is able to manage significant population growth in new and improved neighbourhoods, supported by major investment in supporting facilities and infrastructure. This is highlighted in the Corporate Plan Addendum which states:

"The Growth and Regeneration Programme [contributes to the Corporate Plan priorities by] building more than 20,000 new homes by 2025 – the most in outer London – across our seven major growth and regeneration sites, in particular Colindale and Brent Cross Cricklewood, and delivering a pipeline of new homes on council land with current plans for over 700 homes including 320 new council homes."

Barnet's Housing Strategy - 2010-2025

6.6.3 The regeneration of Brent Cross Cricklewood is a key component of the Housing Strategy as the scheme will make a significant contribution to meeting the housing needs of the Borough by providing thousands of high quality new homes.

6.6.4 The Council's Housing Strategy includes a set of core objectives including Increasing Housing Supply (Page 12). This deals with regeneration and growth and states:

"The majority of growth will be focused in Brent Cross/Cricklewood, Colindale and Mill Hill East. These areas have the capacity to deliver up to 20,000 new homes by 2029/30, of which 6,500 will come forward in the next 5 years, as well as opportunities for improvements to public transport and employment growth."

6.6.5 Brent Cross Cricklewood is specifically highlighted as follows:

"Brent Cross/Cricklewood - A long term scheme which will deliver 7,500 new homes and up to 27,000 jobs over the next 20-30 years. In addition, the scheme will see a doubling in size of Brent Cross Shopping Centre, new community facilities, improved transport infrastructure and new schools. At least 15% of new homes provided will be affordable in addition to 215 homes to replace Whitefield Estate."

Entrepreneurial Barnet 2015-2020

6.6.6 Entrepreneurial Barnet 2015-2020 sets out, through the Council's economic development strategy, that the Council is committed to supporting the economy to grow and to improving living standards by boosting incomes, opportunities and well-being for people in Barnet.

6.6.7 Barnet is the largest borough in London by population, with a strong economy based predominantly on significant numbers of small businesses. The borough has more businesses registered than any other outer-London borough. Many of these businesses are owned by residents (40%). By contrast, Barnet has a much lower than average proportion of large businesses.

6.6.8 High demand for land to build housing, and a relatively short supply of industrial and commercial land mean that Barnet is likely to remain a small business economy over the medium to longer term. The exception is the development of Brent Cross Cricklewood, which offers a significant opportunity to create a new business hub for Barnet, hosting businesses of different sizes, including larger national and international firms, and headquarters operations. The s.73 Permission provides for approximately 395,297 sqm of office floorspace. The majority of the office floorspace will be in the Station District adjacent to the new train station, and 5,396 sq m of office floorspace is proposed within the Brent Cross East Zone.

- 6.6.9 Whilst growth will create significant economic opportunities, it must be supported by the requisite infrastructure improvements to ensure that those opportunities are maintained into the longer term. Businesses rely on high quality communications and transport networks. The CPO3 Development will contribute significantly to a significantly enhanced public transport network.

7. THE NEED AND JUSTIFICATION FOR THE ORDER

- 7.1 By virtue of Section 226(1)(a) of the Act the Council has the power to make a compulsory purchase order for any land in its area if it thinks that the acquisition of the land will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land. The Council believes that the acquisition of the Order Land will facilitate the carrying out of development both of the CPO3 Development and also the regeneration of the wider BXC area.

- 7.2 Section 226(1A) of the Act provides that the Council may not exercise the power unless it thinks that the development, re-development or improvement is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of its area. The Council does think that the development of the Order Land is likely so to contribute.

- 7.3 Section 226 (4) of the Act provides that it is immaterial that the development, re-development or improvement may be carried out by a third party.

- 7.4 Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to compulsorily acquire such new rights over land as are specified in a compulsory purchase order.

- 7.5 The CPO Guidance provides guidance on the use of these compulsory purchase powers. The Introduction to the CPO Guidance states that:

"Compulsory purchase powers are an important tool to use as a means of assembling the land needed to help deliver social, environmental and economic change. Used properly, they can contribute towards effective and efficient urban and rural regeneration, essential infrastructure, the revitalisation of communities, and the promotion of business – leading to improvements in quality of life."

- 7.6 The main body of the CPO Guidance provides general guidance on the use of compulsory purchase powers by acquiring authorities whilst Tier 2, Section 1 provides specific guidance for local authorities on the use of their powers under Section 226. Paragraph 65 provides that:

"This power is intended to provide a positive tool to help acquiring authorities with planning powers to assemble land where this is necessary to implement proposals in their Local Plan or where strong planning justifications for the use of the power exist. It is expressed in wide terms and can therefore be used to assemble land for regeneration and other schemes where the range of activities or purposes proposed mean that no other single specific compulsory purchase power would be appropriate."

