

**MEETING**

**ASSETS, REGENERATION AND GROWTH COMMITTEE**

**DATE AND TIME**

**MONDAY 17TH SEPTEMBER, 2018**

**AT 7.00 PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG**

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

Chairman: Councillor Daniel Thomas BA (Hons)  
Vice Chairman: Councillor Gabriel Rozenberg

Richard Cornelius  
Peter Zinkin

Ross Houston  
Geof Cooke  
Sara Conway

Kath McGuirk  
Alex Prager  
Sarah Wardle

**Substitute Members**

Paul Edwards  
Nizza Fluss

Alison Moore  
Laithe Jajeh

Nagus Narenthira  
Thomas Smith

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is 12 September at 10AM. Requests must be submitted to Faith Mwende - [faith.mwende@barnet.gov.uk](mailto:faith.mwende@barnet.gov.uk) 02083594917

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

**Andrew Charlwood – Head of Governance**

Governance Service contact: Faith Mwende - [faith.mwende@barnet.gov.uk](mailto:faith.mwende@barnet.gov.uk) 02083594917

Media Relations Contact: Gareth Greene 020 8359 7039

**ASSURANCE GROUP**

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### **FACILITIES FOR PEOPLE WITH DISABILITIES**

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# Decisions of the Assets, Regeneration and Growth Committee

14 June 2018

Members Present:-

AGENDA ITEM 1

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

Councillor Richard Cornelius	Councillor Sara Conway
Councillor Peter Zinkin	Councillor Kath McGuirk
Councillor Ross Houston	Councillor Alex Prager
Councillor Geof Cooke	Councillor Sarah Wardle

## 1. MINUTES OF THE PREVIOUS MEETING

**RESOLVED** - The minutes of the meeting of 12 March 2018 were agreed as a correct record.

## 2. ABSENCE OF MEMBERS

None.

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

Councillor Wardle declared a pecuniary interest regarding item 7 as she is a resident of the West Hendon development and also employed by BECG, who carry out some of the consultation work for the developer, Barratt.

Having declared the interest Councillor Wardle left the room during the item and did not take part in the discussion or the vote.

## 4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

## 5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

Stephen Brice, Chair of Pinkham Way Alliance, made a public comment in relation to the environmental designation of Pinkham Way- item 11 (Committee Forward Work Programme re Pinkham Way). Members asked questions following the comments, which were then answered by Stephen Brice.

John Cox made a public comment in relation to item 10 (Brent Cross Cricklewood – Update). Members asked questions following the comments, which were then answered by John Cox.

Jasmin Parsons made a public comment in relation to item 8 (Regeneration Strategy). Members asked questions following the comments, which were then answered by Jasmin Parsons.

Details of the written comments and questions, and the published answers were provided with the agenda papers for the meeting.

Oral responses were given to the supplementary questions at the meeting.

**6. MEMBERS' ITEMS (IF ANY)**

None.

**7. WEST HENDON COMPULSORY PURCHASE ORDER 2 & 2A (CPO2 AND CPO2A) COMMUNICATIONS UPDATE**

Councillor Sarah Wardle, having declared an interest left the room and did not take part in the discussion or the vote.

The Chairman introduced the report and invited discussion on the item.

Following consideration of the item, the Committee **unanimously RESOLVED: to note the communication activities undertaken regarding the West Hendon Regeneration Scheme attached in Appendix 1.**

**8. REGENERATION STRATEGY**

The Chairman introduced the report and invited discussion on the item.

Following consideration of the item, the Committee **unanimously RESOLVED to agree the proposed structure of the report, the emerging themes and the programme for preparation of the strategy.**

**9. END OF YEAR 2017/18 COMMISSIONING PLAN PERFORMANCE REPORT**

The Chairman introduced the report and invited discussion on the item.

Chairman agreed that Members who indicate they had questions regarding the information that was commercially exempt would receive responses in the private session. Further questions were answered at the private session

Following consideration of the item, the Committee **unanimously RESOLVED to note the finance, performance and risk information in relation to the Theme Committee's Commissioning Plan.**

**10. BRENT CROSS CRICKLEWOOD UPDATE REPORT**

The Chairman introduced the report and invited discussion on the item.

The Chairman invited Members to indicate whether they had any questions regarding the information contained in the exempt report, which would require the Committee to go into private session. These were answered in the private session.

Following consideration of the item, the Chairman moved to vote.

The votes were recorded as follows:

For	6
Against	0
Abstain	4

**The Committee resolved to:**

- 1. note the content of this report and progress made on the BXC workstreams across the programme as set out in paragraph 1.1;**
- 2. note that the CPO3 Order was confirmed by the Secretary of State on 15 May 2018;**
- 3. note that the Implementation Agreement for early works will be entered into with Network Rail imminently; and**
- 4. delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to finalise and approve the heads of terms in relation to the Funding Development Agreement (“FDA”) to be entered into between the Brent Cross London Partners and L&Q to deliver the relocation of the Part 1 Whitefield Estate and to authorise the Deputy Chief Executive to confirm that such agreement be completed as contemplated by and referred to in the Brent Cross North Property Development Agreement signed on 11 July 2016 as set out in paragraph 1.8.**

**11. COMMITTEE FORWARD WORK PROGRAMME**

The Chairman introduced the item.

**RESOLVED to note the items included in the Work Programme.**

**12. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

**13. MOTION TO EXCLUDE THE PRESS AND PUBLIC**

The Chairman moved the motion that was duly seconded to exclude the press and public.

The Committee **resolved – that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act (as amended).**

**14. EXEMPT - BRENT CROSS CRICKLEWOOD UPDATE REPORT**

The Chairman introduced the exempt report and moved to the vote.

The Committee **RESOLVED - that the information contained in the exempt report be noted.**

**15. ANY OTHER EXEMPT ITEM(S) THAT THE CHAIRMAN DECIDES ARE URGENT**

There were none.

The meeting finished at 8.55 pm





## Assets Regeneration and Growth Committee 17 September 2018

<b>Title</b>	<b>Brent Cross Cricklewood Update Report</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	Childs Hill, Golders Green and West Hendon
<b>Status</b>	Public with accompanying exempt report (Not for publication by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 as amended as this relates to information of a financial nature and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	Appendix 1: Station Delivery Programme
<b>Officer Contact Details</b>	Karen Mercer, Programme Director Re, <a href="mailto:Karen.Mercer@barnet.gov.uk">Karen.Mercer@barnet.gov.uk</a> , 0208 359 7563

### Summary

This report provides a progress update since the last Committee on 14 June 2017 on key areas of activity across the Brent Cross Cricklewood programme. In particular, it details the recent announcement by Hammerson to defer start on site on the Brent Cross London (BXL) development although work continues to achieve the necessary approvals needed to start on site.

The report also explains that the public sector partners are working together to update the Thameslink funding strategy by end of October 2018 in light of Hammerson's announcement. Good progress is being made on the detailed Implementation Agreement with Network Rail to deliver the Station and Sidings currently being negotiated. An update is provided within this report ahead of final consideration 27 November 2018 by this Committee.

## **Officers Recommendations**

### **Brent Cross London**

- 1) Note the content of this report and progress made on the BXC workstreams across the programme as set out in paragraph 1.3;
- 2) Authorise the Deputy Chief Executive to confirm that the Funding Development Agreement (“FDA”) be entered into between the Brent Cross London Partners and L&Q to deliver the relocation of the Part 1 Whitefield Estate as contemplated by and referred to in the Brent Cross North Property Development Agreement signed on 11 July 2016, as set out in paragraph 1.8.

### **Brent Cross South**

- 3) Authorise the Deputy Chief Executive in consultation with the Chairman of the Committee to agree the template documents as required by the BXS Project Agreement as set out in paragraph 1.17; to negotiate and confirm that the Council grant the necessary Infrastructure Licences to the development management company to undertake site preparatory and infrastructure works within Brent Cross South and where current leases have expired and it is agreed that the development management company take on responsibility for the land; and to vary the BXS Project Agreement as necessary to take into account the legal documents that have been subsequently entered into in respect of CPO 3 as well as points of clarification for the benefit of both parties.
- 4) Authorise the Chief Executive in consultation with the Chairman of the Committee to finalise and approve the heads of terms and confirm completion of the Strategic Infrastructure Charge Agreement as contemplated by the Project Agreement, as set out in paragraph 1.16.

### **Thameslink**

- 5) Subject to approval by HM Government and GLA, authorise the Deputy Chief Executive on behalf of the Council to negotiate and enter into the Long Lead Procurement Implementation Agreement, as set out in paragraph 1.34.
- 6) Authorise Officers to undertake a design integration study to assess how the WLO line (Dudding Hill line) could link into Brent Cross West Station. The £50k cost estimate for the study will be funded from the Thameslink budget, as set out in paragraph 1.54.
- 7) Authorise that the Deputy Chief Executive, in consultation with the Chairman of the Committee approve the terms of variation to the D B

**Cargo Settlement Agreement dated 4 August 2017 and confirm that such variation be completed, as set out in paragraph 1.45.**

**8) Authorise the Deputy Chief Executive, in consultation with the Chairman of the Committee to finalise the Network Rail Contract for Sale and associated documentation in accordance with the Heads of Terms attached to the Network Rail Deed of Undertaking signed on 12 September 2017 and confirm that the contract and associated documentation be entered into, as set out in paragraph 1.64.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 This report provides a progress update on the comprehensive regeneration of the Brent Cross Cricklewood area since the last Committee meeting on 14 June and seeks the required approvals to ensure that the project momentum is maintained.
- 1.2 It also outlines the work being undertaken by the Council following Hammerson's announcement to defer start on site on the Brent Cross Shopping Centre as set out in paragraph 1.4 of this report. Whilst the preferred station funding strategy set out in the Full Business Case approved by Policy & Resources Committee and HM Government is based on the ringfencing of business rates growth from the shopping centre development to date, the FBC also addresses the risk of delay by Hammerson and identifies possible mitigations. The public sector partners have agreed to work together to find an alternative funding solution by end of October 2018 to secure delivery of the station and BXS. The public sector partners agreed to continue to commit MHCLG grant to maintain momentum and in the expectation that a solution will be found as set out in paragraph 1.41 of this report.
- 1.3 The Committee is also asked to note:
- The content of this report and progress made on the BXC workstreams across the programme;
  - That Hammerson have deferred the start on Brent Cross Shopping Centre due to increased risks in the current market climate as confirmed in their corporate strategy update and 2018 Half-Year Results published on 24 July 2018. A revised programme is being worked up and an update will be provided to the next Committee;
  - That, the Brent Cross London (BXL) Partners have finalised the contractual arrangements with L&Q to deliver the CPO1 replacement homes for the Whitefield Estate and are intending to exchange following the Committee's authorisation for the Deputy Chief Executive to confirm completion.
  - BXS has submitted details of the temporary open space registered on 22 August 2018 and are due to submit planning applications for the next two plots (Plots 11 and 13) as well as a temporary open space application for submission by October 2018.

- The Council and BXS are putting in place the necessary legal agreements as contemplated by the BXS Project Agreement signed on 11 July 2016;
- The Council entered into the Early Works Implementation Agreement with Network Rail to deliver the early works for the Thameslink programme and also varied the existing Design Services Agreement to commence the GRIP 5 Detailed Design as shown on the programme attached at Appendix 1. The early works, which includes invasive species clearance and ground remediation, commenced on 23 July 2018 and will be completed by 21 December 2018.
- Good progress is being made on the detailed Implementation Agreement with Network Rail to deliver the Station and Sidings currently being negotiated. An update is provided within this report ahead of final consideration by this Committee on 27 November 2018.
- Subject to the approvals of the Assets, Regeneration and Growth Committee and the Policy and Resources Committee on 27 October 2018 and 11 December 2018 respectively, the Council will be asked to approve the funding strategy and capital commitment to deliver the station project and authorise entering into the Implementation Agreement with Network Rail on 18 December 2018.
- All three CPOs (CPO1, CPO2 and CPO3) are now free from legal challenge.
- The Council is now working with the BXC Development Partners to assemble the land so that the main works across the programme can commence in early 2019. It is envisaged that site preparatory works will commence within BXS in Autumn 2018 once vacant possession has been achieved within the Claremont Industrial Estate.
- The Council has issued the Housing Act 1985 Schedule 2 Ground 10A notices to council tenants within the Whitefield Estate on 6 July 2018. Following consultation with the secure tenants living on the Whitefield Estate, the Council intends to make an application to the Secretary of State for Ground 10A consent shortly.
- That, Officers are finalising the delegated powers report and supporting information to enable the Deputy Chief Executive to appropriate the Council-owned land for planning purposes across the land required for the first phases, subject to complying with the statutory procedures for such appropriation and obtaining any necessary consents.

## **Project Update**

### **Brent Cross London (BXL)**

- 1.4 The Committee will be aware of the recent corporate strategy update and 2018 Half-Year Results by Hammerson on 24 July 2018 in which it confirmed that the Brent Cross development is to be deferred due to increased risks in the current market climate. <https://www.hammerson.com/media/press-releases/2018-half-year-results/>
- 1.5 As reported to the Committee in March and June, the main construction works for the Brent Cross London (BXL) development (Phase 1A Infrastructure and the Phase 1B

Shopping Centre works) were expected to commence in early 2019 with a shopping centre opening date March 2023.

