Project Outline Business Case

164-168 Cricklewood Broadway "Cricklewood Junction"

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Contents

1. Introduction

Business Drivers

164-168 Cricklewood Broadway is a 184 sq m site located in Cricklewood Town Centre, in the London Borough of Barnet. The site is located approximately 5 miles north-west of Charing Cross. Located at the south-westernmost corner of Barnet, Cricklewood is one of the borough's seven main town centres and enjoys a diverse mix of retail, leisure and other uses. Cricklewood lies directly on the A5, which forms the boundary between the three boroughs which share Cricklewood – Barnet, Camden and Brent.

The site itself occupies a prominent location on the junction of the A5, where Cricklewood Broadway meets the A407 Cricklewood Lane. Formerly addressed as 2B Cricklewood Lane, the site is now known as 164-168 Cricklewood Lane following demolition of the existing building and reconfiguration of the highway to remove a 'dog leg' junction and support better traffic flow. The site is currently surrounded by metal palisade fencing.

The site sits within the boundaries of the Brent Cross Cricklewood scheme, which will see the development of a sustainable town centre, shopping centre, new Thameslink station and improved community and public facilities across 151 hectares.

Following demolition works, a propping structure was erected to support no. 164 Cricklewood Broadway, a neighbouring building currently owned privately. This structure is owned by LBB, with

an expected lifespan of five years from its establishment and takes up a large part of the site's footprint.

The existing site is an underutilised area in a key part of the high street, with the existing propping system unappealing to the eye. The Council retains an obligation to ensure the ongoing safety of the structural system, which is accompanied by significant revenue costs.

The Council is currently undertaking a significant programme of investment in Barnet's town centres, including Cricklewood. This aims to diversify the role of town centres, encouraging a broad mix of uses, delivering new houses and building an environment in which businesses can succeed.

With the latter in mind, a series of public realm improvements are planned across Cricklewood and elsewhere. These plans align with the Barnet Plan's "Thriving" theme, in ensuring that town centres are sustainable and encourage growth. The association with the Brent Cross Cricklewood regeneration programme is outlined in further detail in the section below.

The Cricklewood Junction project therefore aims to establish a long-term use for this site, which provides value to local residents and businesses, and complements the redevelopment works being undertaken to the town centre and existing highways.

The solution will need to be visually appealing, affordable both to deliver and manage, and make a positive contribution to the local area across a number of areas. These are captured as follows:

- Environmental value, including:
    - Urban greening opportunities
    - Pollution mitigation
    - Improved sustainability measures
    - Material efficiency
    - Future structural flexibility
- Social value, including:
    - Sense of place
    - Community cohesion and benefits
    - Provision of public space
    - Job opportunities
    - Permeability and anti-social behaviour preventions
    - Relationship with junction
- Economic value, including:
    - Revenue offer
    - SME affordability
    - Use mix and activation
    - Future development flexibility
- Deliverability, including:
    - Public perception
    - Buildability
    - Ownership and legal constraints
    - Programme risk
    - Planning

This document outlines a business case for the development of the site, considering options and presenting a chosen solution which meets the above objectives.