- 7.7 The CPO3 Development complies with the guidance in paragraph 76 of the CPO Guidance. In particular, the purpose for which the Order Land is to be acquired fits in with the adopted planning framework for the area; the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social and environmental wellbeing of the area; and that purpose could not be achieved by any other means such as alternative proposals put forward by owners of the land or alternative locations.
- 7.8 Projects of this scale and nature require the co-ordination of substantial amounts of resources across large areas of land, involving many different types of tenure and discussions with a large number of key stakeholders. The lead-in process to develop a major infrastructure project such as the CPO3 Development is very lengthy as it involves site assembly, planning, design, funding, and extensive changes to the existing highways and infrastructure network, including the network change required for the changes to the operational railway land.
- 7.9 As explained earlier in this Statement of Reasons, the Station Phase works are focused on two areas: (i) the delivery of the new Thameslink Station, Midland Mainline Bridge and Spine Road, which form an essential part of the ITS; and (ii) the integration of the station and the surrounding lands with the Station District and the wider BXC development. The earlier than planned delivery of the Thameslink Station will accelerate the delivery programme of both the residential and commercial accommodation within BXS, but for the station to make its maximum contribution to the BXC scheme its integration within the wider development is key. To achieve this, the relocation of the existing Hendon Waste Transfer Facility is required, thereby releasing the eastern landing site of the new station bridge for development as part of the Station Square. The acquisition of 106 Brent Terrace and the Cemex site will allow both the delivery of the Spine Road and the full integration of the Station District development with the adjoining Brent Terrace and Market Square development areas.
- 7.10 The certainty of having control of the whole of the Order Land is therefore vital to the delivery of the Thameslink Station and to the regeneration of the Station District. The Thameslink proposals connect into the Station Quarter (West) at the western part of BXS, and the two developments are closely linked. It is essential that the two facets of the CPO3 Development are progressed in a manner that reflects and respects the connectivity between the two development areas. Furthermore, to ensure that BXS is delivered in a comprehensive manner, there is a need to integrate the Station Quarter (West) with adjoining development, notably that which will be facilitated by CPO2. Therefore, in order to secure the delivery of the wide range of significant public benefits that the CPO3 Development (and the wider BXC proposals) will bring, the proposals need to come forward in a comprehensive and co-ordinated manner.
- 7.11 The complex works and logistical arrangements needed to deliver the Thameslink Station requires the acquisition of the Order Land for the purposes

of decommissioning and remediating under-utilised operational rail land. It will be necessary to establish a large, safe construction compound, which is capable of being separated from operational rail land so as to not to interfere with services. The construction period will last approximately 4 years. Thereafter, this "brownfield" land will be released for development as part of BXS. It is anticipated that land will be released in phases to ensure that the momentum of delivery is maintained.

7.12 The Council is of the view that the redevelopment and improvement of the Order Land through the CPO3 Development will contribute significantly towards the achievement of the economic, social and environmental well-being of its area. Moreover, all the interests and new rights included in the Order need to be acquired at the outset in order to meet the development programme.

7.13 The Council does not consider that there are any alternative means which would achieve its purposes in seeking to deliver the Thameslink Station, Station District, and/or the remainder of the comprehensive BXC scheme. No alternative proposals have been put forward by the owners of the land, or any other persons, for its re-use. Nor are there any alternative locations which are suitable for the purpose for which the land is being acquired. The location of the Thameslink Station is within the parameters set by the section 73 Permission and has been subject to a detailed design process involving Network Rail. The station is appropriately located to deliver the wider comprehensive development requirements as defined in Development Plan policies, to best serve the wider Brent Cross Cricklewood development and help to deliver the required modal shift in transport use.

7.14 The Council considers that there is a compelling case in the public interest for the Order, so that the substantial public benefits the development will bring can be realised.

8. ECONOMIC SOCIAL AND ENVIRONMENTAL WELL BEING

8.1 The CPO3 Development will contribute very significantly to the economic, social and environmental well-being of the area and will also be a catalyst for the development of the wider BXS area.

8.2 The BXC scheme will create a new town centre and residential quarter, uniting the areas north and south of the North Circular, providing an attractive and vibrant place to live and work.

8.3 The Thameslink Station will facilitate the delivery of important and wide ranging public benefits including most notably the new station itself which is a key component of the ITS and is expected to cater for 5 million passengers per annum.

8.4 Through development of a bridge over the Midland Mainline, the CPO3 Development will create a new link from the A5 to the new Spine Road to be delivered as part of BXC This, together with the new pedestrian bridge over the Midland Mainline, will significantly improve the public transport, pedestrian

and cycle network, including improving the flow of traffic on the highway network by relieving pressure on the Staples Corner junction, and will connect the Thameslink Station transport interchange with the wider BXC development. The Midland Mainline Bridge will also connect the CPO3 Development with the existing Edgware Road area, promoting permeability and connectivity between these areas. These improvements will provide enhanced connectivity for the community and will break down the dominance of infrastructure across the BXC area.

- 8.5 The new rail freight facility will provide an improved “open access” development providing two 450m freight sidings connecting to the existing mainline railway. ‘Open access’ is where all freight operating companies have equal access rights to any rail freight facility on the network, with the freight facility owner charging the same price to all freight operating companies for use of the facility and where any additional requirements, e.g. storage and handling, are negotiated separately. This will replace the existing Rail Freight Facility. The facility will operate as an aggregate import and storage terminal serving up to four different operators. The existing facility is rarely used for its intended rail-based purpose with only one operator, North London Waste Authority, using it at present, principally by road.
- 8.6 The new Waste Handling Facility to be located on the western side of the development will provide a modern waste facility capable of handling up to 175,000 tonnes of municipal waste per annum. The facility also provides for easier and segregated transport routes to and from the facility. In comparison to the current facility, the new facility will create an improved environment for the local population due to the modern air filtration systems and waste disposal technology that will be utilised at the new site.
- 8.7 The significantly improved public transport accessibility as a result of the development of the Thameslink Station will provide a platform for delivering sustainable, high quality and high density development across the remainder of BXS. The Thameslink Station and the Station District are very closely linked, and the development of the entirety of the Order Land by way of the CPO3 Development will itself facilitate the comprehensive regeneration of the whole of BXS.
- 8.8 By accelerating the delivery of the Thameslink Station, including the provision of the Midland Mainline Bridge (which will connect into the Brent Terrace Spine Road North) and the proposed Thameslink Station Bridge (which will connect on the east side into the proposed transport hub at Station Square), the PTAL for the area will dramatically increase. Early delivery of the station will therefore significantly promote the use of sustainable transport by the future proposed new residential and commercial uses. Furthermore, land will be released for development at an earlier stage for the regeneration of BXS, thereby acting as a catalyst for further regeneration. The improvements to the accessibility of the area by the delivery of the Thameslink Station will therefore help realise the regeneration of the area to its full potential.