- 1.6 No updated programme has been provided. BXL Partners (Hammerson / Aberdeen Standard) are reviewing the BXL programme with their three main contractors alongside concluding the outstanding technical approvals. This integrated programme once available will be discussed with the Council and BXS JVLP, and an update provided to the next Committee on 27 November 2018.
- 1.7 The BXL Partners are preparing and submitting detailed information to satisfy the pre-commencement planning conditions which are required to be discharged before works can start. In addition, BXL are also submitting final approval in principle designs for the highways and bridge structures for approval by the Highways Authorities (LBB, TfL and Highways England) is anticipated sign off by November 2018 alongside the Section 278 Agreement. An update will be provided to the next Committee. This process has taken longer than expected due to the scale and complexity of the highway works as well as the need for additional survey work to inform the detailed design.
- 1.8 In respect of the delivery of the CPO1 replacement homes for the Whitefield Estate on Plots 53 and 54, the Committee will recall on 14 June 2018, approving that the Council enter into contract with the BXL Partners and L&Q. The Council is a party to this transaction in its capacity as freeholder of the relocation site and to ensure that the Council retains the necessary step in rights in the event of non-performance to protect its residents and to ensure the regeneration programme is maintained. The documentation is now agreed in line with the heads of terms approved by the Committee on 14 June 2018 and amendments proposed in the Exempt report. The Committee is therefore asked to authorise the Deputy Chief Executive to confirm this agreement be completed as contemplated by and referred to in the Brent Cross North Property Development Agreement signed on 11 July 2016.

### **Brent Cross South**

- 1.9 The reserved matters application for Phase 1B (South) for the first buildings on Plot 12 within Brent Cross South was unanimously approved by the Planning Committee on 21 February 2018.
- 1.10 BXS has submitted details for the Temporary Open Space (TOS) which is required to be provided under the terms of the outline planning permission to off-set the closure of Clarefield Park in the short term. This application was made on 22 August 2018. The TOS will be one of the first improvements to be delivered as part of BXS.
- 1.11 The RMAs (reserved matters applications) for plots 11 and 13 will be submitted by October 2018 to meet the deadlines in the outline planning consent for BXC. Applications will also be made to amend the masterplan to retain Claremont Road and allow a more pedestrian friendly route from the Living Bridge to Clitterhouse Playing Fields to be created.
- 1.12 Preparatory works are scheduled to begin in Autumn 2018 in respect of utility disconnections and demolitions within the BXS first phase area with main works on BXS commencing in 2019 with first residential completions expected in 2020. This is

dependent on the station project being commissioned in December 2018 and maintaining the Station opening date May 2022.

- 1.13 The preparatory works will focus on the BXS first phase proposal area. The Council will be required to secure and provide vacant possession of the Claremont Industrial Estate and Rosa Freedman building. The Council will be notifying tenants shortly.
- 1.14 Senior Officers also need to explore the options on how to invest the Council's Land Value to secure a long-term revenue stream. As reported to the last Committee a firm proposal will be reported to the Committee in due course.

### **Strategic Infrastructure Charge**

- 1.15 On 17 May 2016, the Policy and Resources Committee approved the "the principle of a Social Infrastructure Fund" to deliver strategic infrastructure within BXS. This is now known as the Strategic Infrastructure Charge (SIC). The principle of the SIC was incorporated into the BXS legal documentation signed on 11 July 2016 and the creation of this fund is one of the conditions precedent for the BXS Project Agreement going unconditional.
- 1.16 In order to satisfy the Strategic Infrastructure Funding Condition within the BXS Project Agreement, the Council needs to finalise the draft heads of terms, including the term loan period and the determination of the Market Rate. The Committee is therefore asked that the Chief Executive in consultation with the Chairman of the Committee finalise and approve the heads of terms and confirm completion of the SIC Agreement.

### **BXS Project Agreement**

- 1.17 The Council's legal advisors have been negotiating a number of template documents in accordance with the Council's obligations to do so pursuant to the BXS Project Agreement signed on 16 July 2016. These templates will be to be used as standard template documents to guide the development over the lifetime of the project. It is necessary for the Council and BXS JVLP to agree these documents ahead of start of the main works in early 2019.
- 1.18 These templates include:
  - 1) the form of the development plot lease for the grant of leases by LBB to developers of Brent Cross South (with associated collateral warranties);
  - 2) the form of the plot development agreement to be used as a standard template development agreement with the developer of each plot;
  - 3) the form of overage deed to be entered into with Argent Related developers;
  - 4) the funder protection acquisition deed if LBB purchases land within BXS, funded by Argent Related;
  - 5) reverse funder protection acquisition deed if JVLP purchases land within Brent Cross South, funded by Argent Related; and
  - 6) form of service charge lease, infrastructure lease and overall headlease to be granted to the estate management company when works are practically completed.
- 1.19 The Council and BXS are also agreeing the template form of the infrastructure licence to be granted by LBB to the development management company (DM) for the construction of infrastructure alongside the grant of infrastructure licences by LBB to the DM for land

within BXS where current leases have expired and it is agreed that the DM take on responsibility for the land. This is particularly relevant as the Council are in the process of securing vacant possession of the land needed for the BXS first phase. The Claremont Industrial Estate has been managed so that leases expire on 30 September 2018 to then enable the necessary site preparatory works and demolition to take place for a main start on site in 2019.

- 1.20 In addition to the above documents, the BXS Project Agreement needs to be varied to take into account the legal documents that the Council has entered into in respect of CPO 3 as well as points of clarification for the benefit of both parties and to reflect acquisitions within the BXS.
- 1.21 Consequently, the Committee is asked to authorise the Deputy Chief Executive in consultation with the Chairman of the Committee to: agree the template documents as contemplated by the BXS Project Agreement; to negotiate and confirm that the Council grant the necessary Infrastructure Licences to the BXS Development Management Company for land within BXS to enable infrastructure works to commence and where current leases have expired and it is agreed with Argent Related that the development management company is to take on responsibility for the land; and to vary the BXS Project Agreement to take into account the legal documents that have been entered into in respect of CPO 3 as well as points of clarification for the benefit of both parties in all cases acting in the best interests of the Council.

### **Brent Cross West Thameslink Station**

- 1.22 The Council is continuing to work with its public sector partners GLA, HM Treasury, Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Transport as well as Network Rail to deliver the new Brent Cross West Thameslink Station and associated infrastructure within the regeneration area.

### **Programme**

- 1.23 Having achieved the GRIP 4 milestone in February, the Brent Cross West delivery team have continued to work through the construction and logistics detailed programmes. A revised programme has been approved by the BXC Governance Board and is attached at Appendix 1. This programme clearly identifies that the main works on the rail systems needs to be contracted in December 2018 to enable a start on site in January 2019 so to meet the May 2022 station opening date.

### **Procurement and Delivery**

- 1.24 As the Committee is aware, the Thameslink Works programme is divided into a number of different work packages.
- 1.25 The Committee approved the Station Works Procurement Strategy on 24 April 2017. It then subsequently approved in principle that the Council procure Network Rail to deliver the Brent Cross West Station and Sidings on 12 March 2018. The Committee delegated authority to the Deputy Chief Executive to negotiate the detailed Implementation Agreement for consideration by the Committee in September 2018. <https://barnet.intranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9083&Ver=4>

1.26 An update on each of the work packages is provided below.

### **Station and Sidings Early Works**

1.27 On 27 November 2017, the Committee delegated authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to agree and take all necessary steps to enter into the Implementation Agreement with Network Rail to undertake the early site preparatory works to remove construction spoil alongside removal/treatment of vegetation and invasive species, a temporary haulage road and site clearance and remediation for the start of main works in January 2019.

1.28 The Council entered into the Early Works Implementation Agreement with Network Rail on 28 June 2018 and works commenced on 23 July 2018. Network Rail have procured the contractor Murphys through their procurement framework to undertake these works. Letters have been issued to lineside neighbours by Network Rail, and physical works are now on site and are due to be completed by 21 December 2018. Link to DPR: <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=6912>

### **Rail Systems Detailed Design (Grip 5)**

1.29 On the 27 November 2017, the Assets Regeneration and Growth Committee delegated authority to the Deputy Chief Executive in consultation with the Chairman of the Committee inter alia to agree to take all necessary steps to enter into Implementation/ Design Services/ Asset Protection Agreements with Network Rail to continue the GRIP 5 design and early work.

1.30 Following agreement by HM Government and GLA on 1 August 2018, the Council commissioned Network Rail to progress the detailed design for the rail systems element of the project to Network Rail's GRIP stage 5 to enable main works to commence on site in January 2019. Link to DPR: <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7007>

1.31 The agreed outputs are as follows:

- Drainage site surveys.
- Production of Approved for Construction designs for the rail systems and fuel farm element of the Project (GRIP 5 detailed Design)
- Network Change / Depot Change.
- Reservation of Possessions for the rail system works.
- Draft Contractor Agreement for the GRIP 5 to 8 construction phases of the rail system works.
- Draft Implementation Agreement.

1.32 The agreed programme for delivery of these outputs is 31 December 2018. Main works on the sidings and rail systems will then commence in January 2019. It is anticipated that the Sidings will be commissioned and operational by Christmas 2020 so to maintain the station opening date May 2022. Early contractor engagement had already commenced under the existing Network Rail Design Services Agreement (DSA) to minimise the amount of design rework required and ensure continuity in the design process.



## Station and Rail Systems Planning Approvals

- 1.33 The detailed design of the replacement rail sidings is being progressed. A drop-in application for the compound and associated facilities that are needed to operate the existing and relocated sidings was submitted on 24 August 2018. A further drop in for the sidings track layout and associated rail connections will be submitted by end of September 2018. The application for the station will follow early next year.

### Long Lead Items

- 1.34 To meet the May 2022 opening date, Network Rail require the Council to pre-order plant and materials that have a long lead time for order and manufacture to ensure delivery in time to meet the programme for completing the sidings and Train Operating Company (TOC) accommodation works. Delays to the pre-ordering may delay the opening date of Brent Cross West Station in May 2022.
- 1.35 Consequently, a Long Lead Procurement Implementation Agreement has been negotiated with Network Rail to secure only the essential plant and materials that have a long lead time and are required to meet the programme. The Agreement with Network Rail needs to be entered into by 18 September so that Network Rail can issue the Contract Award to their framework contractors / suppliers by 25 September 2018 for delivery by 30 April 2019.
- 1.36 The scope of works subject to this agreement are as follows:
- a) Direct orders with Network Rail for the south sidings works:
- Booking of trains required for 2019 south sidings works (note: Only the initial booking cost is included within this agreement – the cost for provision of the trains is to be covered via a separate agreement).
  - Booking of on-track machines for 2019 south sidings works (note: Only the initial booking cost is included within this agreement – the cost for provision of the on-track machines is to be covered via a separate agreement).
  - Switches & Crossings (S&C) Units - 113 BV8 concrete turnouts required for planned 2019 works.
  - S&C Units - 113 CV9.25 concrete turnouts required for planned 2019 works.
  - S&C Units - BV8 trap points for planned 2019 works.
  - Points operating equipment associated with the above new S&C.
- b) Procurement via Network Rail's Contractors:
- Commence procurement of Visual Display Unit (signalling) equipment (note: This is only for early supplier involvement in pre-January 2019 activities).
  - Commence procurement of Relocatable Equipment Buildings (signalling equipment) (note: This is only for early supplier involvement in pre-January 2019 activities).
  - Procurement of specialist Computer Aided Testing System (signalling equipment) system.
  - Procurement of critical signals and structures equipment.

- Procurement of critical lineside cables.
- Off-site fabrication of modular accommodation building for the Train Operating Company (currently Govia Thameslink Railway).

1.37 The long lead items will be funded using the Ministries of Housing, Communities and Local Government (MHCLG) Grant. Subject to approval by HM Government and GLA to commit to the £3.97m expenditure, the Committee is asked to authorise the Deputy Chief Executive on behalf of the Council to enter into the Long Lead Procurement Implementation Agreement.

### **Station and Sidings Main Works Rail Systems and Station Implementation Agreement and Funding Strategy**

1.38 To deliver the Station by May 2022 and secure the comprehensive development of Brent Cross South, the Council is required to enter into the Implementation Agreement with Network Rail on 10 December 2018 as shown on the programme at Appendix 1.

1.39 The Committee will recall that on 12 March 2018, the Committee approved in principle that the Council procure Network Rail to deliver the Brent Cross West Station and Sidings. The Committee also authorised the Deputy Chief Executive to negotiate the detailed Implementation Agreement (IA) for consideration by the Committee in September 2018. Good progress is being made. Negotiations are now well advanced and will be reported to the Committee for final consideration on 27 November 2018. A detailed report is being prepared for Policy and Resources Committee on 11 December to consider whether to make the required capital commitment to fund the station project.

1.40 Subject to those IA negotiations being finalised, the IA will be reported to the Assets, Regeneration and Growth Committee on 27 November 2018. This report will seek the Committee's recommendation to the Council to formally enter into contract with Network Rail and proceed with deliver the station project, subject to the Thameslink funding strategy and capital commitment being approved by the Policy and Resources Committee on 11 December 2018. This November report will detail the main contractual obligations and will provide the emerging cost estimate that has been subject to Network Rail's internal governance procedures.

