



Assets, Regeneration, and growth Committee

24th April 2017

Title	Annual update report on the Growth and Regeneration Programme
Report of	Commissioning Director Growth and Development.
Wards	All Wards
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1 – Growth and Regeneration Programme Annual Report
Officer Contact Details	Max Houseago Re: Regeneration Programme Manager Email: Max.houseago@barnet.gov.uk Tel: 0208 359 3032

Summary

This report seeks to update the Committee on the progress being made towards delivering the borough's Growth and Regeneration Programme. The report also provides an update on key achievements and successes since March 2016, and the expected activities in 2017/18 for which approval is sought from the Committee.

Recommendations

- That Committee
1. Note the general progress being made towards delivering the borough's Growth and Regeneration Programme.
 2. Note the key achievements and successes from April 2016 to March 2017, and approve the expected activities in 2017/18.

1. WHY THIS REPORT IS NEEDED

- 1.1 The fifth Growth and Regeneration Programme Annual Report, attached in appendix 1, provides information on the progress being made towards delivering the Borough's growth and development programmes. This includes updates on estate regeneration schemes and growth areas at Mill Hill East, Colindale and Brent Cross; Development Pipeline schemes; and a summary of business, employment, and skills activities which are covered more fully in the Entrepreneurial Barnet Annual report presented to the Committee at its December 2016 meeting. The Growth and Regeneration Programme Annual Report sets out key achievements and successes since the report of March 2016, and expected activities for 2017/18.

2. REASONS FOR RECOMMENDATIONS

- 2.1 As noted above, the need for an annual progress report was agreed by Cabinet Resources Committee in February 2012.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The alternative is not to provide a report, or to provide reports at different intervals throughout the year. An annual report was recommended following an external review of the Council's Regeneration Service. In addition, Members have asked for progress updates. This reporting mechanism forms a key part of the response to that requirement. This report also provides an accessible way of keeping partners and the local residential and business communities informed of existing regeneration commitments and future plans.

4. POST DECISION IMPLEMENTATION

- 4.1 Following endorsement or comments, and any alternative or additional actions proposed the activities of the Growth and Regeneration Programme will be progressed in line with the report for the next financial year 2017/18.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The regeneration and development pipeline schemes; and the skills and enterprise activities that comprise the Growth and Regeneration Programme, contribute to the delivery of key elements the Corporate Plan 2017/18 addendum and targets which highlights the corporate plan priorities of:

- Delivering quality services.
- Responsible growth, regeneration and investment.
- Building resilience in residents and managing demand.
- Transforming local services.
- Promoting community engagement, independence and capacity.

The principles of fairness, responsibility, and opportunity are applied to these

priorities which the regeneration programme supports.

5.1.2 The Growth and Regeneration Programme supports Entrepreneurial Barnet which sets out the council's approach to supporting Barnet's economy, and ensuring that local businesses and entrepreneurs have the space and support they need to thrive. The vision for Entrepreneurial Barnet is to make Barnet the best place in London to be a small business. The Annual Regeneration and Growth Programme Report describes what the council is doing to support jobs, skills and growth and as the Local Plan is updated, the objectives of Entrepreneurial Barnet will be embedded within it.

5.1.3 The growth and development programmes also contributes to the Barnet Joint Health and Wellbeing Strategy 2016 – 2020, by:

- Creating better local urban environments and living conditions for local residents, and providing training and job opportunities that will create circumstances to enable people to have greater life opportunities.
- Offices for The Centre for Independent Living have been built which will support residents to be independent, with advice and sign posting to a range of support services, and assisting residents to gain and retain employment, and promote healthy workplaces.
- Health provision is considered and provided through the regeneration programme that will provide care and support to facilitate good outcomes and improve user experience.
- Schools, nurseries, and child health provision will be delivered through the Regeneration Programme that will Improve outcomes for babies, young children and their families.
- Increasing employment and training opportunities including those who are further from the job market.