- 8.9 The Thameslink Station will increase the attractiveness of Brent Cross Cricklewood area as a place to live, shop and work and by doing so will help to promote a more rapid pace of development across the remainder of BXS and the delivery of wider economic and social benefits.
- 8.10 The Station District will deliver new residential accommodation (including affordable housing), contributing significantly to the achievement of the Mayor's Housing Strategy for London and that of the Council.
- 8.11 It will deliver much needed commercial and business development, which will provide opportunities for jobs. The range of employment generating floorspace will improve not only the quantum of jobs but also the diversity of employment opportunities available and accessible to local people. The improved accessibility of the site as a result of the transport improvements will also increase employment opportunities in the wider area.
- 8.12 There will be a demonstrable improvement in the visual appearance and environment of the Order Land. Parts of the area are dominated by fragmented and industrial land uses, and have a low visual quality. The delivery of the Station District, and the links over the Midland Mainline, will integrate the area with the remainder of BXS, and will deliver a significantly improved urban environment. The proposed new public realm around the station and new transport interchange, with surrounding retail and leisure uses, will contribute to a vibrant, bustling environment, where people can work, live and play.
- 8.13 The delivery of the new neighbourhood park NH3 (referred to as Brent Terrace Park within the s73 Permission) will be part of the additional quantum of new open space provided within BXC. Brent Terrace Park is proposed to be a linear park providing an attractive outlook for existing properties on Brent Terrace and high quality green open space for both existing and new residents. The park will also form part of the proposed green corridor (GC8).
- 8.14 The development of the Order Land will also contribute to the remediation of contaminated land. Some of the current and previous uses have resulted in contamination of the land. In order to create a high quality and safe environment, soil remediation to satisfactory levels will be necessary.
- 8.15 The development of the Order Land will also play a vital role in the wider regeneration of the BXC area including the provision of the integrated town centre with its range of services and facilities.
- 8.16 These benefits contribute towards demonstrating that there is a compelling case in the public interest for the confirmation of the Order. Moreover, without the Order it is very unlikely that the land and interests needed for the CPO3 Development could be assembled within a reasonable timeframe.

9. DELIVERY AND RESOURCES

- 9.1 The CPO3 Development comprises a number of elements, the responsibility for the delivery of which is described below.

Delivery of the Thameslink Station

- 9.2 The Council is responsible for delivering the new Thameslink Station. It is therefore working closely with Network Rail, who are the project sponsors for network change, in order to deliver the 'network change' to the operational railway lands which will facilitate the new station development and the remediation of brownfield land needed to support the comprehensive regeneration of BXC. Discussions regarding the contractual arrangements between the Council and Network Rail which will enable the transfer of land owned by Network Rail to the Council for the delivery of the CPO3 Development are at an advanced stage. Furthermore, the Council and Network Rail are working together to deliver a scoping document (Complex Projects Procedure) outlining the approach to be adopted to obtain Network Change approval. Network Change is the regulatory process which must be followed when a material change is proposed to the operation of the Rail Network or of trains operated on the rail network.
- 9.3 The Council is also responsible for the delivery of the following:
- 9.3.1 The relocation of the NLWA Waste Handling facility from the east of the mainline to the west to facilitate the Thameslink Station development;
 - 9.3.2 New Pedestrian Bridge – combined with the new station concourse over the railway and linking the area to the west of the railway to the new BXC town centre;
 - 9.3.3 Spine Road North – which will link the proposed Midland Mainline Bridge with the proposed Transport Hub T1, new Station and Station Square;
 - 9.3.4 Midland Mainline Bridge – creating a new link from the A5 to the new Spine road, public transport, pedestrian and cycle network connecting with the Thameslink Station transport interchange and serving the wider BXC development; and
 - 9.3.5 New Rail Freight Facility – to release "brownfield" railway land for re-development and provide a modern "Open Access" freight facility better able to meet demand.

Public sector funding commitment for the Thameslink Station

- 9.4 The public sector has committed to fund and build the new Thameslink station and associated infrastructure.

This funding commitment was reaffirmed by the Chancellor of the Exchequer in in the Budget Statement on 16 March 2016, which confirmed that "*The government has approved the full business case for a new Thameslink station at Brent Cross Cricklewood, unlocking 7,500 new homes. This follows the Government's previous commitment to provide £97 million of grant funding and ringfence the local share of business rates*".