### **Impact of Hammerson deferral on the Thameslink Station**

1.41 The Committee will recall that the Council's investment in the station is dependent on the BXL Partners commencing the shopping centre development (which secures the business rates growth that will support the borrowing costs). Following Hammerson's announcement to defer Brent Cross as set out in paragraph 1.4 of this report, this funding is not expected to be confirmed by December 2018, when the Council needs to enter into contract with Network Rail to maintain May 2022 opening date. Thus, an alternative funding solution needs to be agreed with HM Government and the GLA for the station. This scenario was identified as a risk in the Full Business Case approved by Policy and Resources Committee and HM Government in 2016. On 1 August 2018, the Government Assurance Board, comprising the Council, MHCLG, HM Treasury and GLA:

1. Reaffirmed public sector commitment to delivery of BX South and Thameslink
2. Confirmed commitment to finding a solution to the funding challenge;

3. Confirmed that LBB can continue to commit MHCLG grant, to maintain momentum and in the expectation that a solution will be found.

1.42 Discussions are therefore underway with HM Government, GLA and Homes England to agree a revised funding strategy by end of October 2018. An update on the Thameslink Funding Strategy will be provided to the Policy and Resources Committee on 23 October 2018 before being formally considered for approval on 11 December 2018.

### **Rail Freight Facility**

1.43 The Committee will recall that the planning application for the Rail Freight Facility (RFF) was approved by the Planning Committee on 8 February 2018 subject to referral to the Mayor of London. The Mayor issued his Stage 2 report on 29 May 2018 and the Council issued the planning decision on 10 May 2018.

1.44 DB Cargo are currently seeking to discharge the required planning pre-commencement condition to facilitate a revised start on site in September 2018 with a completion date no later than 1 June 2019. The Settlement Agreement with DB Cargo will need to be updated to reflect this change. This revised programme does not impact on the opening of the station in May 2022.

1.45 The Committee is therefore asked to authorise that the Deputy Chief Executive, in consultation with the Chairman of the Committee, approve the terms of variation to the DB Cargo Settlement Agreement dated 4 August 2017 and confirm that such variation be completed.

1.46 DB Cargo are also re-instating the regular dialogue meetings between DB Cargo and local residents to keep the local community updated on progress and ensure residents have the opportunity to raise any concerns or issues. The first meeting is in the process of being arranged and will update the local community and nearby residents on programme and next steps.

### **Waste Transfer Station**

1.47 The planning application for the Waste Transfer Station was approved by the Planning Committee on 5 September 2018. The application will now be referred to the Mayor of London. The Council has held public consultations and stakeholder sessions as well as meetings with local residents within LB Brent and Barnet to discuss this application as set out in the Communications and Community Engagement section of this report.

1.48 The Council is continuing to engage closely with NLWA throughout the design process and contractor selection to ensure that the new facility meets NLWA requirements as well as fulfilling the Council obligations to deliver the new facility as required through the legal documentation.

1.49 The Procurement Strategy to engage Grahams to construct the new facility through the existing Council procurement framework was approved by the Chief Executive in consultation with the Chairman of the Committee on 26 January 2018. The Council has now entered into a professional services contract for RIBA 4 technical design with the Council's framework contractor Grahams. A scoping document has also been issued to the LOHAC contractor for the highway improvement works. In addition, the Council has

now exercised the call option to acquire the Selco site to enable works to start in early 2019. An update will be provided to the next Committee.

### **Network Change**

- 1.50 As previously reported to the Committee, Network Rail are taking the lead as the project sponsor for the regulatory processes that must be followed when a material change is proposed to the operation of the rail network, such as providing the Thameslink Station and Stabling/Sidings. This process is referred to as 'Network Change'.
- 1.51 The Network Rail Sponsor issued the draft part 2, the 'Notice of Intended Scope' to the railway stakeholders. Final responses from the main stakeholders were received by Network Rail on 26 January 2018 and have been considered. The formal notice of intended scope is to be issued by the end of September with formal approval achieved by the end of November, subject to agreement of East Midland Trains (EMT) and Govia Thameslink (GTR) train operating companies, prior to the Council entering into contract with Network Rail through the Implementation Agreement.

### **West London Orbital**

- 1.52 As reported to the last Committee, the Council Officers have undertaken an initial review for the potential station on the WLO line (Dudding Hill line) to link into Brent Cross West Station. There are a number of options for configuring platform arrangements for a potential station.
- 1.53 Subject to Committee approval, the Council is proposing to undertake a design integration study to understand potential preliminary designs for the station that would integrate with the new Brent Cross West Thameslink Station. This would allow passive provision to be provided, if possible, within the Brent Cross West station. This review will also need to respond to other constraints such as the existing Brent Curve Junction and the Hendon Lines.
- 1.54 Consequently, the Committee is asked to authorise Officers to undertake a design integration study to assess how the WLO line (Dudding Hill line) could link into Brent Cross West Station. The £50k cost estimate will be funded from the Thameslink budget.

### **BXC Assurance Review**

- 1.55 As noted at the last meeting, the Council, along with its public sector partners commissioned an Assurance Review led by HM Government Infrastructure & Projects Authority (IPA). The review took place 27-30 November 2017. An action plan has been prepared to respond to the recommendations and is being progressed.
- 1.56 The Council is waiting for a follow up review to be scheduled to ensure compliance with the recommendations of the review, and gauge if any further areas should be explored.

### **BXC Land Assembly**

### **CPO1 AND CPO2**

- 1.57 The Secretary of State confirmed both CPO1 and CPO2 Orders on 7 December 2017. The required Confirmation Notices pursuant to Section 15 of the Acquisition of Land Act 1981 in respect of the Orders were published on 4 January 2018.
- 1.58 This commenced the relevant period for which third parties could submit a challenge to the decision. This period expired on 15 February 2018. On 13 February 2018, a claim was received challenging the validity of both Orders by the owners of commercial premises that falls within CPO2. The hearing date for the claim was set 5 July 2018.
- 1.59 The Claim against CPO1 was subsequently withdrawn.
- 1.60 The Claim against CPO2 was dismissed at the hearing on 5 July 2018 by Mr Mark Ockelton sitting as a Deputy High Court Judge, who ordered that the Claim be dismissed and that permission to appeal be refused.
- 1.61 On 23 July 2018, the Council entered into a Compromise Agreement with the Claimant as authorised by the Committee on 5 September 2016 which authorised the appropriate Chief Officers to enter into agreements and make undertakings, contracts and transfers on behalf of the Council with third parties having an interest in the CPO or for the creation of new rights or with parties otherwise affected by the CPO to facilitate the development. [Link to DPR: https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=6948](https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=6948)

### **CPO3**

- 1.62 The Secretary of State confirmed CPO3 15 May 2018. The required Confirmation Notices pursuant to Section 15 of the Acquisition of Land Act 1981 in respect of the Order were published on 7 June 2018, commencing the six week period within which third parties can submit a challenge to the decision. This period has now expired meaning that CPO3 is now free from challenge.
- 1.63 The Committee will recall that on 12 September 2017, the Council entered into a Deed of Undertaking with Network Rail in respect of CPO3 to secure the land needed to deliver the station and remove their objection to the Inquiry. Attached to the Undertaking were Head of Terms for the Council to acquire the Network Rail land and vary the existing Joint Venture Agreement between Cricklewood Regeneration Limited and Network Rail to reflect the BXS and Station delivery strategy.
- 1.64 The Council has exercised the option to acquire the shares in CRL as allowed under the BXN legal documentation so that the Council can enter into the Network Rail Contract for Sale to acquire Network Rail's land in accordance with Heads of Terms attached to the Deed of Undertaking. The Committee is asked to authorise that the Deputy Chief Executive, in consultation with the Chairman of the Committee finalise the Network Rail Contract for Sale and associated documentation in accordance with the Heads of Terms attached to the Deed of Undertaking signed on 12 September 2017, and confirm that the contract and associated documentation be entered into. This Contract for Sale will become unconditional on signing the Network Rail Implementation Agreement and when the station contract is let.

### **Land acquisitions under the Brent Cross Property Development Agreement and Co-operation Agreement**

- 1.65 As previously reported, at the meeting on 27 November 2017, the Committee delegated authority to the Deputy Chief Executive, in consultation with the Chairman of the Committee, to exercise the Council's call options under the PDA and Co-Operation Agreement with the BXL Partners to acquire the sites needed to facilitate the BXS and Thameslink Station projects. The authority was confirmed on 8 August 2018 and the options for the 2 Brent Terrace and Selco sites alongside the acquisition of the shares in Cricklewood Regeneration Limited have now been exercised. The link to the DPR: <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=6981>

### **Land Appropriation**

- 1.66 As previously reported to the Committee, the Council needs to dispose of land within its freehold ownership to the developers to deliver the regeneration of the Brent Cross Cricklewood area. Parts of the Council's land are subject to third party rights which could prevent the intended development and use of the land. The Council will, in conjunction with the CPO process, need to consider appropriating those parcels of land that have previously been held for other purposes to planning purposes prior to the commencement of development pursuant to s 122 of Local Government Act 1972. Once they are duly appropriated to planning purposes, section 203 of the Housing and Planning Act 2016 ("the 2016 Act") will operate to extinguish any private rights or covenants that might otherwise impede the implementation of the consented development. Compensation may become payable to those who can assert a valid claim that their rights are so extinguished and/or affected under s 204 of the 2016 Act.
- 1.67 In order to appropriate the land to planning purposes to enable section 203 to be engaged, the Chief Executive will need to be satisfied that the Council could have compulsorily acquired the land under section 226 of the Town and Country Planning Act 1990 ("the 1990 Act") and therefore that the proposed development, redevelopment or improvement of the land intended to be appropriated to such purposes is likely to contribute to the achievement of the environmental, social and economic well-being of the area.
- 1.68 On 12 December 2016, the Committee delegated authority to the Chief Executive to consider whether to appropriate to planning purposes Council-owned land within the red line planning application boundary for the scheme (Appendix 1 attached to the report) which is held by the Council for other purposes and, if considered appropriate to do so, to effect the appropriation of such land to planning purposes subject to complying with the statutory procedures for such appropriation and obtaining any necessary consents. Any decisions to appropriate particular parcels of land will be the subject of a delegated powers report at the relevant time identifying the land in question and evidencing compliance with the statutory requirements. It will also be necessary to obtain the Secretary of State's consent to the appropriation of certain categories of land (for example where land consists of a house or part of a house Secretary of State's consent will be required pursuant to Section 19(2) of the Housing Act 1985 or s 233(3) of the 1990 Act.).
- 1.69 The Council has undertaken the necessary consultation and statutory advertisements for any open space appropriation. The required notices for open space have been placed and no responses received. Now that the CPO1, CPO2 and CPO3 Orders have been confirmed and are free from legal challenge, the Council is finalising a full Delegated Powers Report explaining the reasoning for appropriating the land, and evidencing that

all the legal requirements as they apply to the various different types of land have been complied with.

## **Ground 10A – Whitefield Estate**

- 1.70 Ground 10A allows to the Council to seek possession of council properties in the event that a tenant refuses to take up an offer of alternative accommodation and leave their existing home. To prevent delays in the programme the Council may in certain circumstances ask a court for possession of existing homes. A court will only agree to the Council's claim for possession if the Council is able to make available to that secure tenant a suitable alternative home to live in.
- 1.71 The Council undertook the Ground 10A consultation with the secure tenants living on the Whitefield Estate from 6th July 2018 to 3rd August 2018. Ground 10A surgeries were held on 9, 14, 16 and 23 of July, and representatives from Re/LBB, PEP (Independent Tenant Advisor), Barnet Homes and L&Q were on hand to answer queries. The council also received written comments from several secure tenants and all expressed their support for the regeneration.
- 1.72 Following on from the Ground 10A consultation, the Council intends to make an application to the Secretary of State for Ground 10A consent shortly. As the Committee is aware, the Secretary of State needs to be satisfied that the scheme has planning consent and that the scheme can be delivered with the replacement homes for the affected secure tenants.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The comprehensive regeneration of Brent Cross Cricklewood is a long-standing objective of the Council and a key regeneration priority of the Mayor of London. The details of the scheme are set out in previous update reports to this Committee, most recently the report to the November 2017 meeting, which can be accessed on this link:  
<http://barnet.moderngov.co.uk/documents/s36613/121216%20-%20Final%20Draft%20BXC%20Update%20ARG%20Report%20v3.pdf>

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

- 3.1 Alternative options have been considered and these options are summarised in previous reports

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The Council and its advisors will continue to progress all work streams to ensure delivery of the Brent Cross regeneration proposals as outlined in this report and approved by the Assets, Regeneration and Growth Committee.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 Previous reports describe in detail the ways in which the regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 as updated.

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

### **Approved Capital Budget**

5.1.1 The current approved budget for land acquisition for 2018/19 and future years is £37.482m split £25.5m in 2018/19 and £11.982m in 2019/20.

### **Brent Cross London**

5.1.2 The Brent Cross Principal Development Agreement confirms that the BXL Partners are obliged to pay the Council's (and their consultants) costs in connection with this project – this covers a range of costs, including land acquisitions, fees, highways works.

5.1.3 In relation to CPO 1, there are two main elements of costs associated with any potential CPO process – the costs of preparing and promoting the CPO itself, and the compensation and consideration to be paid to those whose land and interests are acquired. In terms of the costs for resourcing the private treaty acquisitions, this has and continues to require input from internal and external resources covering various disciplines, including senior officers, legal input, surveying and valuation expertise. In respect of these acquisitions which fall in the northern part of the scheme, BXL will meet all of these costs through the CPO Indemnity Agreement (CPOIA).

5.1.4 The Council's 2018/19 revenue budget estimate for recoverable costs from the Brent Cross North elements totals £2.517m. This estimate has been provided to the BXL Partners.

### **Brent Cross South and Thameslink**

5.1.5 In relation to the land required to deliver the BXS first phase south side development, there is approved capital funding (see 5.2.2). This funding will be later recouped from the anticipated capital receipts of the south side scheme.

