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|                                | <h2>Housing Committee</h2> <h3>26 June 2017</h3>   |
| <b>Title</b>                   | <b>Best Practice in Regeneration</b>   |
| <b>Report of</b>               | Commissioning Director, Growth and Development   |
| <b>Wards</b>                   | All  |
| <b>Status</b>                  | Public   |
| <b>Urgent</b>                  | No   |
| <b>Key</b>                     | Yes  |
| <b>Enclosures</b>              | Appendix 1: Barnet’s Response to Homes for Londoners – Draft Good Practice Guide to Estate Regeneration  |
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**Summary**

Increasing the supply of housing through regeneration revitalises communities and provides residents and businesses with places to live and work. The Council’s Housing Strategy sets out how regeneration schemes will deliver 20,000 new homes across Barnet’s seven major regeneration schemes by 2029. This report sets out national, regional and local best practice and how this is being applied to the development pipeline and estate regeneration programme in Barnet.

**Recommendations**

1. That the committee report is noted.

## 1. WHY THIS REPORT IS NEEDED

- 1.1 At the meeting of 20<sup>th</sup> October 2016 the Housing Committee requested a report on best practice in delivering new housing through regeneration.

### Best Practice in Regeneration

- 1.2 In December 2016, the Department for Communities and Local Government released a National Strategy for Estate Regeneration<sup>1</sup>. The National Strategy recognised that a 'one size fits all' national approach is not appropriate; rather there are three key principles that underpin successful estate regeneration:
- Community engaged as partners
  - Support and leadership of the local authority
  - Willingness to work with the private sector to access commercial skills and lever in investment.
- 1.3 The Mayor of London consulted on a draft good practice guide on estate regeneration<sup>2</sup> between December 2016 and March 2017. The Guidance forms part of [Homes for Londoners](#), which brings together all of the Mayor's work to tackle the housing crisis, including plans to start building 90,000 new affordable homes in London between 2016 and 2021. The good practice guide sets out key principles that should be followed on all estate regeneration projects. These say that regeneration should only happen where:
- there is a clear statement of the aims and objectives of the borough or housing association in maintaining and improving at housing estates
  - there has been full and transparent consultation and resident engagement
  - proposals should offer full rights to return for displaced tenants and a fair deal for leaseholders
  - demolition should only be followed where it does not result in a loss of social housing, or where all other options have been exhausted
- 1.4 The Council set out in its response to the Mayor of London (See Appendix 1) on how it is adopting the principals set out in the draft good practice guidance as these closely align with the National Strategy on Estate Regeneration. A copy of the Council's consultation response to the London Mayor's good practice guidance details how Barnet is already meeting both the National and Regional best practice guidelines and where lessons have been learned in improving its approach to estate regeneration across Barnet.

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<sup>1</sup> <https://www.gov.uk/guidance/estate-regeneration-national-strategy>

<sup>2</sup> <https://www.london.gov.uk/what-we-do/housing-and-land/improving-quality/good-practice-guide-estate-regeneration>

- 1.5 Barnet's plans to deliver thousands of new homes will make a significant contribution to the housing market in London, and the council will continue to work with the Government and the Mayor to achieve the best outcomes for local residents.

### **The impact of the regeneration schemes on the delivery of the Housing Committee's Commissioning Plan**

- 1.6 Barnet's approach to growth and regeneration is based around five clear priorities:
- To enhance Barnet as a successful London suburb through the delivery of quality new homes and neighbourhoods in the areas of the borough in greatest need of investment and renewal
  - To deliver sustainable housing growth and infrastructure, and improve the condition and sustainability of the existing housing stock
  - To 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
  - To promote economic growth by encouraging new business growth while supporting local businesses and town centres
  - To help residents to access the right skills to meet employer needs and take advantage of new job opportunities
- 1.7 The estate regeneration programme focuses on the Council's largest estates, Grahame Park, West Hendon, Stonegrove Spur Road and Dollis Valley, and seeks to replace poor quality homes with high quality and modern mixed tenure developments.
- 1.8 Regeneration and growth are fundamental to the delivery of the council's Housing Strategy 2015 - 2025, which focuses on a significant increase in the supply of new homes in Barnet to meet the needs of a growing population, tackling homelessness and supporting vulnerable people, as well as the Housing Commissioning Plan. There are currently five estate regeneration schemes underway in Barnet - Grahame Park, West Hendon, Stonegrove Spur Road, Dollis Valley and Granville Road. Dilapidated, poor quality housing is being replaced with modern, high-quality mixed-tenure accommodation. In addition the council is about to commence procurement of a master-planner to work with the local community to explore the provision of additional housing on the Upper and Fosters Estate in Hendon.
- 1.9 The council in partnership with Argent and Hammerson and Standard Life is also in the process of delivering Brent Cross Cricklewood. The scheme will deliver a new town centre for Barnet and North West London, creating up to 27,000 jobs and acting as a catalyst for future economic growth. Brent Cross Cricklewood will be a great place for existing and new communities with 7,500 new homes delivered (217 of which to replace the Whitefield Estate) as well as new buildings for three local schools, new health facilities, and high quality parks and open spaces. It will provide all the elements of a thriving town centre with a transformed Brent Cross Shopping Centre forming the heart of a