- 9.5 Under the proposals, the Council will receive a grant of £97m from the Treasury, and will borrow the remaining funds required to build the station. This borrowing will be repaid by ring-fencing the local share (i.e. the 30% currently retained by the Council and the 20% currently retained by the Greater London Authority) of business rate growth delivered by the expansion of the shopping centre.
- 9.6 In this regard, the Council's Policy and Resources Committee on 17th May 2016 authorised an increase in the Council's capital financing requirement to accommodate the borrowing required for the station and associated infrastructure works.
- 9.7 The Council is confident, given the commitment of the public sector to funding the station and to delivering the comprehensive regeneration of Brent Cross Cricklewood, that the resources are available to deliver the Thameslink Station as part of the CPO3 Development.

Delivery of the Station District

- 9.8 BXS LP is responsible for the delivery of the following:
- 9.8.1 Station Square Infrastructure and Public Realm – to provide the transport interchange as part of the public space where people will be able to move easily between rail and bus networks;
- 9.8.2 Station Square Mixed Use and Residential Buildings – planned to be a vibrant square and transport interchange completing the east west axis of the new high street;
- 9.8.3 Station Quarter (West) – providing significant amount of business and employment use together with a mix of residential, retail, leisure uses, forming part of the comprehensive development of BXS and including new public realm; and
- 9.8.4 Brent Terrace (North – Building Zone BT2) – will provide in the region of 900 new homes together with retail, crèche and other community facilities in a series of courtyard buildings around internal communal gardens, together with the new Neighbourhood Park (NH3) - running parallel to the existing houses along Brent Terrace and including Green Corridor GC 8.

Contractual and funding arrangements for the delivery of the Station District

- 9.9 In order to secure the comprehensive regeneration of the entire BXS area, including those elements which form part of the CPO3 Development, the Council has procured a partnership with Argent Related to deliver the development to the south of the North Circular, beginning with the CPO2 Development. The Council commenced the procurement process in July 2014, with the aim of selecting a development partner who would work up detailed proposals for the development of land to the south of the North Circular and

prepare a robust business plan for delivering them. It attracted significant market interest, and culminated in the selection of Argent Related as preferred developer for BXS in March 2015.

- 9.10 On 17 March 2016 the Council's Assets, Regeneration and Growth Committee authorised the Council to enter into a partnership with Argent Related by way of a limited partnership agreement, shareholder agreement and associated project documentation to establish the Brent Cross South Limited Partnership (BXS LP) to deliver BXS, including the CPO3 Development. This documentation was concluded on [].
- 9.11 Under these arrangements, the Council will invest its land into the BXS LP and Argent Related will act as development manager procuring the delivery of infrastructure to produce serviced development plots. Argent Related will be responsible for bringing funding and investment into the project, both directly and where appropriate from third party sources.
- 9.12 Argent's projects include the regeneration of the King's Cross area and the award-winning Brindley Place mixed use scheme in Birmingham. They have a significant and successful track record in delivering complex multi-phased mixed-use developments.
- 9.13 Related Companies is a privately owned real estate firm based in New York, and in addition to carrying out major development projects it manages approximately \$1.5 billion of equity capital on behalf of sovereign wealth funds, public pension funds and the like. Related Companies also develop, own and manage a large number of privately rented residential units, and their expertise in this area will be beneficial to the scheme.
- 9.14 The Council is therefore satisfied that the funding and resources will be available to deliver the Station District as part of the CPO3 Development.

Planning

- 9.15 As explained in section 5 above, outline planning permission by way of the s.73 Permission has been granted for the BXC scheme, including the CPO3 Development. The s.73 Permission permits BXC to be brought forward in phases. CPO1 and CPO2 will facilitate the delivery of Phase 1 of BXC.
- 9.16 The s.73 Permission currently envisages that the new railway station will be delivered in Phase 5 of the development. However, as explained above, the public sector is proposing to fund and build the new Thameslink station as an earlier phase in the development to ensure the comprehensive regeneration of BXC. It is proposed to combine the related Thameslink elements into a single phase/sub-phase to enable a more holistic approach to the delivery of the different elements within the Railway Land Zone. As a consequence of this approach, in addition to moving the Thameslink Station and Rail Stabling Facility from Phase 5 into an earlier phase/sub-phase, the proposed Rail Freight Facility and Midland Mainline Bridge are also to be brought forward from Phase 4. The permitted Waste Handling Facility is currently anticipated as Phase 1 development (sub phase 1B). A smaller facility reflecting up to

date waste requirements will be delivered on Plot 62 (as referred to in the s73. Permission) pursuant to a drop-in application within the original phasing programme to precede and facilitate the Thameslink Station development. A revised rail freight facility reflecting up to date rail freight requirements may also be delivered pursuant to a drop in application.

