

	<p style="text-align: center;">Assets, Regeneration & Growth Committee</p> <p style="text-align: center;">25 March 2019</p>
<p style="text-align: right;">Title</p>	<p>Pinkham Way Strategic Outline Business Case</p>
<p style="text-align: right;">Report of</p>	<p>Chairman of the Assets, Regeneration and Growth Committee</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public with accompanying report and site plan</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>Appendix 1: Strategic Outline Business Case – Pinkham Way</p> <p>Appendix 2: Map of proposed site plan</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Susan Curran, Commissioning Lead, Development & Regeneration, London Borough of Barnet susan.curran@barnet.gov.uk</p> <p>Emma Watson, Head of Strategic Planning, Development & Regulatory Service, London Borough of Barnet emma.watson@barnet.gov.uk</p> <p>Derek Rust, Group Director of Development & Growth (Deputy Chief Executive), Barnet Homes Tel: 020 8359 4826 derek.rust@barnethomes.org</p> <p>Meera Bedi, Head of New Build, Barnet Homes Tel: 020 8359 5243 meera.bedi@barnethomes.org</p>

Summary

Barnet Homes has been commissioned to act as development agent on behalf of Barnet Council to progress proposals for developing the Pinkham Way site. Pinkham Way is located just beyond the eastern boundary of the borough in the London Borough of Haringey. The site is owned by Barnet Council and falls within the administrative area of Haringey Borough Council, as local planning and highways authority. Immediately to the north and in specific parcels adjacent is land owned by the North London Waste Authority (NLWA). As shown for identification on the attached plan, the site boundary includes Hollickwood Park to the west and the Freehold Community Centre.

The land owned by LB Barnet has been identified as having the potential for housing to be built and it is considered that circa 200 new residential units could be developed. A high-level master-plan including land owned by Barnet Council and NLWA will be submitted to Haringey's planning authority along with a planning application for the Barnet Council land only.

The masterplanning exercise has been commissioned, with some initial site surveys and due diligence completed. The Borough has been awarded a grant allocation from the Ministry of Housing, Communities and Local Government (MHCLG) of £1,500,000 to fund preparation of a planning application and is dependent on planning consent being in place by the end of March 2020.

This report seeks approval of the Strategic Outline Business Case so that the Council can progress the design and consultation of the proposed project. A planning application will be submitted in early autumn 2019. Barnet Homes will return to the Assets, Regeneration and Growth Committee to provide regular updates.

Officers Recommendations

That the Assets, Regeneration and Growth Committee:

- 1. Note and approve the Strategic Outline Business Case for the Pinkham Way project proposals, attached at Appendix 1.**
- 2. Approve the progression of the project to planning and outline business case stage.**

1. WHY THIS REPORT IS NEEDED

- 1.1 Barnet Homes has been commissioned by the council to act as development agent on behalf of Barnet Council to progress proposals for the design and consultation of a residential and mixed-use development at Pinkham Way (as shown on the attached plan). The potential development site includes an area of land previously occupied by sewage infrastructure, Hollickwood Park and Freehold Community Centre.
- 1.2 The attached Strategic Outline Business Case sets out the proposal to progress the residential design option for the site. It is anticipated that the project could deliver approximately 200 new homes along with a re-provided park and community centre.

- 1.3 A high-level master-plan including land owned by Barnet Council and NLWA will be submitted to Haringey's planning authority along with a planning application for the Barnet Council land only.
- 1.4 Consultants have been commissioned to survey the site in terms of its importance for nature conservation. The Phase 1 survey shows that the site can accommodate development without significant impact. However, a more detailed Phase 2 survey will be undertaken to accompany the planning application and the proposed development scheme will be designed to mitigate any impact.
- 1.5 The approval of the Strategic Outline Business Case by the Assets, Regeneration and Growth Committee is required in order to progress the proposed design ahead of submitting a planning application.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The ability to continue to construct new homes will help Barnet to mitigate further pressures on the general fund in meeting increasing temporary accommodation costs, deliver new housing supply in accordance with local, regional and national planning and housing policy as well as maximising value of existing assets and to optimise the use of scarce land resources. The ability to construct new homes will also enable those who require housing within London Borough of Barnet (and the London Borough of Haringey, subject to any final nominations arrangement) to be housed in accommodation which is fit for purpose.
- 2.2 Barnet Homes have delivered a new build residential scheme in the local area already and are currently on site with another, due to finish later this year.
- 2.3 The new affordable dwellings could be owned by the London Borough of Barnet and managed by Barnet Homes.
- 2.4 Subject to the approval of the Strategic Outline Business Case by the Assets, Regeneration and Growth Committee, Barnet Homes will be able to progress the submission of the planning application to London Borough Haringey in early Autumn 2019.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 All options are listed within the Strategic Outline Business Case report (Appendix 1).
- 3.2 Do nothing i.e. do not develop the site

3.2.1 This option would not contribute to the supply of new housing overall, or to the Council's ambition to build more homes. The existing site will require investment from the Council.