5.1.4 Adopted in 2012 Barnet's Core Strategy sets out a 15 year 'vision', helping to shape the kind of place that Barnet will be in the future. It contains the most fundamental, cross-cutting objectives and policies that the local authority and its partners will seek to deliver. Barnet has been set the challenge of meeting the 4th highest housing target in London. Over 27,000 new homes are expected to be delivered across the Borough by 2030. The Local Plan Core Strategy sets out when, where and how this growth will be delivered. Over half of these are expected to be delivered in the Regeneration and Development Areas of Brent Cross, Mill Hill East and Colindale together with the Priority Estates of Dollis Valley, Grahame Park, Granville Road, and West Hendon. Barnet's Infrastructure Delivery Plan is the vehicle for highlighting infrastructure needs. It sets out key infrastructure programmes and projects to support the housing growth outlined in the Local Plan Core Strategy.

5.1.5 The Growth and Regeneration Programme support the six themes/priorities of the Council's Housing Strategy 2015-2025 which include:

- Increasing housing supply.
- Delivering homes that people can afford.
- Sustaining quality, particularly in the private rented sector.
- Preventing and tackling homelessness.
- Providing suitable housing for vulnerable people.
- Delivering efficient and effective services.

5.1.6 Furthermore, the Growth and Regeneration Programme support the strategic objectives in the Council's Regeneration Strategy, September 2011, which include:

1. Enhance Barnet as a successful London suburb through delivery of quality new places and neighbourhoods in the areas of the borough in greatest need of investment and renewal;
2. Deliver sustainable housing growth and infrastructure, and improve the condition and sustainability of the existing housing stock;
3. Ensure residents in all areas of the borough can share in Barnet's success while taking responsibility for the well-being of their families and their communities;
4. Promote economic growth by encouraging new business growth while supporting local businesses and town centres;
5. Help residents to access the right skills to meet employer needs and take advantage of new job opportunities;

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

5.2.1 **Finance** - The council's development partners (developers) are currently responsible for a substantial amount of the Council's costs to bring the regeneration schemes to fruition. The Principal Development Agreements and Regeneration Agreements allow the Council to recover its costs at certain stages of the regeneration projects.

5.2.2 **Finance** - On each scheme, the Council's costs are budgeted and recorded on a monthly basis, and are invoiced either quarterly or towards the end of each financial year, depending on the terms of the agreement with the development partner. It is the responsibility of Regional Enterprise (Re) to manage the project budgets and manage the reclaim of costs on behalf of the Council.

5.2.3 **Finance** - The implications in relation to funding the regeneration programme have been included in the Council's Capital Programme 2017/18

5.2.4 Full Council on 7th March 2017 approved the Business Planning Report which contained strategic priorities, budgets and capital programme proposals up to 2020. The process allocated/committed budgets, and forward financial planning, for key capital elements of regeneration schemes to support their timely delivery.

- 5.2.5 **Performance and Value for Money** - The Council and its development partners have obligations within the respective Principal Development Agreements to maintain a transparent and open book approach to the management and monitoring of each development. The Council has the right to access management accounts and other relevant documentation to ensure that information being provided in connection with financial matters is accurate and accords with 'Value for Money' criteria.
- 5.2.6 **Property** - The Principal Development Agreements for each of the estate regeneration schemes commit the Council, subject to certain pre-conditions, to the phased disposal of all land and property owned by the Council within the area for redevelopment to its respective developer partners, as and when certain pre-conditions and processes are satisfied, and subject to appropriate consent from the Secretary of State. In general the land is disposed of without taking cash receipt but in consideration of the development partner's obligations to redevelop the estate. Where the land/property has been specifically acquired by the Council to enable the regeneration schemes to proceed (for example, properties acquired because of hardship, or pursuant to Compulsory Purchase Orders), then all costs incurred by the Council in these acquisitions (including the cost of acquisition itself) will be reimbursed as project costs. If the regeneration schemes yield profits above agreed thresholds, the Council will generally receive a share of the eventual profits known as overage.
- 5.2.7 **Procurement** - The Growth and Regeneration Programme is now delivered for the Council by Re (Regional Enterprise). However, the Council's procurement procedures and processes are adhered to in relation to Barnet Council funds.
- 5.2.8 **Procurement** – The requirements for technical experts and professional support services will be identified and brought into projects as needed, from within the Capita group, without the need for external procurement (i.e. Architecture, cost consultancy, employers agents). A Special Project Initiation Request (SPIR) will be presented to the council for services outside of the core contract.
- 5.2.9 Where Re are managing the procurement of the build contract, in cases such as the Development Pipeline; there will be adherence to Barnet Councils Contract Procedure Rules. Upon the successful appointment of a preferred contractor Re will project manage the delivery of the schemes.
- 5.2.10 Any services brought in as required to deliver the schemes of the Regeneration Programme will be procured in line with the procurement process of Barnet council, and detailed on the Council's Procurement Forward Plan as appropriate.
- 5.2.11 **Procurement, Staffing, IT and Sustainability** - There are no issues to report around Staffing, IT and Sustainability.