- 9.17 These proposed changes to the phasing of the approved development will need to be addressed through applications made pursuant to the conditions attached to the s.73 Permission and amendments to the related Section 106 obligations. Other modifications may be pursued by way of applications under Section 96A of the Town and Country Planning Act 1990 or by way of drop-in applications.
- 9.18 The Council does not consider that the nature of the changes proposed in relation to the early delivery of the Thameslink Station and associated infrastructure would give rise to any planning impediments to the delivery of the scheme as the principle of the uses has been established by the s73 Permission.
- 9.19 A pre-application consultation opinion request for the re-phasing of the Thameslink Station, including the new stabling sidings and Rail Freight facility, relocation of the Waste Facility and Midland Mainline Bridge, was submitted to the Local Planning Authority in March 2016. Condition 4.2 of the s.73 Permission provides a mechanism within the permission to change the delivery phasing of different elements. It is anticipated that an application under Condition 4.2 will be made in January 2017 and that the necessary reserved matters applications, drop-in applications, and non-material amendment applications relating to specific elements will be submitted at the same time or shortly thereafter.
- 9.20 Insofar as the Station District is concerned, BXS LP have undertaken a detailed interrogation of the s.73 permission masterplan and have proposed the introduction of certain changes to the illustrative masterplan, in order to improve the BXC scheme.
- 9.21 Initial discussions between Argent Related and the Local Planning Authority in relation to these proposed changes have taken place. Whilst the exact detail of the changes is not yet known, the essentials of the scheme will remain the same. The Council does not consider that changes proposed would be likely to give rise to any planning impediment to the delivery of the CPO3 Development.
- 9.22 It is evident from the above that the Council has a clear idea how it intends to use the Order Land. Furthermore, the Council considers that all the necessary resources are likely to be available to achieve that end within a reasonable timescale, and there are no planning, financial or other impediments to the delivery of the CPO3 Development.

10. LAND NEGOTIATIONS, REHOUSING AND CONSULTATION

- 10.1 In addition to Network Rail, the Council is consulting and negotiating with all of the relevant stakeholders in the area in order to bring forward the CPO3 Development.
- 10.2 An 'open access' freight facility is proposed. The Council has been actively pursuing negotiations with the current leaseholder of the existing facility, DBSchenker, since 2014. Negotiations with DBSchenker are continuing, with DBSchenker expressing that they wish to deliver the facility themselves, taking the lead on the design, delivery and management of the new open access facility. However, to date the Council has not been presented any detail on any aspect of DBSchenker's proposals. In the absence of this detail, and given the need to guarantee the delivery of the new freight facility, and for it to be brought forward in a co-ordinated manner alongside the remainder of the CPO3 Development, it is necessary for the Council to include the existing freight facility in the Order. Whilst discussions will continue with DBSchenker in parallel with the CPO process, the Council is developing its own detailed proposals for the new freight facility to ensure that its delivery is not frustrated or delayed.
- 10.3 The NLWA currently lease the Hendon Waste Transfer Station from Network Rail for the purposes of a waste handling facility. The Council has been in extensive discussions with NLWA regarding their proposed relocation and has sought to identify an alternative site. The Council is currently in discussions with NLWA regarding the proposed terms of relocating to the new waste facility to the west of the railway (CPO Plot []), and is also in discussion with the owners to agree terms to acquire the site.
- 10.4 2 Geron Way is currently owned by Hammerson (the Council's joint venture partner on BXN) and occupied by Selco on a lease that expires in December 2016. The Council have agreed terms with Hammerson for the purchase of the property which is to be transferred with vacant possession.
- 10.5 GL Hearn are undertaking negotiations on behalf of the Council in relation to 106 Brent Terrace and Cemex, Brent Terrace and the land adjacent to Unit 7 Staples Corner Industrial Estate.
- 10.6 Terms have been agreed with the freeholder of 106 Brent Terrace for the purchase of their interest and exchange of contracts is expected to occur by July 2016.
- 10.7 106 Brent Terrace is occupied by Clockwork Removals and the Council, through GL Hearn, is seeking to agree terms to acquire their interest.
- 10.8 Correspondence has been sent to Cemex in respect of the acquisition of their interest and discussions are being progressed through their appointed representatives. The Council are continuing to try and engage with Cemex to purchase their interest by agreement and identify their relocation requirements.

- 10.9 Discussions have been held with the freeholder of Unit 7 Staples Corner Retail Park as to the acquisition of his interest and will continue to be progressed in an effort to acquire the land by agreement. Cineworld, who have a right to use the car park, has been contacted but there has been no response to date.

11. RELATED ORDERS AND SPECIAL KINDS OF LAND

- 11.1 The Order Land does not contain any of the special kinds of land such as listed buildings, ancient monuments, conservation areas or open space.
- 11.2 The apparatus of statutory undertakers or utilities will be protected, diverted or replaced as necessary.
- 11.3 There are no requirements for additional information as referred to in paragraphs 154(vii) of the CPO Guidance or in the light of Government policy statements.
- 11.4 As explained above, the Council is promoting two separate compulsory purchase orders (CPO1 and CPO2) to deliver regeneration to the north (CPO1) and south (CPO2) of the North Circular, with its joint venture partners Hammerson and Standard Life Investments (CPO1), and Argent Related (CPO2), as part of the comprehensive BXC development. The inquiry into CPO1 and CPO2 was heard jointly, and the inquiry closed on [6th July] 2016.
- 11.5 Each of the three CPOs is justified on its own merits as each will deliver significant public benefits and will make a vital contribution to the social, economic and environmental well-being of the BXC area. Taken together, the development that will be facilitated by the three CPOs will constitute a major component of BXC, which (as previously explained) is a priority objective for the Mayor of London and the Council.