5.1.6 The BXS Project Agreement and corporate documentation between Argent Related and the Council as signed on 11 July 2016 sets the framework for the delivery of the redevelopment and regeneration of the land to the south of the North Circular.

5.1.7 The BXS Project Agreement also provides the methodology for agreeing the Council's land value, and in this regard CBRE have undertaken the necessary valuation work in respect of the signing off the inputs and assumptions to the financial model in respect of the BXS Phase Proposal. Best Consideration was confirmed by the Chief Executive on 24 November 2017.

5.1.8 A CPO Indemnity Agreement for CPO2 and CPO3, under which Argent Related provide the Council with an indemnity in respect of the costs of promoting the CPO and the compensation payable to third parties in respect of whose land and interests within CPO2 and CPO respectively has been completed.

### **Thameslink**



- 5.1.9 The current total approved Capital Budget for Thameslink is £70.516m Current spend to date (including expenditure committed but not yet paid) is £30.7m.
- 5.1.10 The delivery of the Thameslink works, including land acquisitions, is contained within the council's capital programme and partly funded by grant of £97m from the MHCLG. To date £33.6m has been received from MHCLG to fund project costs and land acquisitions. Following the completion of the GRIP4 and satisfaction of the conditions attached to the Grant Funding, the Council is drawing down funding on a quarterly basis. The next grant claim will be submitted to MHCLG for payment in early October.
- 5.1.11 Since the last Committee, the Council has commissioned Re to progress the station project (to be reviewed at the end of September 2018); signed the early works Implementation Agreement with Network Rail and exercise the land call options as set out above. Consequently, £63.4m of the approved Capital Budget has been spent or legally committed to external parties. In order to meet the May 2022 station opening, it is necessary to pre-order long lead in items for the station and rail systems in September totalling £3.97m MHCLG approval. This leaves a remaining budget of £3.146m. It will therefore be necessary to seek approval from the Policy and Resources Committee in October for an increase in the Thameslink budget by £5.75m to maintain project momentum. This is within the £97m grant funding being provided by MCHLG.
- 5.1.12 As explained above, the report to the Policy and Resources Committee on 11 June 2018 confirmed that a detailed report is being prepared for Policy and Resources Committee to review the funding strategy for the Thameslink project against the six financial tests agreed by that Committee to consider whether to make the required capital commitment to fund the station project. Work is underway on the funding strategy and discussions taking place with the public sector partners. An update will be provided to the Policy and Resources Committee in October before being considered in detail at the next Committee on 11 December 2018 to make a recommendation to Full Council on 18 December 2018.
- 5.1.13 In terms of the costs of pursuing the CPO, this has required input from internal and external resource covering various disciplines, including senior officers, legal input, surveying and valuation expertise, planning input, input from the preferred developer when selected, technical input from engineers and consultants, and the cost of witnesses at the public inquiry. There has also been costs associated with the organisation and holding of the public inquiry. This is being met by the existing Thameslink Station and land acquisitions budget. Ultimately, the CPO3 acquisition costs will be funded from either JVLP, if appropriate, or the £97m grant referred to above.

## 5.2 **Social Value**

- 5.2.1 As indicated in sections within this report, the Brent Cross Cricklewood programme will secure wider social, economic and environmental benefits.

## 5.3 **Legal and Constitutional References**

- 5.3.1 The Council's Constitution, Article 7.5 responsibility for function, states the functions of the Assets, Regeneration and Growth Committee, includes responsibility for regeneration schemes and asset management.

- 5.3.2 Council, Constitution, Article 10 Table A states that the Assets Regeneration and Growth Committee is responsible for authorising (1) all disposal and acquisition of land for over £500k and (2) any transaction which is a “less than best” transaction as the term is set out at s 123(2) of the Local Government Act 1972.
- 5.3.3 The Council has a range of powers to enter into the legal agreements envisaged by this report, including the general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 to do anything that individuals can do subject to any specific restrictions contained in legislation and Section 111 of the Local Government Act 1972 which provides that a local authority has power to do anything which is calculated to facilitate, or is conducive or is incidental to, the discharge of its functions.
- 5.3.4 Additionally, the Council has the power to acquire and dispose of land in accordance with Sections 120 to 123(2A) of the Local Government Act 1972, subject to obtaining all appropriate consents and approvals.
- 5.3.5 Where land is being and has been acquired or appropriated for planning purposes, any disposal of land appropriated for such purposes is effected in reliance on Section 233(3) Town and Country Planning Act 1990. On any disposal of property, the Council is required to observe the requirements of s123(2) of the LGA 1972 and Section 233 Town and Country Planning Act 1990 to ensure that any disposal is not for a consideration less than the best that can reasonably be obtained. Any land held for the purposes of part 2 of the Housing Act 1985 may be disposed of under section 32 of that Act either in reliance on a general or express consent of the consent of the Secretary of State if appropriate. Non-vacant Housing land intended to be appropriated to planning purposes requires the consent of the Secretary of State pursuant to s 19 of the Housing Act 1985. Housing land appropriated for planning purposes cannot be disposed of at less than best consideration.
- 5.3.6 Procurement of public works and services contracts over the relevant value thresholds must observe the requirements of the Public Contracts Regulations 2015, to include the placing of OJEU notices where such contracts are not drawn down from a compliant framework. The Public Services (Social Value) Act 2012 requires the Council to consider whether it can achieve an improvement to the economic, social and environmental well-being of an area as part of the procurement of these services. If so, the social value objectives identified must be written into the procurement process. All of this must be achieved with regard to value for money and in a way that is compliant with existing public procurement law. “Social value” objectives can include the creation of employment, apprenticeship and training opportunities for local people, trading opportunities for local businesses and the third sector; and the promotion of equality and diversity through contract delivery.
- 5.3.7 The Council is aware of the need for any funding which is supplied (by way of the SIC for example) to be made on terms which comply with state aid law (article 107 Treaty of the Functioning of the European Union) and as such any monies will be advanced on terms which reflect the approach of a private sector investor.

#### 5.4 **Risk Management**

- 5.4.1 Risk management has been applied across all levels of the programme. Owners and mitigation plans are identified and risks are measured against impact and likelihood to

give an overall rating. High rating risks are escalated and reported through the defined reporting procedure with top risks reported to BXC Governance Board. Currently the key risks and mitigations are summarised below:

- 5.4.2 Programme – There is a risk that BXL does not progress or that planning dates are not achieved across the programme. This risk has been identified in previous reports and the Council is working with public sector and development partners to ensure mitigation plans are in place. The funding risk to the station project because of BXL delay has always been recognised and as detailed in this report public sector partners are working together to agree an alternative funding strategy.
- 5.4.3 Station Delivery Date - There is the risk that the May 2022 station opening date cannot be achieved. This would result in additional costs due to programme prolongation as the earliest viable opening date would be December 2022 due to restrictions on timetable changes. This could be later depending on other works on the railway. Railway possessions are already being booked. To mitigate this risk there are project and programme review boards in place that regularly monitor and challenge deliverables at all levels. Specific project risks are identified and managed at the work package level with clear owners and mitigation plans for each. Any risk that results in an impact on a key milestone is reviewed by the programme team and BXC governance board taking into consideration time and cost implications.
- 5.4.4 Thameslink delivery costs – as with all major programmes there is the risk that costs will increase during programme delivery. The council intends to enter into an emerging cost contract with Network Rail which will require strong contract management to ensure all costs incurred are reasonable.
- 5.4.5 Residential – There is a risk that further delays to the Brent Cross North development will lead to uncertainty for residents and business owners who are being affected by the development either through relocation or disruption from construction activities. This is being mitigated through many communication activities and resident steering groups that have been setup specifically to keep affected parties up to date with the latest programme dates.

## 5.5 Equalities and Diversity

- 5.6.1 As previously reported, the Development Proposals support achievement of the council's Strategic Equalities Objective.
- 5.6.2 The development proposals for the Brent Cross Cricklewood scheme will make a significant contribution to the provision of additional, high quality affordable housing units in the Borough as well as providing employment through the creation of a new town centre with leisure, health and educational facilities. The delivery of the Thameslink Station will enhance public transport provision and improve accessibility and provide greater choice for all. It should be emphasised that a fully integrated and accessible town centre will be created as part of these proposals.

## 5.6 Corporate Parenting

- 5.6.1 None in the context of this report.

## **5.7 Consultation and Engagement**

### **Programme wide**

- 5.7.1 The Council is continuing to work closely with development partners from the Brent Cross London, Brent Cross South and Brent Cross Thameslink schemes to implement the overarching Brent Cross Cricklewood communications strategy which promotes the benefits, progress and coordinates stakeholder engagement across the whole programme.
- 5.7.2 Regular joint partner communications meetings are held, attended by the Council, Brent Cross Thameslink delivery team, Brent Cross London development partners Hammerson and Aberdeen Standard Investments and their communications agency Camargue; Argent Related and their communications agency Soundings as well as TfL and Highways England.
- 5.7.3 The Communications Group continues to promote the BXC regeneration programme through local, national and trade media and issuing factual proactive and reactive statements to journalist's queries and via owned social media channels.
- 5.7.4 Following Hammerson's half year announcement to defer start of the Brent Cross London scheme on 24 July, LBB has been working closely with Argent Related to ensure cohesive communications and engagement activities continue with key stakeholders and local communities for successful delivery of Brent Cross South and the Thameslink programme.
- 5.7.5 Over the summer months, there has been a sequence of community consultation and engagement activities continuing across the BXS and BXT schemes with particular focus on forthcoming planning applications that have since been submitted and others expected in coming months.
- 5.7.6 TFL lead Transport Liaison Technical Group – a sub-group of the Transport Advisory Group (TAG) – continues to coordinate planned highway works across BXC under review and the related strategic road network. This brings all the affected highways agencies, utilities and developers together.
- 5.7.7 The wider Brent Cross working group, hosted by TFL, comprises all parties who have proposed highways works coming forward in the next 6-12 months which may impact journeys and require a coordinated approach of mitigation and communication.
- 5.7.8 LBB's communications channels continue to feature progress reports and significant programme milestones including the council's magazine Barnet First and social media channels.
- 5.7.9 LBB highway's communication team which issues regular advisories on works across the borough, including updates on the BXC programme once works begin including raising awareness with schools and keeping members informed.

### **Brent Cross London**

5.7.10 On 24 July 2018, Hammerson, in its half year results to the London Stock Exchange, announced that it was deferring its proposed redevelopment of Brent Cross shopping centre, with no indication of an alternative start date offered. This generated a level of communications activity to ensure that key stakeholders - councillors, residents groups and interested parties were aware of the position.

5.7.11 In response to inquiries from the public, elected representatives and the media, Barnet Council issued this statement:

*“Whilst we are naturally disappointed that there will be a deferral in the works due to start at Brent Cross Shopping Centre, we welcome the long-term commitment shown today in the centre and overall scheme. Brent Cross is set to become North London’s top destination for living, leisure, retail and business. It is the biggest regeneration programme in Barnet and will deliver significant benefits for the borough and the capital.*

*“We remain focused on the delivery of a new mixed-use neighbourhood that will create a dynamic, new pedestrian-friendly high street of 6,700 homes and almost 3 million square feet of commercial space, including local shops and restaurants south of the A406.*

*“The new and existing communities will be supported by excellent transport links. The brand new Brent Cross West Thameslink station will link to central London in 12 minutes and there will be new and improved walking and cycle routes, with new open green spaces and community parks.”*

5.7.12 TfL continues to keep a watching brief on the proposed highways and infrastructure work as part of the BXL programme, responding in a reactive way only and continuing to work with delivery partners. They have retained their web page to inform customers of potential impact on their journeys as a result of highways works across the BXC programme which will be an important platform to inform of future works for BXS and BXT. <https://tfl.gov.uk/status-updates/major-works-and-events/northwest-london-major-roadworks>.

5.7.13 Bus travellers will be informed of any route changes and key transport stakeholders will also be advised to plan ahead to minimise impact including taxis, coach and freight companies.

### **Brent Cross South**

5.7.14 Argent Related and their agency Soundings have undertaken a number of community activities over the past three months with a primary focus on forthcoming planning applications for the temporary open space, plots 11, 13 and associated public realm and highways works. The sessions also informed the master plan which is currently being refreshed and expected later in the year.

5.7.15 A community newsletter was issued to 12,000 homes with a progress update on the scheme including the proposed buildings for plots 11 and 13 which are residential with some retail and community use at ground floor.

5.7.16 Public exhibitions for plots 11 and 13 took place on 14 July 2018 at Carey Hall and 17

July at Whitefield School which was the first time the community had the opportunity to view the proposed plans.

5.7.17 A further plan for the associated public realm was also exhibited. This included detailed plans of the roads and pedestrian/cycle routes within the immediate vicinity of plots 11 and 13. It demonstrated how the new plots will be accessed and connect to existing roads and routes in the local area and the living bridge across from the A406.

5.7.18 The newsletter also included an update on the Brent Cross Exploratory – the rejuvenated public space for the development. Walking interviews took place with the local community, workshops attended by Whitefield school students and the plans explored with Claremont Way residents. Whitefield Estate residents attended a community event in May to contribute ideas to the initial design for the temporary open space which will be installed next year.

5.7.19 A further community event took place on 10 June to share the plans and invite residents to help develop the TOS which has now been submitted to the local planning authority. Updates are posted on [www.brentcrosssouth.co.uk](http://www.brentcrosssouth.co.uk)

5.7.20 A two-day community event ‘The Big Outdoors’ was due to be held at Clitterhouse playing fields on 28 and 29 July. Unfortunately the second day had to be cancelled at short notice due to an expected storm.