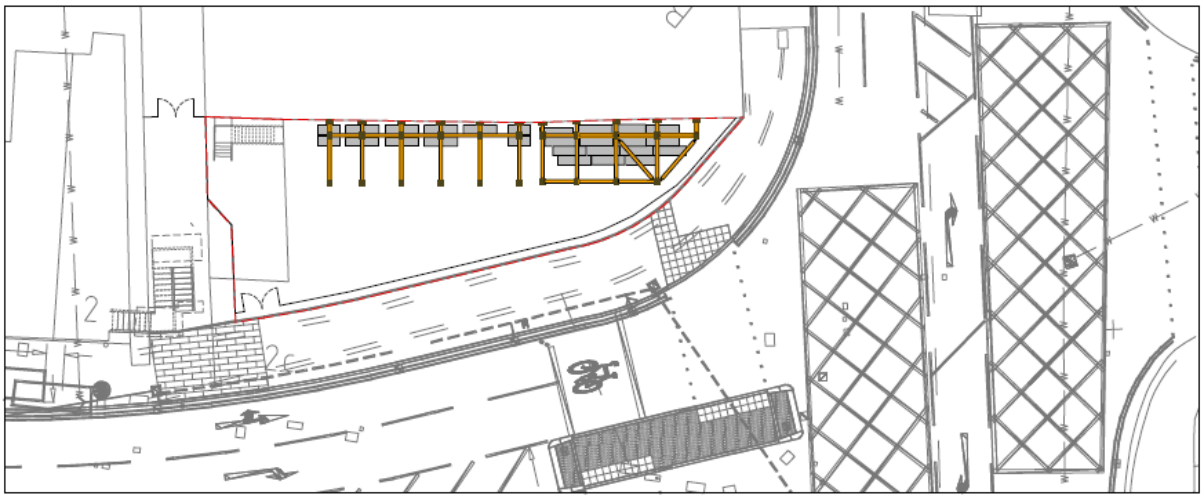

Fig 1: "As existing" plan of the site, showing new junction and propping system in place against neighbouring building.

2. Intelligence and Insight

The Council appointed Erect Architecture to assist with an initial feasibility study for the site, undertaking a full analysis of the plot and its constraints and opportunities as part of RIBA Stage 1. This section summarises this insight and its conclusions.

Site location, connectivity and context

The site is well connected by road, as well as train and bus stations. As such, it has the highest Public Transport Accessibility Rating of 6a. However, it is poorly connected to National and Local Cycle Routes and other car-free routes within the area.

In terms of open space, analysis highlighted a lack of greenspace, quality public realm and seating within Cricklewood Town Centre. The nearest public park is over a mile away, and there is little civic space in the near vicinity.

Local Plan and Brent Cross / Cricklewood Regeneration Area

Within the Local Plan, Brent Cross/Cricklewood has been identified as a major Opportunity Area and was therefore included as an important strategic project in both the London Plan and the Unitary Development Plan. It was defined as 'a major focus for the creation of new jobs and homes, building upon the area's strategic location and its key rail facilities.'

The Brent Cross Cricklewood scheme will see the regeneration of 151 hectares, making it one of the biggest such projects in Europe. It includes a modernised and extended shopping centre, the creation of a new high street south of the North Circular, and a new Thameslink station.

Included is 4.2m sq ft of new office space, an enlarged bus centre, major road improvement schemes, new pedestrian and cycle links, 7,500 new homes, community and educational space – including three new schools, new leisure spaces, high quality public realm and a range of new parks.

The site falls within the Cricklewood Regeneration Area and within an area of archaeological significance. It is within a core zone for retail space, whereby retail floorspace is encouraged to maintain the vitality and viability of town centres.

The Local Plan includes specific references to Cricklewood's night-time economy, and Policy CS6 deliberately states the importance of public realm improvements in supporting local retail.

Air quality

The site is located within an Air Quality Management Area (AQMA) that has been designated by the Council for exposure to exceedances of annual mean objectives for nitrogen dioxide and particulate matter.

Benefits of green spaces

Included within the feasibility work was a summary of a report which outlines the benefits of green spaces, including the following:

- Environmental benefits
    - Cooler air through shade and ground cover, with less heat retention
    - Less rainwater run-off through water infiltration, storage and pollutant removal
    - Better air quality through pollutant absorption
    - Climate change mitigation through carbon capture
    - Better bio-diversity/eco-system health by providing natural habitats
- Physical, mental health and well-being benefits
    - Lower obesity and better cardiovascular and respiratory health through space for exercise
    - Reduced stress, mental fatigue and attention deficit through the aesthetic experience
- Social benefits
    - Enhanced cognitive and motor skills and socialisation for children via spaces for play and challenge
    - Greater social interaction and community cohesion through inclusive, free space
- Economic benefits
    - Cost savings for government related to environmental and health expenditures
    - Increasing property and land value
    - Increased footfall through town centres, increasing income for retail and local businesses

The feasibility report concludes with a number of examples and precedents, covering parklets and innovative design solutions that minimise the visual impact of temporary propping systems.

3. Options Considered

"Do nothing"

The site is currently hoarded off to public access and safe in terms of pedestrians and integrity of the neighbouring building. In theory, the Council could choose to leave the site as is and simply maintain the current setup.