12. HUMAN RIGHTS ACT

- 12.1 In determining whether or not to confirm the Order, the Secretary of State must have regard to any interference with human rights, the provisions of the Human Rights Act 1998 and the European Convention on Human Rights ("**the Convention**"). The Secretary of State must consider whether, on balance, the case for compulsory purchase justifies interfering with the human rights of the owners and occupiers of the Order Land. The Secretary of State also has to be satisfied that the land included in the Order is all the land necessary in order to secure the delivery of the CPO3 Development and does not include land which is not required for that purpose.
- 12.2 Article 1 of the First Protocol to the Convention states that "...Every natural or legal person is entitled to peaceful enjoyment of his possessions" and "no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law...". Whilst occupiers and owners in the Order Land will be deprived of their property if the Order is confirmed and the powers are exercised, this will be done in accordance with the law, in this case the Act. The Order is being pursued in the public interest as required by Article 1 of

the First Protocol. The public benefits associated with the CPO3 Development are set out earlier in this Statement of Case. The Council considers that the Order will strike a fair balance between the public interest in the implementation of the proposals and those private rights which will be affected by the Order.

- 12.3 Article 6 of the Convention provides that: "In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law". The regeneration proposals, including those associated with the Order Land, have been extensively publicised and consultation has taken place with the communities and parties that will be affected by the Order. All those affected by the Order will be notified, will have the right to make representations and/or objections to the Secretary of State for Communities and Local Government, and objecting parties will have the right to be heard at a public inquiry. It has been held that the statutory processes are compliant with Article 6 of the Convention.
- 12.4 Article 8 of the Convention states that: "Everyone has the right to respect for his private and family life, his home and his correspondence...interference is justified however, if it is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for its prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedom of others." The Council considers that the interference with this right that will result from the exercise of the powers conferred by the Order will be in accordance with the law (namely the Act), give effect to a legitimate aim (namely securing the much-needed regeneration of the area), and will be proportionate having regard to the public benefits that the regeneration will bring.
- 12.5 Those whose interests are acquired under the Order will also be entitled to compensation which will be payable in accordance with the Compulsory Purchase Compensation Code, assessed on the basis of the market value of the property interest acquired, disturbance (i.e. reasonable moving costs and costs/losses directly related to the compulsory acquisition) and statutory loss payments. The reasonable surveying and legal fees incurred by those affected in transferring interests to the Council will also be paid by the Council. The Compensation Code has been held to be compliant with Article 8 and Article 1 of the First Protocol to the Convention.
- 12.6 The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that "regard must be had to the fair balance that has to be struck between the competing interests of the individual and the community as a whole". Both public and private interests are to be taken into account in the exercise of the Council's powers and duties. Similarly, any interference with Article 8 rights must be "necessary in a democratic society" i.e. proportionate.

- 12.7 In promoting this Order, the Council has carefully considered the balance to be struck between the effect of acquisition on individual rights and the wider public interest in the redevelopment of the Order Land and the BXC area. Interference with Convention rights is considered by the Council to be justified here in order to secure the economic regeneration, environmental and public benefits which the proposals will bring.
- 12.8 The requirements of the Human Rights Act 1998 and the Convention, particularly the rights of property owners, have therefore been fully taken into account. There is a compelling case in the public interest for the Order to be made and confirmed, and the interference with the private rights of those affected that would be the inevitable result of the exercise of the compulsory powers conferred by the Order would be lawful, justified and proportionate.
- 12.9 There has been extensive public consultation on the proposals to regenerate the BXC area, and the opportunity has been given through the consideration of the planning applications to make representations on the proposals. If objections are received, a public inquiry will be held into the Order, and those whose interests are acquired under the Order, if it is confirmed, will be entitled to compensation as provided under national law.

13. **CONCLUSION: COMPELLING CASE IN THE PUBLIC INTEREST**

- 13.1 The CPO Guidance sets out guidance for local authorities regarding the making and confirmation of CPOs. This includes key policy tests which the Secretary of State will expect to be satisfied before a CPO is confirmed.
- 13.2 Paragraph 76 of the CPO Guidance advises that, in deciding whether or not to confirm a CPO, the Secretary of State can be expected to consider factors including the following:
- 13.2.1 whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area or, where no such up-to-date framework exists, with the draft Local Plan and the National Planning Policy Framework;
 - 13.2.2 the extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area; and
 - 13.2.3 whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means.
- 13.3 As to the first factor (the planning framework for the area), the s.73 Permission for the regeneration of BXC gives effect to the policy requirement found in the Core Strategy and saved policies of the UDP, which reflect the London Plan, for a comprehensive approach across the whole area so that its potential can be fully realised. The area is identified as an Opportunity Area in the London Plan, and as such is one of the Mayor's key regeneration areas. The CPO3 Development will contribute towards the achievement of the Council's strategic objectives. It is vital that the area's regeneration benefits

are maximised, and the use of the Council's CPO powers is key to ensuring that happens.