### **Brent Cross Thameslink (BXT)**

5.7.21 In preparation for work on BXT site, Network Rail issued a letter in May to lineside neighbours to raise awareness of the early works which are due to begin in June. These groundworks began in July to prepare the site for the replacement driver accommodation and the railway siding which will service the new station by removing invasive species such as Japanese knotweed.

5.7.22 A community newsletter updating on all aspects of the BXT programme was issued to 42,000 homes and key stakeholders the development area in June. It included details of forthcoming public exhibitions where the public could view plans for the sidings applications for the first time and an update on the new Brent Cross West station. The local community and key stakeholders had the opportunity to meet the delivery team, ask questions and share views during the consultation events.

5.7.23 In total, three events were held. A localised event was held at Claremont Free Church on 21 June for nearest line side communities to the BXT site including Claremont Road, Clitterhouse Crescent and Brent Terrace.

5.7.24 Two additional public invitation events were held 26 June 2018 in Barnet and 3 July in Brent. The first sidings planning application for the replacement drivers’ accommodation is currently open for formal public consultation on the Barnet Council planning portal.

5.7.25 It is expected that the second sidings planning application for the realignment of the rail track to serve the new Brent Cross West station and Midland Mainline will be submitted to the Local Planning Authority for determination in the coming weeks.

### **Brent Cross West Station**

- 5.7.26 During the summer public consultation events, the issue of full accessibility was raised and whether the new station would be wheelchair accessible from pavement to train with level roll on access.
- 5.7.27 The current Brent Cross Thameslink team design is fully compliant with Network Rail's standards and design guidelines which requires accessibility from pavement to platform. Due to the complex mixed use of the Midland Mainline and the restrictions of permitted derogation from Network Rail standards, the BXT team has written to Network Rail to seek guidance on how the aspiration of a fully accessible station can be achieved.
- 5.7.28 It is currently not clear what may be possible as this determination is usually considered at detailed technical design stage which is undertaken post planning consent.
- 5.7.29 The Council and BXT team remain committed to seeking the best possible solution for all customers. We will be working with the key delivery partners and the Consultative Access Forum to set up a series of meetings with Network Rail and passenger train operating company GTR to explore options prior to submission of the station planning application for determination.

### **Waste Transfer Station**

- 5.7.30 Additional information for the replacement waste transfer station has been available for public consultation during July and August on the LBB planning portal. Ward councillors were invited to briefings on the detail. The BXT team and key specialists met on site with residents' groups and interested individuals to talk through the planning application and address concerns.

### **Rail Freight Facility**

- 5.7.31 DB Cargo as operators of the Rail Freight Facility, is due to meet with residents this month to set out its proposed schedule of construction. Previously they have committed to undertake regular engagement with residents to keep them informed of progress of build and future operation of the site.

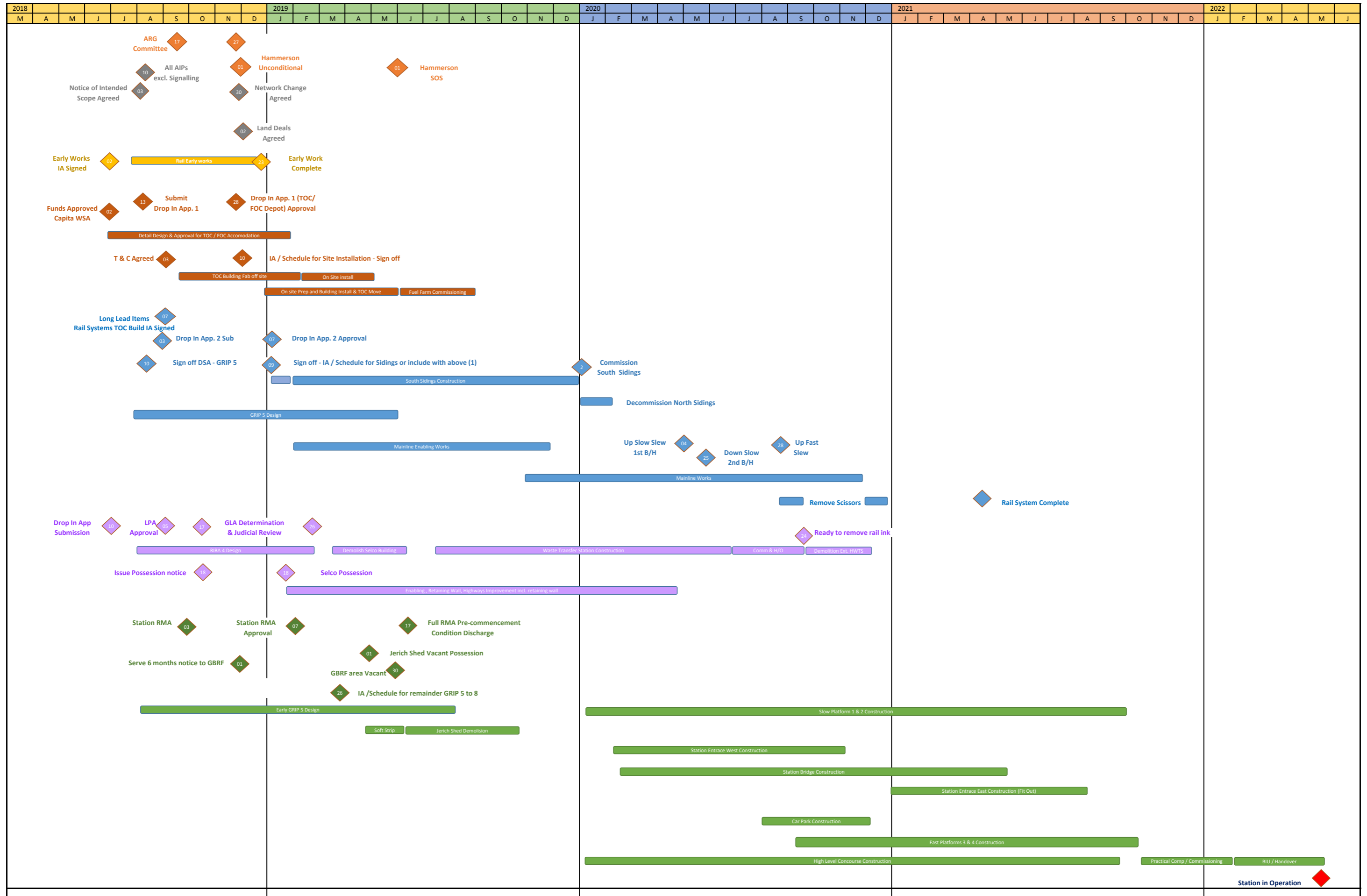
## **6. BACKGROUND PAPERS**

- 6.1 Assets, Regeneration and Growth Committee, 17 March 2016, item 14, Brent Cross Cricklewood Compulsory Purchase Order (No.3), <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8312&Ver=4>
- 6.2 Assets, Regeneration and Growth Committee, 17 March 2016, item 16, Brent Cross Cricklewood <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8312&Ver=4>
- 6.3 Assets, Regeneration and Growth Committee, 24 April 2017, Brent Cross Cricklewood Update Report <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8641&Ver=4>

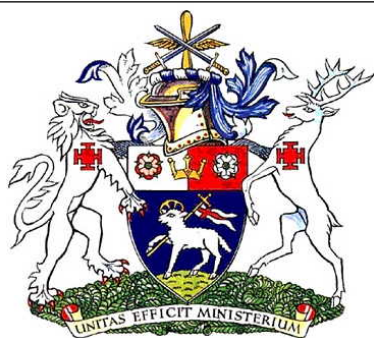
- 6.4 Assets, Regeneration and Growth Committee, 24 July 2017, Brent Cross Cricklewood Update  
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9337&Ver=4>
- 6.5 Assets, Regeneration and Growth Committee, 4 September 2017, Brent Cross Cricklewood update report,  
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9080&Ver=4>
- 6.6 Assets, Regeneration and Growth Committee, 27<sup>th</sup> November 2017, Brent Cross Cricklewood Update Report,  
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9435&Ver=4>
- 6.7 Assets, Regeneration and Growth Committee, 12th March 2018, Brent Cross Cricklewood Update Report,  
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9083&Ver=4>

Assets, Regeneration and Growth Committee, 14<sup>th</sup> June 2018, Brent Cross Cricklewood Update Report,





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## Assets Regeneration and Growth Committee

17 September 2018

<b>Title</b>	<b>Mixed tenure housing programme</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	Yes
<b>Key</b>	Yes
<b>Enclosures</b>	Appendix 1 – Status report on housing pipeline sites
<b>Officer Contact Details</b>	Susan Curran – susan.curran@barnet.gov.uk Paul Shipway – paul.shipway@barnet.gov.uk

### Summary

This report seeks approval for a revised approach to the development of council-owned sites identified in this report for the provision of mixed tenure housing. It recommends commissioning The Barnet Group, to be the preferred developer for such sites in addition to their current programme of affordable housing delivery. The initial tranche of sites commissioned for development would include land at Moxon Street, Coppetts Rd, Hermitage Lane, Whitings Hill and Northway Fairway. The report further recommends in principle that land adjacent to Broadfields School is disposed of at full market value, and requests officers to work up detailed proposals for consideration by the Committee in November.

### Officers Recommendations

1. That Committee agree the delivery proposals for mixed tenure housing schemes as set out in paragraphs 1.17 – 1.19 and 1.21
2. That Committee agree to The Barnet Group becoming the council's preferred development partner for the delivering of mixed tenure housing on council

**owned sites, beginning with the “Tranche 1” sites listed in paragraph 1.18 and Hermitage Lane.**

- 3. That Committee agree in principle to the disposal of the site adjacent to Broadfields School at full market value. The terms of the disposal will be reported back to Committee in November 2018.**
- 4. That Committee agree to officers exploring the benefits and risks of transferring Hillgreen Homes into the ownership of The Barnet Group**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The council has an extant housing delivery pipeline of 320 affordable units, which are being delivered by TBG Opendoor Ltd / Opendoor Homes (ODH), a Registered Provider (RP) and subsidiary of Barnet Homes, the Council's Arms Length Management Organisation (ALMO). The Council also has a wholly owned company, Hillgreen Homes, which although a legal entity has yet to be utilised for its intended purpose of owning and selling private sale housing units.
- 1.2 In addition to this, the Committee agreed on 16 March 2015 that five sites should form the first tranche of a development programme for mixed tenure homes (Tranche 1). This was known to be the Development Pipeline pursuant to the DRS Contract as defined in the LIP and Development Fees Proposal Paper (27.08.15) and related Special Project Initiation Request (SPIR). The preparatory work to bring these five sites forward to planning consent and to appoint a contractor developer was undertaken by Regional Enterprise Ltd (Re). Although four of the schemes obtained planning consent, there has been some delay progressing these associated with the assessment of viability. Re has subsequently relinquished its rights to deliver these sites and confirmed that the council can take responsibility for the development.
- 1.3 The council has accordingly explored alternative delivery options. Given the changed financial position, and the importance of achieving maximum benefit from the council's assets, Savills have been commissioned to analyse the benefits and risks of a wide range of possible approaches. The work by Savills is supportive of the principle of The Barnet Group being the council's preferred development partner for mixed tenure schemes however further work is now required to explore whether this should be through Opendoor Homes (ODH) or whether there are any benefits to transferring Hillgreen Homes into The Barnet Group. Hillgreen Homes, is a council wholly owned company, set up in 2016 to own and sell private sale units.
- 1.4 This report is urgent in the light of the imminent Court proceedings relating to the one of the tenants on Hermitage Lane.
- 1.5 The Barnet Group has indicated a willingness to become the preferred development partner for the council. The Group's business plan identifies the delivery of 750 new

homes into the Registered Provider (RP) by build or acquisition by 2021. In the revised business plan, due later this year, that target is likely to be further increased.

- 1.6 A status report showing progress against all of the schemes currently being progressed as part of the wider housing delivery programme is provided in Appendix 1.

### **Governance process**

- 1.7 A new governance process for decision making in relation to housing sites is now proposed to make sure that the best delivery route is agreed for particular sites. Housing sites are defined as those agreed by Capital Strategy Board to be best suited to the delivery of housing or housing led mixed use schemes. Recommendations as to the route to be employed will be made to the Committee, on a case by case basis. The main delivery routes are set out below:

- Delivery by The Barnet Group (default route)
- A joint venture approach between the council and a partner related to the site
- Disposal of the site

- 1.8 As part of maximising the value of the council's estate, alongside more traditional developments in partnership with or by selling to private developers, the council may also explore offering long-leases for sites. Specialist developers can then bid for the lease, build-out the site and then hand back all assets to the council at the end of the lease period with the Council retaining the reversionary freehold interest in the Site long term.

### **The Barnet Group proposal**

- 1.9 Opendoor Homes was created in 2017 as an independent registered provider, registered with Homes England. to develop new homes for affordable rent which gave a number of advantages to both the council and ODH:
- The ability to create a variety of revenue streams for the council including through arrangement fees, on-lending margins and payment of dividends
  - Ability to make direct use of Right to Buy receipts and commuted sums as subsidy
  - The Barnet Group to become asset owning and therefore able to lever further funding in once equity in the stock has been achieved
  - To improve the financial resilience of The Barnet Group
- 1.10 ODH is a wholly owned subsidiary of Barnet Homes, which in turn is a subsidiary of The Barnet Group which is wholly owned by the council. The council can only exercise powers over ODH by attaching terms to any lending agreements.
- 1.11 The initial programme of 320 homes of affordable rent across 21 sites has already been supplemented by 10 more homes across various "microsites". A further business case a second phase of the microsites programme is being considered by Assets and Regeneration and Growth Committee as a separate agenda item. The sites being developed across the whole portfolio range from a single bungalow up to a thirteen storey 50 home tower block in East Finchley. It is expected that all of these homes will be on site this calendar year with first completions starting this month.