new retail and leisure district. More than £400m will be invested in transport infrastructure including new roads, increased capacity at key junctions and the creation of a new station on the Midland Mainline and Thameslink lines.

- 1.10 The council also has an ambition to build new affordable homes on council housing land. This programme is already underway, with the first three new council houses in Barnet for over 20 years being completed in March 2014 and a further 40 completed by the end of 2016/17. An additional 320 new affordable homes are being delivered on council land via Open Door Homes, with work at the first two sites commencing in June 2017.
- 1.11 Furthermore the council is progressing plans to provide new mixed tenure homes on its own non- housing land and other public sector sites, which will be funded through the sale of market housing.
- 1.12 A total of 6010 homes, of which 2072 are affordable, have been delivered since 2007 through the Growth and Regeneration Programme.
- 1.13 Barnet's plans to deliver thousands of new homes will make a significant contribution to the housing market in London, and the council will continue to work with the Government and the Mayor to achieve the best outcomes for local residents.

#### **Impact of regeneration on leaseholders and tenants**

- 1.14 The council recognises that regeneration can be a disruptive process for residents, particularly those that are living in non-secure accommodation, and will seek to minimise this disruption at the point that tenants are required to move by making use of flexibilities within the allocations scheme and by providing advice and support. The council has a good track record of rehousing non-secure tenants, including directly into secure tenancies elsewhere or other forms of long-term temporary accommodation.
- 1.15 Secure council tenants living on Barnet's regeneration estates are entitled to be rehoused within the new development on their estate, or if they wish, they may also choose to be rehoused in another affordable property elsewhere. The aim is to only move tenants once to minimise the disruption to their lives. Secure tenants recently rehoused on the West Hendon estate reported satisfaction levels in excess of 90% with their new home and with the process of moving.
- 1.16 Leaseholders are being offered a range of options depending on the scheme, including shared ownership and shared equity. At Grahame Park there is a retained property exchange scheme where owners can buy a retained property of a similar value.
- 1.17 Housing Committee asked for best practice examples from other London boroughs such as the London Borough of Islington. Like Barnet, the London Borough of Islington has identified council owned sites, including underused areas of estates, which may support the development of new housing. The London Borough of Islington has published a New Homes Charter, which

although currently under review, sets out the principle that all tenants who move to facilitate the development of new homes on their estate have the right to return to a new property. The size of the property will be assessed based on need, and subject to availability. Help is provided to resident leaseholders to buy a new home on the estate of a similar size and/or value and in finding temporary accommodation if the leaseholder wishes to purchase a new home on the estate. Islington's offer is very similar to Barnet's and at times Barnet Council enhances its offer to meet local resident expectations. For example, at Stonegrove Spur Road, secure tenants have been offered an additional bedroom above their housing requirement.

### **How the process from start to finish can be improved using the lessons learned from West Hendon**

- 1.18 At the meeting on 26<sup>th</sup> October 2016, the Housing Committee requested a lessons learned report from the completed phase of works on the West Hendon Estate. The report (provided via an published [Members briefing](#)) set out areas that worked well as well as areas for improvement. Positive feedback has been received from residents in relation to the shared equity units and the move process and there are high levels of tenant satisfaction with the new build units. Two thirds of non-secure tenants were rehoused into secure (flexible) tenancies.
- 1.19 The review has recommended a number of ways in which resident engagement can be improved ahead of the next phase of development.