- 13.4 As to the second factor (contribution to well-being), as explained above, the use of CPO powers to facilitate the redevelopment and regeneration of the Order Land will contribute very significantly towards the economic, social and environmental well-being of the area, and to the achievement of the Council's regeneration and planning objectives and will also result in substantial public benefits being realised, both within the Order Land and in the wider BXC area. The CPO3 Development will deliver significant public benefits, including the delivery of the Thameslink Station which is integral to the delivery of the BXC ITS. The CPO3 Development will also facilitate the wider BXC regeneration project by providing part of the BXS core development, which is essential to place-making and will help to increase the pace of delivery of new homes.
- 13.5 As to the third factor (other means of achieving the Council's purpose in acquiring the land), the purposes for which the land is to be acquired could not be achieved by any alternative means including through development in other locations. All of the Order Land is required for the CPO3 Development. The regeneration of the Order Land will not be achieved without the use of compulsory purchase powers, but the powers will only be used where the required land and interests cannot be acquired by negotiation. As such, the use of compulsory purchase powers is proportionate.
- 13.6 Paragraph 13 of the CPO Guidance advises that it will be difficult to show conclusively that the compulsory acquisition of land is justified in the public interest if the acquiring authority cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable time-scale.
- 13.7 As explained above, there is a clear strategy for the development of the Order Land, based on the s.73 Permission. It is likely that, if CPO3 is confirmed, the development, redevelopment and improvement for the purposes of which the Order has been made will be delivered.
- 13.8 The Council has secured funding for the delivery of the Thameslink Station. For the Station District, a development partner, BXS LP, has been appointed with access to the necessary resources, [and a joint venture agreement to deliver the proposals has been entered into]. Funding is available to deliver the CPO3 Development timeously (paragraph 14 of the CPO Guidance) and there are no likely impediments to the scheme (paragraph 15 of the CPO Guidance).
- 13.9 Paragraph 2 of the CPO Guidance refers to the taking of steps by an acquiring authority to acquire land by agreement where possible.
- 13.10 Whilst landowners have been contacted, and negotiations have taken place and are ongoing, it is clear that, unless the Order is confirmed, the Council and BXS LP would be unlikely to be able to assemble the land and interests needed for the key first phase of the regeneration of the area within a reasonable timescale. Therefore, unless CPO3 is confirmed, the disparate land ownership and the process of land assembly will inevitably delay the delivery

and progression of the CPO3 Development, which is an essential stage of the wider BXC regeneration through a comprehensive scheme that includes CPO1 and CPO2 (Paragraphs 74 and 75 of the CPO Guidance).

- 13.11 Accordingly, the Council considers that the tests in section 226(1)(a) and section 226(1)(A) of the Town and Country Planning Act 1990 are met, the CPO Guidance is satisfied, and there is a compelling case in the public interest for the confirmation of the Order.

14. **CONTACT DETAILS OF CONTACTS**

- 14.1 All those owners and occupiers affected by the Order, whether relating to homes or businesses premises, who wish to speak to the Council's agents regarding the purchase of their interests are requested to contact:

David Conboy, CPO and Regeneration Director, GL Hearn Limited of 280 High Holborn, London, WC1V 7EE. Tel: 020 7851 4811. Email: David.conboy@glhearn.com.

- 14.2 If any person affected by the Order wishes to discuss it with an officer of the Council, he/she is requested to contact:

Karen Mercer MRICS, Programme Director, London Borough of Barnet, 2nd Floor, Building 4, North London Business Park, Oakleigh Road South, London, N11 1NP. Tel: 0208 359 7563. Email: Karen.mercer@barnet.gov.uk.

15. **INQUIRIES PROCEDURE RULES**

- 15.1 This is a non-statutory statement which is not intended to constitute the Council's Statement of Case under the 2007 Rules.

16. **LIST OF DOCUMENTS**

- 16.1 In the event that it becomes necessary to hold a public inquiry into the Order, the Council may refer to the documents listed below. The list is not exhaustive and the Council may also refer to additional documents in order to address any objections made to the Order:

- 16.1.1 the Order, Order Schedule and Order Map;
- 16.1.2 report to the committee and decision notice and section 106 agreement relating to planning permission ref: F/04687/13 dated 23 July 2014
- 16.1.3 ARG report and minutes of [] July 2016 authorising the making of the Order;
- 16.1.4 National Planning Policy Framework 2012;
- 16.1.5 London Plan 2015;
- 16.1.6 London Borough of Barnet Core Strategy 2012;

16.1.7 London Borough of Barnet UDP 2006 – Saved Policies;

16.1.8 Cricklewood, Brent Cross and West Hendon Regeneration Area Development Framework

16.2 Copies of the Order, Order Schedule, Order Map and this Statement can be inspected at the following locations:

Barnet House, Planning Reception, 1255 High Road, Whetstone, N20 0EJ, Tel: 0208 359 2000 during the following hours: 9am-1pm Mondays, Wednesdays and Fridays; and

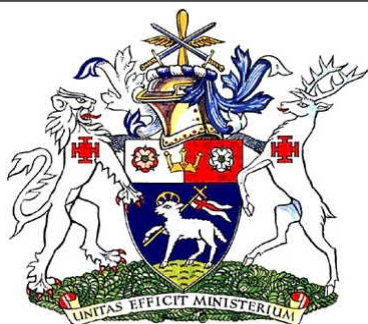
Hendon Library, The Burroughs, London, NW4 4AX, Tel: 0208 359 2628 during the following hours: 9.30am-8pm Mondays, 9.30am-5pm Tuesdays; 9.30am-8pm Wednesdays; 10am-8pm Thursdays and 9.30am-5pm Fridays.