- 1.12 The Barnet Group is developing a reputation for delivering quality homes on often difficult brownfield sites and has created a number of strong partnerships with architects, employers agents and constructor/developers to support this delivery.
- 1.13 With right to buy receipts now largely exhausted, the ability to fund further 100% affordable programmes is limited. In order to maintain momentum and growth of its development function The Barnet Group needs to develop a sustainable forward programme of delivery of which mixed tenure development could be a key part.
- 1.14 Commercial partners are keen to work with The Barnet Group and see the relationship with the council and the availability of public land for development as a both a strength and opportunity.
- 1.15 As set out in paragraph 1.3 above, further due diligence is required to understand the most beneficial route for delivery within the Barnet Group, whether this is through ODH or whether the council transfers Hillgreen Homes into The Barnet Group.
- 1.16 Site by site delivery recommendations will include a recommendation as to the nature of the contractual relationship between The Barnet Group and construction partners but in the majority of cases The Barnet Group's approach to mixed tenure/estate development is likely to be risk and reward based partnerships with medium sized culturally aligned constructor/developer partners who would bring the working capital, commerciality, build efficiency know how and sales marketing experience to the partnership. In the future The Barnet Group may choose to self-deliver smaller sites in the future. The Barnet Group will seek to fully self-fund forward development including purchasing land or wider s106 opportunities once a level of funding has been generated by the business.
- 1.17 A key benefit of delivery through The Barnet Group is the potential for the council to choose how it receives its return on investment – this could deliver revenue outcomes (through an annual dividend payment or revenue income streams from private rented products) as well as traditional capital returns from a land receipt, or a combination of these. This is subject to these being taken into account for statutory purposes. This will be further explored as the business cases are revised.
- 1.18 Committee is asked to agree that The Barnet Group are confirmed as the council's preferred delivery partner of default for both affordable and mixed tenure schemes, however in some circumstances the council reserves the right to choose one of the other options for delivery based on the findings of initial feasibility work.
- 1.19 On this basis it is recommended that Committee approve that the following four sites (formerly agreed as part of Tranche 1 of the Development Pipeline in March 2015) can be taken forward by The Barnet Group:
- Moxon Street,
  - Northway Fairway
  - Whitings Hill
  - Coppetts Road

- 1.20 These schemes will be reviewed by The Barnet Group with a view to taking detailed proposals to Planning Committee and bringing more detailed business cases for each site to Assets, Regeneration and Growth Committee in due course.

### **Broadfields**

- 1.21 As discussed, in light of the council's financial position, it is proposed to sell one of the sites for a capital receipt and, if appropriate to capture any incremental land value, post disposal. It is therefore recommended that Committee approve the sale of Broadfields at full market value and that detailed proposals are reported to Committee in November. The site has received interested from local groups seeking to deliver mixed use development.

### **2-10 Hermitage Lane**

- 1.22 In July 2017 the Assets, Regeneration and Growth Committee agreed for a mixed tenure development at 2-10 Hermitage Lane to be progresses. Subsequently the Barnet Group were commissioned to undertaken the feasibility work and take forward the scheme to planning. The outline business case for this development will be considered by Committee under a separate item, however it is recommended that Committee agree to The Barnet Group progressing this scheme subject to approval of a full business case in due course.

### **Future Pipeline**

- 1.23 In addition there is a future pipeline of council owned sites for which business cases will be submitted to Committee in due course.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 As reported to Performance and Contract Management Committee on 27 November 2017, development of the five sites that formed part of Tranche 1 has been on hold since the viability issues were identified. Re has relinquished its rights to deliver these sites and the council is now in a position to be able to take these forward.
- 2.2 The council is also taking legal action to secure vacant possession of Moxon Street and Hermitage Lane.
- 2.3 On 1st March 2016, Council approved the creation of a wholly owned council housing company to develop and own private sale homes. This decision was subject to the Policy and Resources Committee further agreeing the business plan prior to the wholly owned housing company commencing trading. Although the company was registered at Companies House with the name Hillgreen Homes, due to the delays to bringing forward housing for sale, the company has not commenced trading. It is recommended that officers explore the benefits and risks of transferring Hillgreen Homes into the ownership of The Barnet Group.

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

- 3.1 The options considered but not recommended remain the same as reported to Assets, Regeneration and Growth Committee on 16<sup>th</sup> March 2015 as part of the original outline business case for the five Tranche 1 sites. The first option is to market all of the sites for residential development with the benefit of planning permission, and the second option is

for the council to deliver the sites itself. The reasons why these aren't recommended remain unchanged.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 The Barnet Group will progress the work necessary to support the revising of the business cases for development of the sites listed in 1.18 above. These will be brought to Committee in due course.
- 4.2 The necessary due diligence work will be undertaken to explore whether delivery should be through Opendoor Homes or whether there are any benefits to transferring Hillgreen Homes into The Barnet Group.
- 4.3 In tandem the council will seek legal support for the preparation of an overarching development agreement with The Barnet Group..
- 4.4 In relation to Broadfields the site will be marketed and engagement with interested parties will commence with a view to beginning potential negotiations.
- 4.5 Officers will continue to seek to identify council owned sites suitable for development and will bring proposals to future meetings of the Committee.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.2 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
- 5.3 The London Plan and Barnet's Local Plan recognise the need for more homes in the capital. Managing housing growth and the provision of new homes is the first objective set out in Barnet's Core Strategy. The London Plan and Core Strategy set challenging targets for the delivery of new housing, with the former having increased the minimum annual target for Barnet to 2,439 homes per annum.
- 5.4 The highest priority of the Council's Housing Strategy is increasing the supply of housing with the population of Barnet forecast to increase by 19% over the next 25 years.
- 5.5 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.
- 5.6 Lack of affordable housing is highlighted in Barnet's Joint Strategic Needs Assessment (JSNA) as one of the top three concerns identified by local residents in the Residents' Perception Survey.



## **5.7 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability).**

### **Finance and value for money**

5.2.1 Where possible schemes will be brought forward with minimum support from the council in terms of working capital. The proposal for Hermitage Lane provides a good example of this whereby the working capital is provided by the construction partner.

5.2.2 Business cases for individual schemes will set out how the schemes provide value for money.

### **Staffing**

5.2.3 The Barnet Group have been expanding their new build development team to provide capacity and capability for undertaking the first tranche of mixed tenure schemes.

5.2.4 There are no other staffing considerations in relation the council staff resources

### **Property**

5.2.5 The overarching aim of the mixed tenure housing programme is to achieve the best outcomes in relation the council's assets.

## **5.3 Social Value**

5.3.1 The Barnet Groups Employer's Requirements include a provision to promote employment of under-represented groups in the labour market.

## **5.4 Legal and Constitutional References**

5.4.1 Council Constitution, Article 7.5 – Responsibility for Functions- states that the remit of the Assets Regeneration and Growth Committee includes responsibility for asset management.

5.4.2 Council, Constitution, Article 10 Table A states that Assets Regeneration and Growth Committee is responsible for authorising all disposals and acquisition of land for over £500k.

5.4.3 The Constitution- Article 9.1 (b) - Chief Officers – Management Structure- Delegated Authority to Chief Executive and Chief Officers states (i) Chief Officers (Deputy Chief Executive, Assistant Chief Executive, Strategic Director for Adults Children and Environment, Director of Resources) have the following delegated powers in respect of all matters which are not key decisions (as defined in Article 2) and not reserved for decision by the Council or by a Committee of the Council:

5.4.4 Unless there is a general consent available which dispenses with the need to obtain express consent from the Secretary of State the following provisions will apply:

5.4.4.1 s 123 (2) of the Local Government Act 1972, states that, except with the consent of the Secretary of State, a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than best that can be reasonably obtained;

- 5.4.4.2 Where land is held for the purposes of Part II of the Housing Act 1985 (“the 1985 Act”) i.e. for housing purposes, a disposal of such land (other than the grant of secure tenancies or other tenancies exempted from security under Schedule 1 (such as service occupancies) and right to buy sales) shall not be made without the consent of the Secretary of State and an express consent under s 32 of the Housing Act 1985 will be required;
- 5.4.4.3 Where land is held for the purposes of Part II of the Housing Act 1985 i.e. for housing purposes, and is intended to be appropriated for planning purposes, then the consent of the Secretary of State is required pursuant to s 19 of the 1985 Act. Any disposal of housing land appropriated to planning purposes except for a tenancy of seven years or less, must be sold for best value otherwise an express consent from the Secretary of State is obtained under s 233(3) of the Town and Country Planning Act 1990.
- 5.4.4.4 Section 123(1) of the Local Government Act 1972 permits Councils to dispose of land in any way they wish but this is subject to any other statutory consents which may apply to that disposal.
- 5.4.5 Under Regulation 12(1) of the Public Contracts Regulations 2015 the Council can award the development contracts directly to The Barnet Group where all of the following conditions are fulfilled:
- The Council exercises over The Barnet Group a control similar to that which it exercises over its own departments.
  - More than 80% of the activities of The Barnet Group are carried out in the performance of tasks entrusted to it by the Council.
  - There is no direct private capital participation in the Barnet Group
  - The Council will exercise the required level of control where it exercises a decisive influence over both strategic objectives and significant decisions of the Barnet Group.

## **5.5 Risk Management**

- 5.5.1 Continuing to hold the sites in their existing condition could result in unlawful occupation, management costs in maintaining security and fails to realise the value of the land which will assist in delivering other corporate objectives. The development of these sites for residential purposes will provide much needed accommodation in the Borough.

## **5.6 Equalities and Diversity**

- 5.6.1 A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet’s Community.
- 5.6.6 The proposals in this report do not raise any negative impacts for equalities and demonstrate that the Council has paid due regard to equalities as required by the legislation. The proposals anticipate a positive impact for residents because they:
- Underline the Council’s aim that all residents from our diverse communities – the young, old, disabled people and those on low incomes – benefit from the opportunities of growth.

- Contribute to Barnet's commitment to fairness - to be mindful of the concept of fairness and in particular, of disadvantaged communities - which was adopted at Policy and Resources Committee in June 2014.
- Form part of Barnet's Housing Strategy 2015-2025 which includes the objective to deliver homes that people can afford.
- Provide homes for people who are homeless and may be currently disadvantaged.

## 5.7 Corporate Parenting

5.7.1 None in the context of this report

## 5.8 Consultation and Engagement

5.8.1 Ward councillors, residents and communities local to each site will be consulted prior to the planning applications being submitted. Public resident consultation meetings will be held and individual consultations will be undertaken with other residents as requested.

5.8.2 A statutory consultation exercise will also be undertaken as part of the planning process for each scheme.

## 5.8 Insight

5.8.1 None in the context of this report.

## 6. BACKGROUND PAPERS

- 6.1 Cabinet Resources Committee, 24 June 2013, 'Local Authority New Housing Programme'  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=7457&Ver=4>
- 6.2 Assets Regeneration and Growth Committee, 15 December 2014, Strategic Asset Management Plan  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>
- 6.3 Assets Regeneration and Growth Committee, 16 March 2015, Barnet Development Pipeline – Tranche 1,  
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7887&Ver=4>
- 6.4 Council, 20 October 2015, Report of Policy and Resources Committee – The Barnet Group – Creation of new legal entity and subsidiary  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8340&Ver=4>
- 6.5 Full Council, 1<sup>st</sup> March 2016, Report of Policy and Resources Committee - Establishment of a new housing wholly owned company (WOC)  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8343&Ver=4>
- 6.6 Assets Regeneration and Growth Committee, 24 July 2017, 2-10 Hermitage Lane, NW2,  
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9337&Ver=4>

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## Appendix 1 - Housing delivery programme summary position

Scheme	No of units	Current position
<b>Tranche 3</b>		
Elmshurst Crescent	13	On site, completion due September 2018
Basing Way Garages	14	On site, completion due December 2018
Adamson Court	10	On site, completion due December 2018
West Close	3	On site, completion due March 2019
Alexandra Road	4	On site, completion due May 2019
West Farm Place	4	On site, completion due April 2019
Westbrook Crescent	2	On site, completion due March 2019
Mount Pleasant	12	Pre-contract letter of intent signed – due on site
Hanshaw Drive	6	Pre-contract letter of intent signed – due on site
Burnt Oak Registry	30	On site – demolition due to start
The Croft	33	Site secured – demolition due to start
Norfolk Close	8	Contracts due to be signed September 2018 – due on site
Salcombe Gardens	6	On site, completion due September 2019
Friern Court	11	Awaiting land transfer to ODH
Linden & Pine	6	Awaiting land transfer to ODH
Brunswick Park Road	8	Pre-planning commencement conditions are being completed – demolition due to commence October 2018
Prospect Ring	50	Opendoor Homes board approval due 17/9/18, land transfer awaited
Sheaveshill Court	34	Awaiting land transfer to ODH
Mount Parade	7	Out to tender
Summers Lane	14	Planning application submitted
Basing Way Green	45	Planning application due to be submitted
<b>Micro sites phase 1</b>		
Crispin Road	2	Contracts due for signing – due on site
Mayhill Road	4	As above
Quinta Drive	2	As above
Rycroft Crescent	2	As above
<b>Micro sites phase 2</b>		
Back Lane	4	Awaiting ARG approval, GLA funding in principle agreed
Warwick Close 6 homes	6	As above
Reets Farm Close	1	As above
Underhill Court	4	As above
Edgeworth Avenue		As above
<b>Extra Care</b>		
Ansell Court	53	On site, completion due January 2019
Stag House	51	Tender documents ready to be issued once vacant possession confirmed