The benefits of this approach include:

- Limited immediate capital investment required

However, the dis-benefits are as follows:

- Ongoing cost of maintaining existing propping system, including renewal following expiry of five-year life cycle
- Public opposition to the visual appearance of the system and its impact on town centre aesthetics
- Lack of long-term solution for underutilised site, which does not contribute to Barnet's goals and objectives for the Borough

Development option

The Council has also considered a more comprehensive development option in terms of using the site for commercial, housing or a larger retail option.

Potential benefits here include:

- Significant income – either capital or revenue – through leasing of office space or sale of private housing
- Permanent solution to propping system, with structural integrity of neighbouring building secured for the long-term

However, the dis-benefits are:

- Significant capital investment required, with limited budget currently available
- Length of delivery programme is potentially prohibitive, requiring significant approvals from planning
- Potential disruption to key junction within Cricklewood area
- Limited contribution in terms of sustainability, air pollution and contribution to retail offering

The Council therefore commissioned Erect Architecture to undertake feasibility work (to RIBA Stage 1), exploring the potential design options for a parklet or pocket park which offers a retail and/or green space solution which also solves the long-term question of the propping structure. The proposed solution would need to meet the environmental, economic and other objectives as outlined in the PID.

The outcome from RIBA 1 was a decision to proceed with a "parade" design approach, in which a permanent propping structure supports the neighbouring building whilst housing micro-businesses, with supporting planting, paving and seating.

Jan Kattein Architects (JKA) were subsequently appointed to develop this design principle, provide design options to RIBA Stage 2 and provide financial information for each. High-level summaries of each and their operational/structural principles are provided below, along with key strengths and limitations of each.

Further details – including calculations for financial estimates – are included within the document "Cricklewood Pre-RIBA 2 Phase B Business Case", authored by JKA.

Option 1 – Local Retail Offer and Markets

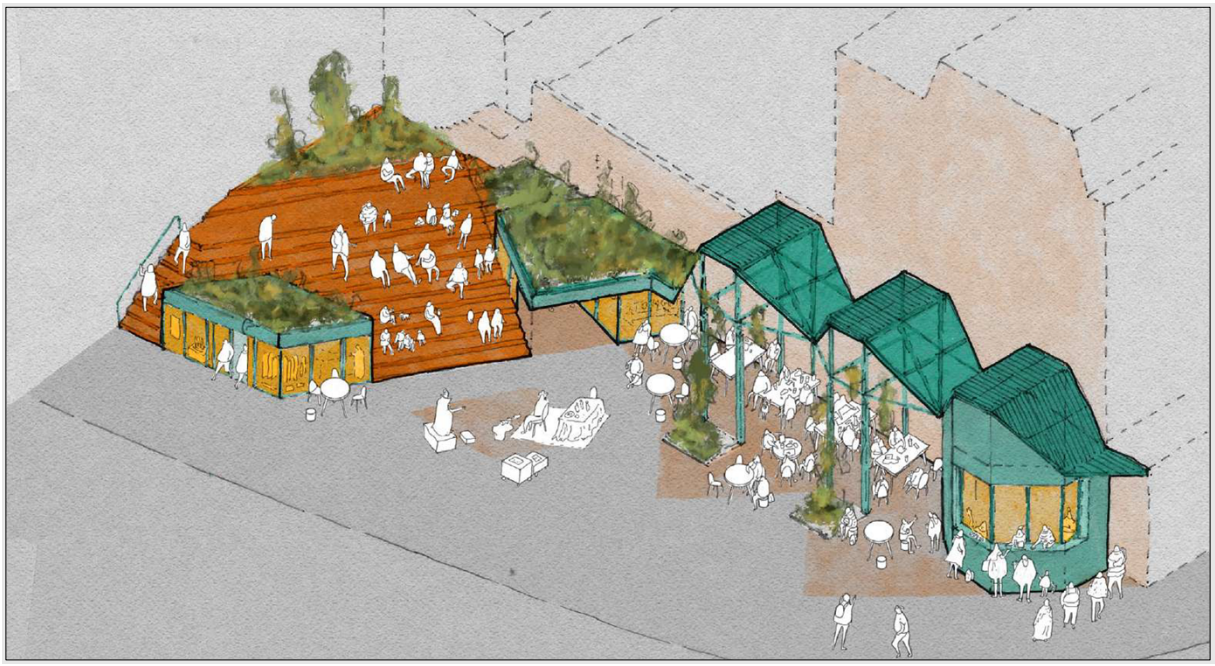

Fig 2: JKA representation of Option 1 – includes terrace-style seating, kiosks for small businesses, and greening