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APPENDIX
Glossary of Terms

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Assets, Regeneration and Growth Committee

17 March 2016

| | |
|--------------------------------|---|
| Title | Assets, Regeneration and Growth Committee - Work Programme |
| Report of | Chief Operating Officer Commissioning Director, Growth and Development |
| Wards | All |
| Status | Public |
| Enclosures | Appendix A - Committee Work Programme |
| Officer Contact Details | Sheri Odoffin sheri.odoffin@barnet.gov.uk |

Summary

The Committee is requested to consider and comment on the items included in the 2016/17 work programme

Recommendations

1. That the Committee consider and comment on the items included in the 2016/2017 work programme

WHY THIS REPORT IS NEEDED

- 1.1 The Assets, Regeneration and Growth Committee Work Programme 2016/17 indicates forthcoming items of business.
- 1.2 The work programme of this Committee is intended to be a responsive tool, which will be updated on a rolling basis following each meeting, for the inclusion of areas which may arise through the course of the year.
- 1.3 The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

2. REASONS FOR RECOMMENDATIONS

- 2.1 There are no specific recommendations in the report. The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 N/A

4. POST DECISION IMPLEMENTATION

- 4.1 Any alterations made by the Committee to its Work Programme will be published on the Council's website.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Committee Work Programme is in accordance with the Council's strategic objectives and priorities as stated in the Corporate Plan 2015-20.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 None in the context of this report.

5.3 Legal and Constitutional References

- 5.3.1 The Terms of Reference of the Assets, Regeneration and Growth Committee is included in the Constitution, Responsibility for Functions, Annex A.

5.4 Risk Management

- 5.4.1 None in the context of this report.

5.5 Equalities and Diversity

- 5.5.1 None in the context of this report.

5.6 Consultation and Engagement

- 5.6.1 None in the context of this report.

6. BACKGROUND PAPERS

- 6.1 None.

London Borough of Barnet
Assets, Regeneration and Growth Committee Work Programme
July 2016 March 2017

| Title of Report | Overview of decision | Report Of (<i>officer</i>) | Issue Type (Non key/Key/Urgent) |
|---|---|--|---------------------------------|
| September 2016 | | | |
| Assets, Land and Property Transactions for Approval | Assets, Land and Property Transactions for Approval | Chief Operation Officer | Non-Key Issue |
| CPO Community Engagement Update | Update on community engagement on West Hendon CPO | Commissioning Director, Growth and Development | Key Issue |
| CPO Community Engagement Update | Update on community engagement on Brent Cross CPO | Commissioning Director, Growth and Development | Key Issue |
| Colindale Highway Junctions Programme | SPIR sign off | Commissioning Director, Growth and Development | Key Issue |
| Daws Lane Outline Business Case | To approve the strategic case & financial outline | Director of Resources | Non-Key Issue |
| Grahame Park: Plot 8- Principal Development Agreement | Approve the variation of the Principal Development Agreement and Heads of terms to facilitate Plot 8 and SPD. | Commissioning Director, Growth and Development | Key Issue |
| Development Pipeline Tranche 3 ph 2 - | seek approval for the sites and outline business case for the second phase of the project. | Development Pipeline Tranche 3 ph 2 - | Key Issue |
| Grahame Park: CPO for Plots 10, 11, 12 | To approve CPO | Commissioning Director, Growth and Development | Key Issue |
| Green Spaces Operation Bases | Approve the relocation of green space assets | Chief Operating Officer | Key Issue |
| Regeneration Strategy | To approve an updated regeneration strategy for consultation | Commissioning Director, Growth and Development | Key Issue |

| Title of Report | Overview of decision | Report Of (officer) | Issue Type (Non key/Key/Urgent) |
|--|---|--|--|
| Tranche 2 Meadows Close Children's Centre | Outline Business Case | | |
| Annual Monitoring Report 2015/16 | For the Committee to consider and determine. Commissioning Director, Growth and Development | Chief Operating Officer | Non-Key Issue |
| Estate | Approval of negotiating strategy and funding approval – standing item | Chief Operating Officer | Key Issue |
| December 2016 | | | |
| CPO Community Engagement Update | Update on community engagement on West Hendon CPO | Commissioning Director, Growth and Development | Key Issue |
| CPO Community Engagement Update | Update on community engagement on Brent Cross CPO | Commissioning Director, Growth and Development | Key Issue |
| Old School Site | Camden Community Football and Sports Association | Chief Operating Officer | Non-Key Issue |
| Development Pipeline Tranche 3, Phase 1 Full Business Case | | Commissioning Director, Growth and Development | Non-Key Issue |
| Tarling Road, Lease heads of terms & management approach | Update and progress report | Chief Operating Officer | Non-Key Issue |
| Chandos Avenue, Strategic Outline Case | Report on scheme proposals | Chief Operating Officer | Non-Key Issue |
| Business Planning Report 2017/18 | Business Planning Report 2017/18 | Director of Resources | Non-Key Issue |
| March 2017 | | | |

| Title of Report | Overview of decision | Report Of (<i>officer</i>) | Issue Type (Non key/Key/Urgent) |
|---------------------------------|---|--|---------------------------------|
| CPO Community Engagement Update | Update on community engagement on West Hendon CPO | Commissioning Director, Growth and Development | Key Issue |
| CPO Community Engagement Update | Update on community engagement on Brent Cross CPO | Commissioning Director, Growth and Development | Key Issue |
| June 2017 | | | |
| CPO Community Engagement Update | Update on community engagement on West Hendon CPO | Commissioning Director, Growth and Development | Key Issue |
| CPO Community Engagement Update | Update on community engagement on Brent Cross CPO | Commissioning Director, Growth and Development | Key Issue |
| Daws Lane | Outcome Business Case | Commissioning Director, Growth and Development | Non-Key Issue |

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