<b>Scheme</b>	<b>No of units</b>	<b>Current position</b>
Cheshir House	75	Design stage as part of Upper and Lower Fosters estate masterplanning
<b>“Top hatting” – additional stories on blocks</b>		
Burnt Oak Broadway additional storey	18	Revised scheme estimate received and subject to further review. Business case to be submitted to ARG Committee in due course
<b>Mixed tenure</b>		
Hermitage Lane	56	Planning application submitted, ARG approval to progress to full business case sought
Broadfields	TBC	Planning approval obtained however designs and business case to be reviewed
Northway Fairway	TBC	Planning approval obtained however designs and business case to be reviewed
Whittings Hill	TBC	Planning approval obtained however designs and business case to be reviewed
Moxon Street	TBC	Planning approval obtained however designs and business case to be reviewed
Coppetts Rd	TBC	designs and business case to be reviewed

## Assets Regeneration and Growth Committee 17 September 2018



<b>Title</b>	<b>Outline Business Case for 2-10 Hermitage Lane</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	Childs Hill Ward
<b>Status</b>	Public with an accompanying exempt report Appendix 1 is exempt (Not for publication by virtue of paragraphs 3 of Schedule 12A of the Local Government Act 1972 as amended as this relates to information of a financial nature).
<b>Urgent</b>	Yes
<b>Key</b>	Yes
<b>Enclosures</b>	Appendix 1: Outline Business Case – Hermitage Lane, proposed Mixed Tenure with The Barnet Group Exempt Appendix 1: Outline Business Case – Hermitage Lane, proposed Mixed Tenure with The Barnet Group
<b>Officer Contact Details</b>	Derek Rust, Deputy Chief Executive, Barnet Homes Tel: 020 8359 4826 - <a href="mailto:derek.rust@barnethomes.org">derek.rust@barnethomes.org</a> Meera Bedi, Head of New Build, Barnet Homes Tel: 020 8359 5243 - <a href="mailto:meera.bedi@barnethomes.org">meera.bedi@barnethomes.org</a>

### Summary

The Barnet Group (TBG/TBG Open Door Limited (“ODH”)) has been commissioned to act as development agent on behalf of the Council to develop a mixed tenure residential development scheme comprising affordable rent, shared ownership and private sale homes.

It is proposed that TBG act as Development Agent for the Council and enters into documentation with the Council and such other parties as may be appropriate to include a Development Agreement to incorporate risk and reward elements with the proposed preferred contractor to develop the Site.

## **Officers Recommendations**

### **1. Note and approve the Outline Business Case for 2-10 Hermitage Lane development scheme, attached at Appendix 1 (public and exempt)**

#### **1. WHY THIS REPORT IS NEEDED**

- 1.1 Barnet Homes has been commissioned to act as development agent on behalf of the Council to develop a mixed tenure residential development scheme comprising affordable rent, shared ownership and private sale homes at Hermitage Lane.
- 1.2 The approval of the Outline Business Case by the Assets, Regeneration and Growth Committee is required in order to progress the Hermitage Lane development and work towards entering appropriate documentation to include a Development Agreement with the Council and the preferred contractor.
- 1.3 This report is urgent in the light of the imminent Court proceedings relating to one of the tenants on Hermitage Lane.

#### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 TBG were instructed to develop a planning application with funding provided by the Council. The application was submitted in July 2018 for 56 homes. The site was identified as a potential site for development of new housing for some considerable time.
- 2.2 Subject to the approval of the Outline Business Case by the Assets, Regeneration and Growth Committee, Barnet Homes will be able to progress the Hermitage Lane development and work towards getting the scheme through Planning Committee in early Autumn and firm up costs on the scheme whilst working towards agreeing a Development Agreement with the proposed contractor.
- 2.3 Hermitage Lane is located in Child's Hill, north of Hampstead. The site is just to the east of Finchley Road and has good public transport links via buses and two stations within 15 minutes' walk. The site also enjoys close proximity to green space in the form of Elm Park to the north.
- 2.4 The existing site comprises of a poor quality mixed use block with retail uses at ground floor with 2 flats above, a further commercial premises, a builder's yard to the rear and 4 bungalows managed by Barnet Homes. The redevelopment would therefore provide an increase in affordable housing provision, significant development profit and a much-improved street scene with a high-quality design.
- 2.5 A full business case will be submitted to Assets, Regeneration and Growth Committee in due course once all costs have been firmed up and planning is determined

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



3.1 All options including 'do nothing' are listed within the Outline Business Case report (Appendix 1) alongside selling the site on the open market, and other options around developing the site for housing purposes.

3.1.1 **Do Nothing** – that is, not develop the Site and keep the commercial elements: this option would not contribute to the supply of new housing overall, or to the Council's ambition to build more homes. The Site will require investment from the Council to maximise the value of the commercial elements.

3.1.2 The 'Do nothing' option fails to recognise the development potential of the Site. It does not allow the Borough to meet any of its critical success factors which include increasing the number of new homes in the Borough in line with current identified need.

#### **4. POST DECISION IMPLEMENTATION**

4.1 Subject to ARG approval of the Outline Business Case, TBG will continue to work with architects on the design of the scheme and will pursue its current planning application for planning approval for the Site.

4.2 TBG will continue to negotiate with the proposed contractor to firm up costs in order to achieve best value on the scheme.

4.3 TBG will commission solicitors to draft a Development Agreement ensuring that the Borough's and TBG interests are protected and benefits maximised for both.

4.4 A full business case will be submitted to Committee in due course.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

The development of this Site will meet Borough priorities as follows;

- Increasing the provision of affordable and private accommodation in the Borough.
- Reducing the number of families in temporary accommodation.
- Delivering a financially viable and successful mixed tenure housing development scheme.
- Making effective commercial use of Council-owned land and buildings;

This includes recognising Council stock's potential for development, contributing to the Council's development pipeline of affordable housing as set out in the Barnet Housing Strategy 2015 to 2025 and providing a capital/and or revenue receipt to the Council whilst maintaining /retaining the freehold of the Site

##### **5.2 Social Value**

5.2.1 Expected social value from this development will be:

- The provision of a sustainable development on a brownfield site in an area with good public transport accessibility with access to local services.
- The opportunity to facilitate new products being introduced to promote first time buyers i.e. Home buy/First buy which is proposed for the private sale homes.

- Contributing to the housing needs of residents with L B Barnet.
- Making savings in temporary accommodation costs through the ability to allocate to new homes for affordable homes.
- The provision of affordable wheelchair accessible accommodation
- 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
- A much-improved street scene with a high-quality design.
- Providing a financial return to the Council in terms of interest payments on the loan and a contribution to the homelessness budget.
- Employment opportunities to be explored with the proposed contractors and potential benefits of training and education with Boost within Barnet Homes.

### 5.3 Legal and Constitutional References

- 5.3.1 The Site is held by the Council in the Housing Revenue Account. It is believed that the land is held for housing purposes pursuant to Part II of the Housing Act 1985 but this will be confirmed by HB Public Law.
- 5.3.2 All statutory consents required to lawfully enter into any contractual arrangements and/or for the disposal of all or any part of the Site will be obtained so far as required. These may include consent under s 32 of the Housing Act 1985, s 19 of the Housing Act where housing land (i.e. non vacant) is appropriated to planning purposes, s 233 (3) of the Town and Country Planning Act 1990 (disposal of housing land sold at less than best) and s 25 of the Local Government Act 1988 (gratuitous benefit to a third party provider). Any requirements to undertake advertising in respect of any open space disposal will also be undertaken.
- 5.3.3 Council Constitution, Article 7.5 states that the remit of the Assets Regeneration and Growth Committee includes responsibility for asset management.
- 5.3.4 Council, Constitution, Article 10 Table A states that Assets Regeneration and Growth Committee is responsible for authorising all disposals of land for a Less Than Best transaction and any transaction which is a key decision where the value is over £500,000 (Table A- Land and Property Transactions Authorisations Authorisation Delegated Powers).
- 5.3.5 Site specific legal title matters for the sites included in the Tranche 3 Development Pipeline programme have been explored through joint working with LBB Customer & Support Group and HB Public Law. Devonshires Solicitors will report on title for The Barnet Group.

5.3.6 Where land is subject to third party rights it may be prudent to appropriate and for planning purposes to extinguish third party rights (Section 122 of the Local Government Act 1972) on the Site by engaging the provisions of s 203 of the Housing and Planning Act 2016 (“the 2016 Act”) which extinguishes third party rights and covenants. The right is commuted to a claim for compensation under s 204 of the 2106 Act subject to the claim being valid. The Council will have to prove the same economic and social benefit tests as if it were making a CPO.

5.3.7 Where land is disposed at less than market value or best consideration there is a concern about whether the State Aid provisions apply. An exemption to State Aid exists for services in the general economic interest and if The Barnet Group is letting accommodation at less than market value then the relevant exemption may apply provided always that the land is acquired and developed for social/affordable housing to qualify for this exemption.

#### 5.4 Risk Management

5.4.1 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	CURRENT STATUS
Vacant possession of commercial and residential premises	3	4	12	Legal action is already underway on securing vacant possession of the commercial premises. TBG resident liaison officer is working with the 4 residential tenants with a view to rehousing them within a reasonable time frame.	The Council has instructed lawyers with regards to obtaining vacant possession of the commercial premises. TBG resident liaison officer working with affected tenants.
Cost increases leading to budget overspend	3	4	12	A fixed price contract will be used. Value engineering will be undertaken as required with the Employer’s Agent.	Scheme is currently in planning. Detailed work on costings will be produced.
Time delays –scheme delivery, impacting on revenue savings	3	4	12	The site will be delivered through a Design and Build contract and all site surveys will be carried out in advance of tenders in order to secure as firm a price as possible. TBG has engaged an	TBG has a realistic delivery programme and will continue to work closely with the contractor to monitor scheme progress.

RISK	PROBABILITY	IMPACT	TOTAL	ACTIONS TO MITIGATE	CURRENT STATUS
				experienced construction consultancy to advise on the scheme and has worked closely with the contractor to put together a realistic delivery programme.	
Planning permission	3	4	12	TBG will need to ensure that the scheme meets all planning requirements and is compliant	The scheme has recently been submitted for planning. TBG await any queries received from the Local Planning Authority.
Sales risk on shared	3	3	9	TBG will obtain suitable marketing advice early in the construction phase	Scheme still in its early stage.

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

5.5.1 The total revenue benefits for Barnet Council are realised through:

- A dividend paid from The Barnet Group.
- Savings from care costs due to additional wheelchair accessible homes
- Temporary accommodation cost avoidance
- Council tax income

These costs are detailed in more detail in section 3 of Appendix One, within the exempt report.

## 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. The report sets out the benefits of new housing provision for Barnet, based on an understanding of Barnet's population profile and population need. This document also sets out the specific benefits of delivering a scheme of 56 new homes at the Hermitage Lane site in Child's Hill.

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.

## **5.7 Corporate Parenting**

5.7.1 None in the context of this report

## **5.8 Consultation and Engagement**

5.8.1 The residents of the bungalows (The Graftons) are being supported on a weekly basis by TBG's most experienced Resident Liaison Officer.

5.8.2 Public consultation events took place on (21 June 2018 and 23 July 2018). Generally, concerns aired related to the scale of the development, parking and pressure on amenity space.

## **5.9 Insight**

5.9.1 Barnet has 393,000 residents and this figure is expected to grow by 76,000 over the next 25 years; an increase of 19%.

5.9.2 The Council's Housing Strategy 2015-2025 identifies the need to increase housing supply and to deliver homes that people can afford. The Hermitage Lane scheme 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.

5.9.3 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.

5.9.4 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.

5.9.5 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.

## **6 BACKGROUND PAPERS**

- 6.1 Assets Regeneration and Growth Committee, 15 December 2014, Strategic Asset Management Plan  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>
- 6.2 Assets Regeneration and Growth Committee, 15 December 2014, Local Authority New Housing Programme (Barnet Homes)  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>
- 6.3 Council, 20 October 2015, Report of Policy and Resources Committee – The Barnet Group – Creation of new legal entity and subsidiary  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8340&Ver=4>
- 6.4 Assets Regeneration and Growth Committee, 30 November 2015, Housing Development Pipeline- Barnet Homes  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8311&Ver=4>
- 6.5 Assets, Regeneration and Growth Committee, 12 December 2016, Development Pipeline Tranche 3 - Affordable Housing Programme  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8640&Ver=4>

## Outline Business Case (OBC): 2-10 Hermitage Lane - Public

### APPENDIX ONE – PUBLIC FOR ARG REPORT GOING TO 17 SEPTEMBER 2018

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Author:	<i>Steven McIntosh; Meera Bedi</i>
Date:	<i>29 August 2018</i>
Service	<i>The Barnet Group</i>
/Dept:	

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## **Executive Summary**

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1. The Barnet Group (TBG) has been commissioned to act as development agent on behalf of the Council to develop a mixed tenure residential development scheme comprising affordable rent, shared ownership and private sale homes.
2. Barnet has the largest population of any London borough with 393,000 residents and this figure is expected to increase substantially over the next 25 years. Barnet Council must be innovative in how more homes can be built in the borough.
3. TBG were instructed to develop a planning application with funding provided by the Council. The application was submitted in July 2018 for 56 homes.
4. Expected benefits from this development include the provision of a sustainable development on a brownfield site and the opportunity to facilitate new products being introduced to promote first time buyers.
5. TBG will be acting as Development Agent for the Council and is recommending entering into contractual arrangements to include a Development Agreement /s with risk and reward elements with the proposed contractor.
6. TBG has assessed the risk of this scheme under key areas, including design, planning and vacant possession.
7. A range of revenue benefits including a Section 106 contribution and Community Infrastructure Levy would be available to the Council, should the scheme proceed.