5.3 Social Value

- 5.3.1 The next 5 years represents a great opportunity for Barnet residents and businesses, with the borough set to benefit from a growing economy and local investment in regeneration. This is an essential part of Barnet Council's strategy with growth, housing, and responsible regeneration indispensable for the borough; revitalising communities, providing new homes and jobs, and delivered in a manner that protects the things residents love.
- 5.3.2 Some residents will need extra help to take advantage of the opportunities that growth will bring, so RE, Barnet Council, and Barnet Homes are providing targeted help for those that need it, and commissioning a range of partnership services to help residents into work. The council want everyone in Barnet to have access to a good job and good housing, or a better job and better housing, so that the borough remains a place where people want to live and work. In this way the purpose of the Regeneration Programme is to provide Social Value for residents.
- 5.3.3 The regeneration programme is turning deprived mono tenure estates into mixed tenure neighbourhoods with new modern homes for social rent tenants.
- 5.3.4 An increased number of better quality community facilities will be provided through the programme, including: GP surgeries, pharmacies, nurseries, libraries, community centres, religious centres, and a minimum of 10 schools.
- 5.3.5 As part of the Entrepreneurial Barnet approach the Growth and Regeneration Programme is providing a number of initiatives to support residents into work including: a Retail Job Shop, construction training and jobs through developer S106 contributions and the Workfinder project for unemployed residents. The Platforms project ran for out of work/education 16 – 24 year olds between June 2012 and December 2015. In 2015 the project was subject to a social return on investment audit which showed the programme delivered £2.12 in social value return for every £1 spent.
- 5.3.6 The report in appendix 1 details the Benefits Realisation measures for the programme. These are a range of indicators that are monitored to show how the Growth and Regeneration Programme is improving outcomes for Barnet.

5.4 Legal and Constitutional References

- 5.4.1 Brent Cross South, Dollis Valley, Grahame Park, Granville Road, Stonegrove Spur Road, and West Hendon regeneration schemes are regulated and governed by Development Agreements. Each of these Development Agreements are long term, legally binding agreements, under which, all parties, usually made up of the Council, a Private Sector Limited Company and a Registered Provider as well as any Special Purpose Vehicles, or subsidiaries of the development partners, required for the delivery of the schemes, have obligations and responsibilities which in the event they are not fulfilled, could give rise to legal liabilities.