Operational principles	• 3 kiosks for local business, with opportunity for spill-out • Public amphitheatre and seating • Greening integrated within kiosk roofs and stepped terrace
Structural principles	• Party wall restrained by neighbouring structure (160-162 Cricklewood Broadway), enabled by invasive works
Strengths	• Allows large space for semi-formal events occupation, as less space required by propping • Offers most permanent structural solution, with flexibility around potential development in future • Structural works could begin ahead of park works • Visually most appealing, offering environmentally responsible repairs as opposed to visible remedial works
Limitations	• Significant potential legal/ownership/access risks associated with neighbouring owner – would need agreement and immediate engagement • Remedial works potentially affected by rights of access • No buffer offered between site and pavement

<u>Option 2 – Maximise Micro-Enterprise</u>

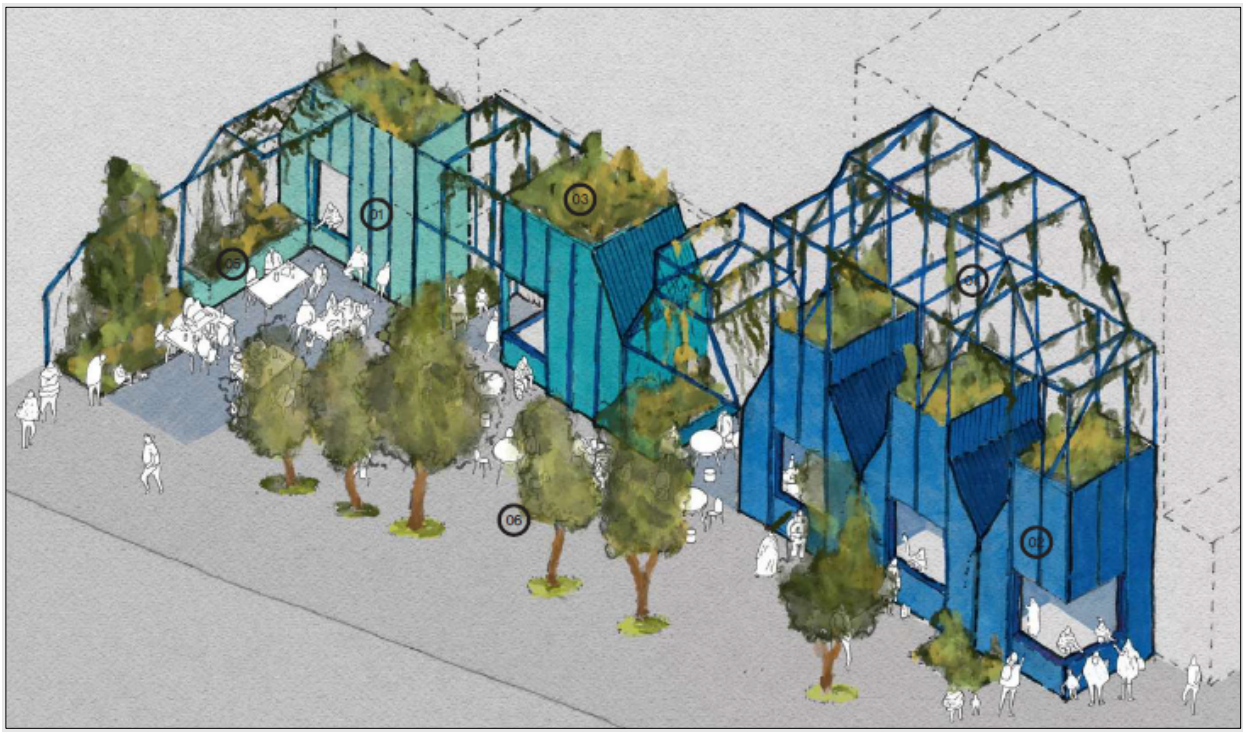

Fig 3: JKA representation of Option 2 – maximises micro businesses and adds green buffer to road