These include:

- Provide short accessible information packs for residents across all tenures.
  - Ensure all offers are clear and understood from the start by sending informative and concise letters.
  - Identify vulnerable residents early in order to provide them with extra support throughout the CPO/regeneration process.
  - Ensure there is significant consultation with stakeholders and the wider community.
  - Local presence by partners.
  - Relocate showroom / provide 'mini-show room' for leaseholders (shared equity) and secure tenants.
  - Plan and prepare a schedule of Partnership Board activities for the year ahead to assist with information management.
  - Endeavour to incorporate West Hendon's history within the regeneration.
  - Identify issues early and work with key stakeholders (and the partnership board where appropriate) to resolve e.g. Electrical Riser Works.
- 1.20 The lessons learned from the first CPO at West Hendon will be taken into account in the next phases of development at West Hendon, and across the other regeneration schemes. In Grahame Park, Barnet Homes have already reflected some of this feedback by establishing a local office so that residents

can drop in and obtain regular updates. The new temporary community centre at West Hendon also provides space for partners to be based and hold drop in surgeries with residents. At West Hendon an enhanced assessment regime has been established for residents requiring property adaptations. Usually schemes undertake an assessment prior to the design stage and any adaptations are made thereafter. To address situations where peoples illnesses worsen or new properties throw up new challenges for residents, there are now two further assessment points – one a few months prior to the move, and a third full post-move visit with an Occupational Therapist.

- 1.21 On 12<sup>th</sup> December 2016, Assets Regeneration and Growth Committee noted the initiation of the Upper and Lower Fosters regeneration project and the community co-design concept. The regeneration of this estate provides an exciting opportunity in a town centre setting to provide new high quality infill development, and deliver significant local environmental improvements. A community co-design approach has been adopted where the project team will work with residents to understand what is important to them about the existing estate and what they would like to see in a future development. This approach demonstrates best practice in estate regeneration approaches and maximises social value from the development process. It can provide transferable lessons for future projects initiated by the council.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The report is for noting by the committee.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Other alternative options have not been considered, as the report is for noting

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The council will continue with its plans to increase the supply of housing, including homes that are affordable through its development pipeline and estate regeneration programme.
- 4.2 Progress on the Growth and Regeneration programme is reported annually to the Assets, Regeneration and Growth Committee. The 2016-17 annual report was considered by Assets, Regeneration and Growth Committee on 24<sup>th</sup> April 2017.

## **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 regeneration and development pipeline schemes; 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.

5.1.4 The regeneration and development pipeline 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.
- 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 The Regeneration and Development Pipeline programmes will deliver key priorities in the Housing Strategy 2015 - 2025, including.

- Increasing the housing supply- to provide more homes. In the February 2016 Residents Perception Survey access to affordable housing was found to be the issue that most residents are concerned about, demonstrating the importance of increasing the housing supply.
- Delivery of homes that people can afford- to provide more affordable homes for rent and sale.
- Providing housing related support to vulnerable people- for example housing suitable for older people suffering from Dementia.
- Improving quality, particularly in the private rented sector- by developing high quality bespoke purpose built private rented homes.

## 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** - The implications in relation to funding the regeneration and development pipeline programmes have been included in the Council's Capital Programme 2017/18.
- 5.2.3 **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.
- 5.2.4 **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.
- 5.2.5 **Procurement** - 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.
- 5.2.6 **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.

5.3.3 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.

5.3.4 The Council will seek to provide employment opportunities for local people and opportunities for small and medium enterprises through the procurement of the construction contracts for the delivery of development pipeline schemes.

## **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 Regional Enterprise (Re) is responsible for supporting the Council in meeting its obligations under the Development Agreements.

5.4.5 Legal and constitutional arrangements between Barnet Council and Regional Enterprises are laid out within the Joint Venture contract.

## **5.5 Risk Management**

5.5.1 The viability of each of the physical regeneration and housing development 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.

5.5.2 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.

5.5.3 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.

5.5.4 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.

5.5.5 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.
- 5.6.3 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 scheme having its own stakeholder engagement plan.

## **5.8 Insight**

- 5.8.1 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.
- 5.8.2 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 26 October 2016, Housing Committee Members Briefing, West Hendon Estate Lessons Learned, <https://www.barnet.gov.uk/citizen-home/council-and-democracy/governance/Members-briefings.html>
- 6.3 12 December 2016, Assets Regeneration and Growth Committee, Upper and Lower Fosters, <https://barnetintranet.moderngov.co.uk/documents/s36542/Upper%20and%20Lower%20Fosters.pdf>

- 6.2 24 April 2017, Assets, Regeneration and Growth Committee, Annual update report on the Growth and Regeneration Programme.

<http://barnet.moderngov.co.uk/documents/s39283/Annual%20update%20report%20on%20the%20Growth%20and%20Regeneration%20Programme.pdf>

- 6.3 7 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>