- 5.4.2 Any changes to the schemes are generally enabled within the contractual framework established by the Development Agreements. Any such changes will usually be detailed in delegated powers reports. However, the change is not then exempt from other statutory requirements such as planning permission.
- 5.4.3 Most of the Development Agreements and ancillary documents were made pursuant to the now defunct, “wellbeing power” under Section 2 of the Local Government Act 2000, whilst the more recent ones have been or are being entered into pursuant to the general power of competence provisions of Section 1 of the Localism Act 2011. In entering into disposal, appropriation and acquisition arrangements, the Council is also relying upon its powers to deal with land contained in the Local Government Act 1972, the Housing Act 1985 and the Town & Country Planning Act 1990.
- 5.4.4 Millbrook Park is administered through the Inglis consortium of which Barnet Council is a partner. The arrangements of the consortium have been agreed at committee.
- 5.4.5 The nature and extent of development within Colindale is controlled through the Colindale Area Action Plan, which has been incorporated into the Barnet Local Plan 2012. Developments are undertaken by private developers without development agreements with the council.
- 5.4.6 Regional Enterprise (Re) is responsible for supporting the Council in meeting its obligations under the Development Agreements.
- 5.4.7 Legal and constitutional arrangements between Barnet Council and Regional Enterprises are laid out within the Joint Venture contract.
- 5.4.8 The High Street Fund project in Burnt Oak required the Council to enter into legally binding agreements with the Greater London Authority for the period of the one year Grant.
- 5.4.9 In accordance with the 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”.
- 5.4.10 The Council Constitution, The Management of Asset, Property and Land Rules, Appendix 1, Table A sets out the authorisation thresholds and requires the disposal of an asset to be authorised by the Assets Growth and Regeneration committee.

5.5 **Risk Management**

- 5.5.1 Despite the challenging economic climate over the past six years, the Council has continued to progress the physical regeneration schemes. Risks are monitored across the programme as well as at project level.

- 5.5.2 The viability of each of the physical regeneration projects is substantially dependent on the performance of the housing market over the lifetime of the developments. Delays to the delivery of the schemes could result in reduced resident satisfaction levels. To help mitigate this, continual monitoring of the local housing market and housing delivery takes place with the development partners. Economic sensitivity measures review mechanisms have been included in the Development Agreements.
- 5.5.3 In 2001 the Department for Transport, Local Government and the Regions issued guidance to local authorities on meeting 'decent homes' standards. The Council was advised that on the basis of the known data the homes on the priority regeneration estates would fail to meet the required standards. In response to the need to address problems around heating, condensation and general structural repairs, as well as the modernisation requirements for the homes on these estates, the Council decided to embark on the programmes to regenerate these estates to provide well designed, high quality and efficient homes. If the estate regeneration schemes do not complete, the Council will be required to bring the remaining properties up to Decent Homes Standard.
- 5.5.4 The Council's development partners are currently responsible for a substantial proportion of Council costs in delivering the regeneration schemes. These costs include, but are not limited to, the costs of making and implementing Compulsory Purchase Orders, statutory Home Loss and Disturbance Payments to secure tenants required to move, qualifying staff costs, Resident Independent Advisors and cost consultancy advice. The Principal Development Agreements set out the framework for these costs being recovered. It is the responsibility of Regional Enterprise (Re) to manage the reclaim of these costs on behalf of the Council, however if the developer defaults on these payments or the projects do not proceed to stages specified within the Principal Development Agreements, then the Council may not be able to recover all the costs incurred. To mitigate this risk, anticipated costs are agreed with the Development Partners in advance of expenditure wherever possible.
- 5.5.5 The Council also has obligations under the Principal Development Agreements and Regeneration Agreements. If the Council fails to fulfil these obligations for each scheme, it may be liable for damages and other financial liabilities given the investment in the regeneration schemes by the Council's development partners. It is the responsibility of Regional Enterprise (Re) to support the Council in meeting its obligations under the Development Agreements.
- 5.5.6 There is a risk that the delivery of physical and socio-economic regeneration could be endangered due to restrictions in the availability of third party funding. This could lead to reputational issues for the Council and resident dissatisfaction. The Council and Regional Enterprise (Re) will maintain close working relationships with development partners, the Greater London Authority and other government bodies to ensure a flexible approach to future problems that may threaten individual projects. The Council and Regional Enterprise (Re) will also keep residents well informed through appropriate communications and will work with development partners to undertake

continual value engineering of development proposals.