Operational principles	• Space for 4-7 micro-business plots • Greening in the form of vertical gardens/climbers green roofs and trees • Open space for congregation, with a green buffer to road • Variety of open and sheltered public spaces provided for activation
Structural principles	• Narrow propping frame integrated with 'micro terrace' typology, based on "parade" option • Structure can double as vertical gardens extending from deep green roofs and/or climbers
Strengths	• Soft buffer created to pavement by row of trees • Works do not require access to neighbouring site
Limitations	• Limited future flexibility for chosen option, including no option to expand or increase number of units • Potential for anti-social behaviour in design of recessed areas • External propping would be reliant on Party Wall • Comparable in aesthetic to existing propping solution, which has received negative response from local residents

<u>Option 3 – Maximise Public Space & Greening</u>

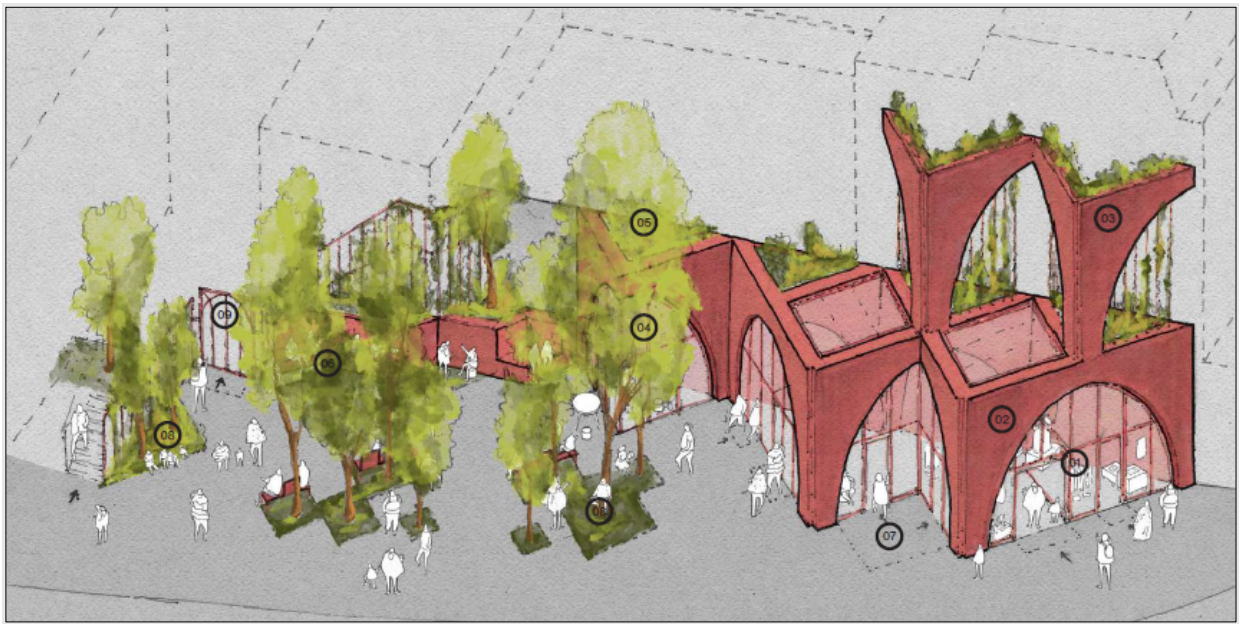

Fig 4: JKA representation of Option 3 – maximises public space and greening

Operational principles	• Maximises inhabitability of narrowest area of site, unlocking opportunities for greening and mature trees in the wider area • Structure can be subdivided to delineate space for traders at variety of scales • Space for 4 to 5 micro-business plots • Greening in form of vertical gardens/climbers/green roofs and mature trees
Structural principles	• Wide inhabitable propping structure, maximising usable space • Buttressing allows people to walk beneath structure • Can be used to integrate high level planting and climbers
Capital cost estimate	• £850,000
Annual revenue estimate	• £22,635
O&M budget estimate (2 years)	• £28,623
Strengths	• Prioritises high quality public realm and greening, providing most flexibility to integrate mature trees and SUDS • Space for 12 trees with broad canopies, offering maximum pollution mitigation • Structure is self-stable and not reliant on Party Wall, offering some flexibility in future • Structural strategy provides sense of permanence whilst maximising space for quality greening, unique vista and local landmark for area • Public space can be locked in the evening to prevent loitering, long views into site and glazed frontages reduce possibility of ASB • No access required to neighbouring site
Limitations	• More material required to form this propping structure • Retains some form of propping structure, although visually very different to existing

<u>Conclusions</u>

All 3 options were found by Jan Kattein Architects to be financially viable and broadly supportive of TFL and the Mayor of London's 'Guide to Healthy Streets Indicators'.