3.2.2 It should be acknowledged that this is the preferred option of some local residents.

3.3 Sell the site

3.3.1 Whilst this could deliver a capital receipt, the Council would be forgoing the wider economic benefits through the direct delivery of a housing development scheme.

3.3.2 It is likely any prospective sales receipt would be discounted significantly to take account of risk associated with the planning process, project viability arising from known site constraints and the lack of intrinsic value in its existing use.

3.3.3 Reductions in benefits to the Council, in terms of revenue savings. This includes savings by providing wheelchair accommodation for residents in need and temporary accommodation cost avoidance.

3.4 Redevelop the site for employment land

3.4.1 Redeveloping the site for employment land would be consistent with the Haringey Local Plan.

3.4.2 This option will be further considered as part of the project.

4. POST DECISION IMPLEMENTATION

4.1 Subject to Committee approval of the Strategic Outline Business Case, Barnet Homes will continue to work on the design of the scheme and engagement with local stakeholders.

4.2 A planning application will be submitted in early autumn 2019.

4.3 Barnet Homes will return to the Assets, Regeneration and Growth Committee to provide regular updates. The Council's Greenspaces team propose to advise Policy & Resources Committee that Holickwood Park is included within a feasibility study.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 Barnet Council's Housing Strategy 2015-2020 states that Barnet has the largest population of any London Borough with an estimated 393,000 residents in 2015. This is expected to grow by a further 19% over the next 25 years.

5.1.2 The London Borough of Barnet's LBB Housing Needs Assessment (HNA) has indicated that the Borough has a requirement for an additional 27,000 dwellings over the next 15 years and the GLA has set LBB a target of 3,134 homes per annum (or 31,340 homes by 2030). The recent Strategic Housing Market Assessment shows that there is a need to provide up to 3,060 new homes a year.

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

5.2.1 The Council are in receipt of a grant allocation from the MHCLG's Land Release Fund to the value of £1,500,000. This is included in the Capital Programme.

5.2.2 The grant funding is to enable the Council to achieve a planning consent by the end of March 2020. It is contingent upon land being owned by the local authority, the release of the land by 2020 and producing proposals that are deliverable.

5.2.3 There is the potential requirement to return the MHCLG revenue grant if planning consent is not granted by March 2020. To mitigate this, an experienced project team has been appointed to ensure capacity and capability to meet the project milestones, as well as regular monitoring of the project plan by the Project Board. The project board will identify alternative funding streams should the MHCLG grant need to be returned.

5.2.4 A construction cost consultant will draft a cost plan for each design stage. This will be incorporated into a development viability appraisal, both of which will be presented at Outline Business Case stage.

5.2.5 Should the project receive an outline planning consent, the Council's preferred funding route is to be determined and will be subject to approval at Outline Business Case stage by the Council's Policy & Resources Committee.

5.2.6 Barnet Homes has an established Development Team with the required experience to deliver this project.

5.2.7 Barnet Homes will manage the project in accordance with the LBB project management toolkit, which has been adopted for the delivery of this scheme. It incorporates monitoring and controls to ensure the project is delivered effectively and that budgets and programme are maintained and reported through the appropriate channels.

5.2.8 All expenditure will need to be recorded appropriately (i.e. between Revenue and Capital) with the grant matched accordingly to ensure adherence to accounting and audit regulations.

5.3 Social Value

5.3.1 Expected social value from this project will be:

- The provision of a sustainable development on an existing site with good public transport accessibility with access to local services.
- The opportunity to improve the local environment, to benefit existing and new residents.
- Potential for job creation and training through the construction process.
- Potential for job creation in new commercial spaces.
- Contributing to the housing needs of residents within London Borough of Barnet.
- Making savings in temporary accommodation costs through the ability to allocate to new homes for affordable homes.
- Helping to address the shortfall of available accommodation within the Borough.
- New affordable homes which will provide a higher quality of accommodation and greater level of security for households currently living in temporary accommodation and/or in poor private rented sector accommodation.
- Net increase in Council tax revenues (likely to be received by the LB Haringey).
- A much-improved street scene with a high-quality design.
- Improvements for health and wellbeing by better access to open space and amenity areas.