5.6 Equalities and Diversity

- 5.6.1 Under the Equality Act 2010 (“the Act”), the Council and organisations working on their behalf, have a legal duty to have ‘due regard’ to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; and promoting good relations between those with protracted characteristics and those without. The ‘protected characteristics’ are age, gender, ethnic origins and race, disability, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation. The ‘protected characteristics’ also include marriage and civil partnership, with regard to eliminating discrimination.
- 5.6.2 The Regeneration and Growth Programme will follow the principles set out in the London Borough of Barnet Equalities Policy (revised January 2014) and the Corporate Plan 2017 -2020 and aim to ensure that all Barnet residents benefit from growth and regeneration in the Borough. Being fair and giving equal chances to all our residents is central to Barnet’s Corporate Plan 2016 - 2020 and the council’s strategic equalities objective, (SEO), that “Citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the taxpayer.” The Regeneration and Growth Programme will reflect the Council’s commitment to give fair treatment for all our citizens balancing their different needs and rights as we support our more vulnerable residents and incorporate the principles of equality into everything we do as a Council.
- 5.6.3 Barnet is committed to building strong, cohesive, healthy, resilient, successful and safe communities where people from all different backgrounds get on well together. As outlined in the Corporate Plan, 2016 -2020, the Council is committed to improving the quality of life and wider participation for all those who live work and study in Barnet in the economic, educational, cultural, health, social and community life in the Borough through regeneration in the Borough’s regeneration areas and schemes. The regeneration schemes will deliver a mix of approximately 27,000 new affordable, intermediate and private sale flats and houses (including Colindale). The developments will also provide new community facilities and commercial units for business to rent or lease. The Council will have 100 per cent nomination rights to the new affordable housing on the housing estate regeneration schemes and re-housing offers will be made to all the existing secure tenants on the existing housing estates who live in a property to be demolished. Thus the regeneration schemes will provide new areas of mixed tenure housing that will make these parts of the borough better place to live and contributing to improved community cohesion in areas with highly diverse populations. This will benefit all Barnet citizens and the rich diversity of the Borough’s communities. In particular those who are seeking housing by addressing the shortage of housing in the Borough across all tenures.
- 5.6.4 Entrepreneurial Barnet is the council’s approach to support jobs, skills and growth. It includes measure to support businesses and residents who are looking for work or have low level skills.

- 5.6.5 The development of Town Centre Strategies supports Barnet's aspiration to support vibrant and viable town centres in the borough. Integral to this is the need to respect the diversity of our town centres, their different requirements, and the different needs and preferences of those who use them.
- 5.6.6 On 12th December 2013, Health Overview and Scrutiny Committee considered an interim update report on GP services, from NHS England and the Council's Regeneration. The Committee resolved that health provision across the borough is monitored by the Health and Well-being Board. An Estates Working Group had been established with representation from Barnet Clinical Commissioning Group, NHS England, NHS Property Services and the Council to improve joint working on NHS estates issues.
- 5.6.7 Work is ongoing in partnership with the public health team, to understand the health challenges faced by communities in Barnet and identify the health priorities when designing places.
- 5.6.8 Equality considerations will be kept under review and updated as proposals develop under the regeneration schemes so that an up to date assessment of the equalities impact will accompany any future proposals which are put to decision makers.

5.7 Consultation and Engagement

- 5.7.1 Consultation is a fundamental part of the Growth and Regeneration programme with each regeneration scheme having its own stakeholder engagement plan as part of its Project Initiation Document (PID).

5.8 Insight

- 5.8.1 Sources of data used in the Annual Regeneration Plan include:

- The Barnet Regeneration Strategy. Barnet Council, 2012.
- The Barnet Housing Strategy, Barnet Council, 2015-25.
- A Growth Strategy for Barnet, Barnet Council, 2012.
- Developing Barnet's economic Strategy, Middlesex University, May 2014.
- Barnet Local Plan, Barnet Council, 2012.
- Data obtained from the regeneration schemes themselves.