As the above analysis demonstrates, Option 3 was found to be most favourable both by JKA's detailed and quantified assessment, and when discussed by LBB's Steering Group. It was agreed that it best met the project's objectives as outlined above and in the Project Initiation Document.

Therefore, the case for this option is analysed in greater detail in the section below.

4. Analysis - Five Theme Model

Strategic Context

Administration Objectives

Option 3 fits into and supports the Council's objectives in a number of ways, including meeting some of the objectives outlined within the administration's manifesto, including:

- **Community** – including co-design and co-development with businesses, members, the local community and other stakeholders
- **Sustainability** – positive contributions in terms of planting, clean air and pollution mitigation
- **Local economy** – creation of space appropriate for local, small businesses, plus improvement to the aesthetics of a high-profile town centre space

Growth Strategy

Equally, the project meets many of the goals of the Council's Growth Strategy, including:

- A growing borough – supporting the number of new homes in the Brent Cross Cricklewood regeneration area through improved infrastructure, new jobs and public realm.
- A connected borough – contributing to healthier street design to encourage active travel and ensure town centres are cycle and pedestrian-friendly.
- An entrepreneurial borough – introduction of space for micro-businesses in prime retail space, ensuring the economy is strengthened post-pandemic.
- A borough of thriving town centres – supporting high street retail, encouraging a broad mix of uses and creating an environment in which local town centres can succeed.
- A great borough to live in and visit – including the introduction of social and events space, and adding green assets to the borough.

Social & Environmental Value – Economic Context

Social value

The social value of the project is demonstrated through the following:

- Community benefits and cohesion – widening open space, suitable for events and classes protected from the road by tree buffer, provides storage space and shading
- Permeability and anti-social behaviour – trees allow nominal hindrance of sight lines into site, public 'arcade' secured overnight to prevent loitering

- Provision of affordable commercial opportunities for local start-up businesses and entrepreneurs, including the creation of jobs
- Relationship with junction – creating a permeable buffer to the pavement with irregular tree planting and seating

Environmental Value

The environmental value of the scheme has been assessed against the United Nations' 17 sustainable development goals, and achieves against the following metrics:

- Improved sustainability measures – prioritising high quality green opportunities and ecosystem/biodiversity values
- Urban greening opportunities – including an intensive green roof, flower-rich perennial planting, rain gardens and vegetative DUFS, mature trees, climbers, and groundcover planting
- Pollution mitigation – space is provided for 12 trees including mature trees with broad canopies
- Material efficiency – a reduction in existing propping
- Visual perception – a complete departure from current unpopular aesthetic, creating a visual sense of permanency

Commercially Viable – Commercial Context

The project represents a strong opportunity to works contractors; despite challenges faced by the construction industry, it remains strong following the pandemic.

A robust procurement strategy will be developed following business case approval – an outline of this is included within this document, see Section 5.

It is anticipated that the Council will be able to run efficient and competitive tender exercises that provide value for money in terms of appointing further designers and subsequent works contracts.

From an income perspective, the project offers significant commercial opportunity to both the local authority and potential occupants of the kiosks, as follows:

- Revenue offer – provision of space for 4 kiosks for local businesses, with opportunity for spillout, maximises capacity of site
- Job opportunities – at least 9 job opportunities once project is complete, plus a number of opportunities throughout works
- Affordable options for SMEs – estimated monthly rental rates kept at commercial rates (see below)
- Use mix and activation – possibility for events and market space activation

Financially Viable – Financial Context

The project budget was initially identified at £825k by appointed architects and their cost consultants, as per the below.

Capital cost

The initial project costs are outlined below:

Works	**£453,000**

Contractor prelims (20%)	£90,600
Contractor OAP (10%)	£54,360
Design fees and surveys (15% + 5%)	£119,592
Risk / contingency (15%)	£107,633
TOTAL	**£825,185**
LBB staff costs (based on previous schemes)	£75,000
Additional technical assurance	£20,000
Optimism bias (40% of works)	£330,000
GRAND TOTAL	**£1,250,185**

When considering potential market fluctuations plus added Council costs (e.g. staff time, technical assurance) the **a**nticipated budget is **£1,250,185.**

The total figure is to be allocated from the Town Centres Investment Programme budget, as previously approved by Policy and Resources Committee in July 2021. As part of these approvals, £23.5m was allocated for town centres projects from the Strategic Community Infrastructure Levy fund.