5.4 Legal and Constitutional References

- 5.4.1 Council Constitution, Article 7.5 states that Assets Regeneration and Growth Committee is responsible for asset management.
- 5.4.2 Any sale or lease of land including public open space will need to be advertised in a local newspaper for two consecutive weeks, and the replies to such advert will need to be considered by decisions makers in the process of deciding whether to dispose of any public open space.
- 5.4.3 Any terms attached to the grant by MHCLG's Release Fund will need to be adhered to.

5.5 Risk Management

- 5.5.1 The table below outlines the main risks that have identified for this scheme and the actions taken to mitigate against them:

RISK	PROBABILITY	IMPACT	TOTAL	ACTIONS TO MITIGATE
Not securing a resolution to grant planning consent by March 2020	4	5	20	<p>Establishing a clear project plan for the planning process including structured and clear liaison with key stakeholders.</p> <p>Establishing a communications plan as early as possible for engaging with the local community and stakeholders.</p> <p>Early and continued engagement with the Haringey local planning authority. This includes discussions regarding the Haringey Local Plan for developing land for employment use.</p> <p>Good project management and timely decision by the project team and the Project Board.</p>
Potential requirement to return the MHCLG revenue grant if planning consent not granted by March 2020	3	5	15	<p>Appointment of an experienced project team to ensure capacity and capability.</p> <p>Regular monitoring of the project plan by the Project Board.</p> <p>Identifying alternative funding streams should the MHCLG grant need to be returned.</p>
Identifying whether the project and development strategy is viable	3	4	12	<p>Undertaking a development appraisal including robust cost and property values analysis. Identifying potential gaps and issues in the viability and strategy and highlighting potential risk mitigation measures to the project board including grant funding. Ensuring satisfactory technical work and surveys are undertaken to inform both the cost plan and design work. Ensure the design evolution is regularly tested and separate professional disciplines connect to ensure a holistic approach.</p>
Over-spending on the costs to achieve a resolution to grant planning consent	3	4	12	<p>Ensuring formal fee proposals are in place with all consultants and technical specialists and their progress and performance is regularly monitored and carefully project managed.</p>
Stakeholder opposition to development	3	4	12	<p>Ensuring a clear stakeholder engagement and consultation plan is prepared and delivered.</p>

5.6 Equalities and Diversity

- 5.6.1 This report presents evidence on how increasing Barnet's supply of homes will benefit individuals and the Council.
- 5.6.2 Over recent years national increases in homelessness against a backdrop of welfare and benefit reform has affected all local authorities and social housing providers, but particularly those in London. The increased demand for housing has placed pressure on an already strained and limited housing supply.
- 5.6.3 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.
- 5.6.4 In Barnet, there was an 42% increase in new housing needs assessment applications between 2011/12 and 2016/17. In addition, there was an overall 21% decrease in letting within Council stock from 2011/12 to 2016/17 and Barnet has below levels of social housing on average compared to other London boroughs.
- 5.6.5 An Equalities Impact Assessment will be undertaken as part of the masterplanning process.
- 5.6.6 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.

5.7 Corporate Parenting

- 5.7.1 Barnet Council have a small number of care leavers in temporary accommodation. Increasing the supply of affordable housing is therefore a corporate parenting issue.

5.8 Consultation and Engagement

- 5.8.1 Consultation will be required with a range of key stakeholders where required by law.
- 5.8.2 Findings from consultation will form a central part of decision-makers consideration of project proposals and any subsequent policies. In considering the findings decision makers will consider the alternatives and all the countervailing circumstances including where appropriate the budgetary requirements when making their decision.
- 5.8.3 A full Consultation and Engagement Plan will be used to demonstrate how the council has consulted with its citizens at various stages of the project life cycle, and a library of evidence for the findings will be kept by the project team. Proper record-keeping encourages transparency and we will publish consultation findings with relevant council papers.
- 5.8.4 Prior to the planning application being submitted to London Borough Haringey (which itself will be subject to consultation), pre-application consultation will be undertaken in accordance with Haringey's adopted processes.

6.1 Insight

- 6.1.1 Barnet has 393,000 residents and this figure is expected to grow by 76,000 over the next 25 years; an increase of 19%.
- 6.1.2 The Council's Housing Strategy 2015-2025 identifies the need to increase housing supply and to deliver homes that people can afford. The Pinkham Way project will facilitate the delivery of new homes for affordable rent in the borough to meet housing need. The affordable rent will be set at 65% of the market rent, in line with the Council's affordable rents policy.
- 6.1.3 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. There are currently in excess of 2,700 households living in temporary accommodation which presents significant budgetary pressures for the Council.
- 6.1.4 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.
- 6.1.5 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.

7. BACKGROUND PAPERS

None