6. BACKGROUND PAPERS

- 6.1 7th March 2017, Council, Appendix N - Corporate Plan – 2017/18 addendum
<https://barnet.moderngov.co.uk/documents/s38364/Council%20-%20Business%20Planning%202017-20%20-%20Cover%20Report.pdf>

Minutes, Item 11:

RESOLVED – That Council:

- 1.26 Approve the Corporate Plan – 2017/18 addendum attached as Appendix N

<https://barnet.moderngov.co.uk/documents/g8819/Printed%20minutes%2007th-Mar-2017%2019.00%20Council.pdf?T=1>

- 6.2 17th March 2016, , Assets, Regeneration and Growth Committee, Annual update report on the Growth and Regeneration Programme
<https://barnet.moderngov.co.uk/documents/s30495/Annual%20update%20report%20on%20the%20Growth%20and%20Regeneration%20Programme.pdf>

Minutes, Item 8:

RESOLVED

1. Note and approve the general progress being made towards delivering the Borough's regeneration and development pipeline schemes; and skills and enterprise activities

2. Note and approve key achievements and successes from April 2015 to March 2016, as well as expected activities in 2016/17.

<https://barnet.moderngov.co.uk/documents/g8312/Printed%20minutes%2017th-Mar-2016%2019.00%20Assets%20Regeneration%20and%20Growth%20Committee.pdf?T=1>

- 6.3 7th September 2015, Assets, Regeneration and Growth Committee, Burnt Oak High Street Fund
<https://barnet.moderngov.co.uk/documents/s25571/Burnt%20Oak%20High%20Street%20Fund.pdf>

Minutes, Item 9:

RESOLVED:

1. To note the successful application for funding and agree the Burnt Oak High Street Fund project (valued at £617,464).

2. To approve the spending of £348,416, to be used to match £269,048 of Mayor of London's grant money to deliver the High Street Fund project in Burnt Oak Town Centre, subject to signing of a Grant Agreement with the GLA.

3. To delegate to the Commissioning Director, Growth & Development, the authority in consultation with the Chairman of the Assets, Regeneration and Growth Committee:

- to develop the detail of the Burnt Oak Town Centre Strategy
- following development to approve the Burnt Oak Town Centre Strategy
- to approve all matters associated with implementing the Burnt Oak Town Centre Strategy

<https://barnet.moderngov.co.uk/documents/g8310/Printed%20minutes%2007th-Sep-2015%2019.00%20Assets%20Regeneration%20and%20Growth%20Committee.pdf?T=1>

6.4 15th December 2014, Assets, Regeneration and Growth Committee, Appendix 1 – Entrepreneurial Barnet –

<https://barnet.moderngov.co.uk/documents/s19843/Appendix%201%20-%20Entrepreneurial%20Barnet.pdf>

Minutes, Item 9:

RESOLVED:

1. That the committee approve Entrepreneurial Barnet: the public sector contribution to Barnet's economy 2015-2020 (Appendix A).
2. That officers feedback to area committees any specific issues or suggestions from consultees relating to individual town centres.
3. That the Committee defer endorsing the Town Centres approach to the next meeting.

<https://barnet.moderngov.co.uk/documents/g7886/Printed%20minutes%2015th-Dec-2014%2019.00%20Assets%20Regeneration%20and%20Growth%20Committee.pdf?T=1>

6.5 12th December 2013, Health Overview and Scrutiny Committee, Interim Update Report on GP Services –

<http://barnet.moderngov.co.uk/documents/g6564/Public%20reports%20pack%2012th-Dec-2013%2019.00%20Health%20Overview%20and%20Scrutiny%20Committee.pdf?T=10>

Minutes, Item 10:

RESOLVED that:

1. The Committee note the update on GP Services in Barnet as set out in the report and above
2. The Committee keep a watching brief on this issue
3. The Committee refer this issue to the Health and Well-Being Board to consider alongside the refresh of the Joint Strategic Needs Assessment.

<http://barnet.moderngov.co.uk/documents/g6564/Printed%20minutes%2012th-Dec-2013%2019.00%20Health%20Overview%20and%20Scrutiny%20Committee.pdf?T=1>