Operation and maintenance costs

An initial estimate of annual maintenance costs for Option 3 is outlined below. This is to be further examined against existing LB Barnet maintenance contracts as the project develops.

Lighting maintenance	£5,120
Tree maintenance (large)	£2,500
Tree maintenance (small)	£1,050
Planter maintenance	Included in kiosk lease agreements
Waste collection (daily)	£5,475
Electricity – Public (lighting etc)	£166.56
Business rates (possible exemption)	Included in kiosk lease agreements
Kiosks – water	Included in kiosk lease agreements
Kiosks – electricity	Included in kiosk lease agreements
ANNUAL TOTAL	**£14,311.56**

Revenue

Potential income figures are included below. These are based on local benchmarking, and assumes that tenants would be brought in directly by the Council.

Kiosk	Area / SQM	People / Unit	Income PCM	Income Annual
1	7	2	£244.52	£2,934.24
2	20	2	£698.63	£8,363.54
3	20	2	£698.63	£8,363.54
4	7	2	£244.52	£2,934.24
TOTALS	**54**	**8**	**£1,886.30**	**£22,635.57**

Potential revenue and operational costs were estimated using available information by the appointed architects. These were then verified by Churchill and Partners, a London-based firm with expertise in the local commercial property market.

Churchill & Partners offered a range of advice in relation to the scheme's proposed units, including their design, leasing arrangements and lease values. Most importantly it was suggested that the above figures are modest, and a far greater sum (in excess of £50k a year) can be commanded.

Relevant approvals will be required at each stage ahead of confirmation of works contracts or the letting of units. A Full Business Case will be developed which will build upon this initial work, for approval through Capital Strategy Board and the Council's internal Gateway process. Further work will include review of void cost considerations, and ongoing engagement with the Council's Estates team to review.

Delivery – Can the organisation and partners deliver the project successfully

The project will be managed by the Council, with support from a chosen technical team (including designers) and contractors. Full resourcing is outlined within the Project Initiation Document.

Option 3 has significant benefits in terms of deliverability, including:

- Buildability – permanent propping can replace existing structure through appropriate phasing, e.g. being designed to thread through existing before removal
- Ownership and legal constraints – the works would not require access to the demise of the neighbouring site
- Programme risk – there are no unique risks to programme associated with this option
- Planning – site use mix is not currently perceived as controversial in policy terms, but will require some form of permission, likely minor works application

An initial programme for delivery is included below, and a live programme is included in the project's RAID Log.

Milestone	Timescale
Approval of Outline Business Case	January 2023
Appointment of Stage 3 design team	January 2023
Further consultation	February/March 2023
Submission of planning application	March 2023
Appoint D&B contractor	May 2023
Works commence on site	July 2023
Tenants and leases finalised	October 2023
Works on site complete	December 2023

5. Procurement

An indicative approach to key and upcoming procurements is outlined below:

Package	Approach	Timescales
Surveys – e.g. topographical, underground services etc.	Topographical surveys have been instructed and drawings received. Further surveys to be inform Stage 3 design to be dictated by planning advice.	Ongoing

RIBA 3 Design Services	Exploring potential extension to Stage 2 contract for architectural services and other design consultancy.	January 23
Technical Assurance	Explore whether SPIR or procurement exercise will be viable for QS/further technical assurance.	On appointment of further design services/contractor.
Main contract	Design and Build approach considered; design services appointment to cover documentation for works tender. The feasibility of making this appointment prior to any planning permission will be reviewed with the project and procurement teams.	To be undertaken following planning application.

Document Control

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Document History

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26 August 2022	V0.1	Original draft	Ryan Mann
9 September 2022	V0.2	Redraft following input from project team; addition of detail on programme and procurement	Ryan Mann
16 November 2022	V0.3	Additional detail following input from project team, external consultants and planning; for HAG submission January 2023	Ryan Mann
5 January 2023	V0.1	Final version to accompany HAG report	Ryan Mann

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