## 1. Strategic Case

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- 1.1. This document represents the Outline Business Case for the proposed mixed tenure scheme at 2-10 Hermitage Lane, on an underutilised site in an area of a high housing demand.

### Corporate Priorities and Performance

- 1.2. The Corporate Plan 2015 – 2020 sets out the Council's vision and strategy for the next five years based on the core principles of fairness, responsibility and opportunity to make sure 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; and where services are delivered efficiently to get value for money for the taxpayer.
- 1.3. The 2017/18 Addendum to the Corporate Plan outlined the key areas of strategic focus for the Council for 2017/18. These included:
- Responsible growth, regeneration and investment; and
  - Building resilience in residents and managing demand.
- 1.4. Within these priority areas, the Addendum to the Corporate Plan included commitments to undertake specific activities. Specifically, the Responsible Growth priority area included a commitment to “regeneration and investment in infrastructure... delivering a pipeline of new homes on Council land.”
- 1.5. The proposal will help meet these objectives by providing good quality private and affordable homes, through a well thought out and designed scheme that strengthens community relations and confidence in the Council.
- 1.6. The Growth Strategy for Barnet recognised that growth is vital for ensuring the future prosperity of the Borough, and maintain Barnet as a successful London suburb.
- 1.7. The Council's Local Plan adopted in 2012, sets out a 15 year ‘vision’ to help shape the kind of place that Barnet will be in the future. It supports the delivery of new homes including affordable dwellings and the use of brownfield land for high quality and sustainable suburban development.

- 1.8. The Council's Housing Strategy, agreed in 2015 has the overarching objective of providing housing choices that meet the needs and aspirations of Barnet residents and sets out how the Council will deal with a number of challenges including high prices, a shortage of affordable housing and the potential threats to the qualities that make the Borough attractive.
- 1.9. If approval is granted to proceed, Hermitage Lane will be the first mixed tenured scheme developed by TBG. The proposed scheme comprises 56 flats consisting of 22 affordable homes (including 4 wheelchair users' dwellings) and 34 homes for private sale. The 22 affordable homes will include a mixture of affordable rent and shared ownership products.
- 1.10. A planning application was submitted in July 2018.
- 1.11. The quality of the Hermitage Lane design is in keeping with current best practice with flats which are designed to meet space requirements as set out in the London Plan. The 4 wheelchair users' flats will be located on the ground floor and will be provided with dedicated parking spaces.

### **Local context**

- 1.12. Barnet has the largest population of any London borough with 393,000 residents. This figure is expected to grow by 76,000 over the next 25 years; an increase of 19%. With a third of the borough designated green belt, Barnet Council has to be innovative in how more homes can be built in the borough whilst retaining the borough's distinctive outer London character.
- 1.13. As detailed in the Housing Strategy (2015-2025), and in response to the need for more housing in Barnet and in London as a whole, Barnet Council has committed to increasing the supply of housing in the borough, particularly affordable housing whilst maximising the Council's land resources. With this in mind a Development Pipeline Programme was established identifying Barnet owned sites that could provide locations for housing development schemes. The programme directly supports the Corporate Plan objective of responsible growth and regeneration.
- 1.14. As a strategic housing authority, the London Borough of Barnet has considered how best to meet future housing demand based upon limited resources available in terms of land.
- 1.15. The London Plan and Barnet's Local Plan recognise the pressing need for more homes in the capital. Managing housing growth and the provision of new homes is the first objective set out in Barnet's Core Strategy. The Council's seeks to achieve this objective by increasing

housing supply and maximising the Council's land resources to meet future housing demand whilst creating a long-term revenue stream.

- 1.16. The development of this site for residential purposes will provide much needed accommodation in the Borough.
- 1.17. In line with all levels of policy - national, Mayoral and local policy and guidance, the development will optimise the use of this property and provide much needed private and affordable housing.

### **Local Need**

- 1.18. The Hermitage Lane scheme will provide new affordable homes which will contribute significantly towards reducing the costs to the Council of providing temporary accommodation to households in need. The total cost avoidance is expected to be approximately £42k per year for the Council.
- 1.19. A net increase of 56 new dwellings overall will contribute to meeting the London Borough of Barnet annual monitoring target of 2,349 additional homes per year set by the Greater London Authority.
- 1.20. The new build flats for sale are to be targeted at first time buyers through Help to Buy. This means the sales prices will be capped at future purchasers will receive a cash incentive to be able to buy the flats. Current capped prices are c£600k for a two bed flat and c£450k for a one bedroom flat. These sale prices are significantly lower than full open market flat values.

### **Project Definition**

- 1.21. Hermitage Lane is located in Child's Hill, north of Hampstead. The site is just to the east of Finchley Road and has good public transport links via buses and two stations within 15 minutes' walk. The site also enjoys close proximity to green space in the form of Elm Park to the north.
- 1.22. The existing site comprises of a poor quality mixed use block with retail uses at ground floor with 2 flats above, a further commercial unit and a builder's yard to the rear and 4 bungalows managed by Barnet Homes. The redevelopment would therefore provide an increase in affordable housing provision, significant development profit and a much-improved street scene with a high-quality design.
- 1.23. TBG were instructed by the Council to support their legal action at Hermitage Lane with a view to securing vacant possession from the one existing commercial tenants to enable development of the site to be undertaken. In respect of one of the tenants, the legal case is long

running and complex, but, in essence, if the Council pursues the correct legal recovery actions and can demonstrate development intent it is expected that vacant possession will be obtained. It is difficult to estimate the duration of the proceedings, but it is hoped that the proceedings will conclude in late 2018 or early 2019. In respect of the other vacant possession is anticipated to be achieved in line with the other commercial unit. Any potential impact on the progress of these proceedings is likely to be due to the issue of the legal owner residing abroad.

- 1.24. If the Borough are unsuccessful in their case, the builders' yard will have the option to automatically extend their lease which will delay future development of the Site. In addition, in respect of the other tenant, the Council will need to deal with on going covenant issues
- 1.25. Whilst some design activity had been undertaken through the Borough's previous development agent and ARG approval to do so secured, no recent follow up work had been completed. It became apparent that with some urgency a viable planning application would therefore need to be developed with a compliant planning application before the court hearing in the Autumn.
- 1.26. TBG were instructed to work up a planning application with funding provided by the Council. TBG under its own urgent procurement rules supported by advice from their solicitors agreed to develop a scheme with the proposed contractor, who have strong experience as a constructor developer on similar type developments.
- 1.27. The original architects were also retained to provide some continuity of design. Construction consultants have provided support to TBG in respect of some of the commercial aspects of the scheme.
- 1.28. The original scheme of 47 homes and commercial space was improved to a 56 home scheme with no commercial space after consultation with the local ward members. The split is 60:40 in respect of sales to affordable with some of the affordable being shared ownership products. The scheme will involve the demolition of 4 council owned bungalows to maximise the developable footprint of the scheme. The planning application was submitted during the last full week of July 2018.
- 1.29. Two public consultation events have been undertaken which produced some adverse publicity in respect of displacement of the vulnerable residents of the bungalows. Generally, concerns aired related to the scale of the development, parking and pressure on amenity space. A local Councillor has been fully engaged and whilst supports elements of the scheme does not want the bungalows demolished and would like provision of community facilities/community hall.

- 1.30. The residents of the bungalows (The Graftons) are being supported on a weekly basis by TBG's most experienced Resident Liaison Officer. Three of the residents have now submitted rehousing forms and we are actively seeking to rehouse them. The other has been out of contact recently although there is no concern in respect of this at the moment.

### **Rationale**

- 1.31. This report presents evidence on how increasing Barnet's supply of homes will benefit individuals and the Council. The report sets out the benefits of new housing provision for Barnet, based on an understanding of Barnet's population profile and population need. This document also sets out the specific benefits of delivering a scheme of 56 new homes at the Hermitage Lane site in Child's Hill.
- 1.32. 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.
- 1.33. 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.
- 1.34. In Barnet there was a 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.
- 1.35. There has been a significant increase (21%) in the number of households in temporary accommodation (numbers have increased from 2,172 in April 2012 to their current level of 2,636 at the end of December 2017).
- 1.36. Barnet has the 6th highest number of households in temporary accommodation in the country. Almost 75% of all the households in temporary accommodation in England are placed by North, East and West London Authorities. This has led to increased pressure in competition for affordable supply.
- 1.37. The net increase of 56 new dwellings at Hermitage Lane will contribute to meeting the London Borough of Barnet annual monitoring target of 2,349 additional homes per year set by the Greater London Authority.

- 1.38. In addition to helping to address the shortfall of available accommodation within the borough and reducing the need to use high cost temporary accommodation, the scheme may provide a dividend to the Council, depending upon the reward model chosen.

### **Population Need and Demand Management**

- 1.39. Barnet has 393,000 residents and this figure is expected to grow by 76,000 over the next 25 years; an increase of 19%.
- 1.40. The Council's Housing Strategy 2015-2025 identifies the need to increase housing supply and to deliver homes that people can afford. The Hermitage Lane scheme 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.
- 1.41. 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.
- 1.42. Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.
- 1.43. 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.

### **Expected Benefits**

- 1.44. Expected benefits from this development include:
- The provision of a sustainable development on a brownfield site in an area with good public transport accessibility and access to services
  - The opportunity to facilitate new products being introduced to promote first time buyers i.e. Home buy/First buy
  - Contributing to the housing needs of residents
  - Making savings in temporary accommodation costs
  - The provision of affordable wheelchair accessible accommodation

- 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
- A much improved street scene with a high quality design.
- Providing a financial return to the Council in terms of interest payments on the loan and a contribution to the homelessness budget.
- Social value and employment

## Risks

1.45. There are a number of key risks for the scheme that are being managed to ensure the success of the scheme and delivery of the required outcomes. The table below lists the main risks and TBG strategy to mitigate against them.

RISK	PROBABILITY	IMPACT	TOTAL	ACTIONS TO MITIGATE	CURRENT STATUS
Vacant possession of commercial and residential premises	3	4	12	Legal action is already underway on securing vacant possession for the two commercial premises. TBG resident liaison officer is working with the 4 residential tenants with a view to rehousing them within a reasonable time frame.	The Council has instructed lawyers with regards to obtaining vacant possession of both the commercial premises. TBG resident liaison officer working with affected tenants.
Cost increases leading to budget overspend	3	4	12	We will be using a fixed price contract and undergoing value engineering as required with our Employer's Agent, if necessary.	Scheme is currently in planning. Detailed work on costings will be produced at a later date.
Time delays –scheme delivery, impacting on revenue savings	3	4	12	The site will be delivered through a Design and Build contract and all site surveys will be carried out in advance of tenders in order to secure as firm a price as	TBG has a realistic delivery programme and will continue to work closely with the contractor to monitor scheme

				possible. TBG have engaged an experienced construction consultancy to advise on the scheme and has worked closely with the contractor to put together a realistic delivery programme.	progress.
Planning permission	3	4	12	TBG will need to ensure that the scheme meets all planning requirements and is compliant	The scheme has recently been submitted for planning. TBG await any queries received from the planning department
Transfer of site	3	4	12	TBG will request that work is started on the preparation for transferring the site from the Council prior to planning approval.	Scheme still in its early stage.
Sales risk	3	3	9	TBG will obtain suitable marketing advice early in the construction phase	Scheme still in its early stage.

## Dependencies

- 1.44. A key project interface is the relationship between TBG and the Council's legal team. The viability of the scheme will be adversely affected if transferring title or securing vacant possession of the commercial premises becomes protracted. Problematic issues will be picked up in regular land transfer meetings between HBP Law and TBG New build development team.
- 1.45. If vacant possession of the bungalows is not secured within a reasonable time frame this could present a risk to the project. TBG's most experienced resident liaison officer will continue to work with the affected residents to ensure they are provided with suitable rehousing options and receive the necessary help and support in relocating.
- 1.46. The new build team have met with the current residents and they accept the Borough's ambitions to provide new homes where possible and are resigned to moving. Two residents, one recently widowed, are keen to move out of the area and on with their lives.
- 1.47. Planning is a major project dependency. TBG has worked closely with the contractor, architect and planning consultant to ensure a viable scheme has been submitted. TBG will continue to liaise with the Council's planning team



to ensure any queries with the application or subsequent conditions (should the scheme be approved) are dealt with promptly.

- 1.48. Consultation is a project dependency in ensuring the project is delivered well and on time. TBG has held two consultation events and will continue to update and inform ward members on the progress of the project. TBG will continue to manage the relationship with the local community throughout the demolition and construction stage.
- 1.49. There is also a Communications Plan that will be agreed for this project and the demolition of the existing properties will be publicised along with progress reports and newsletters, which will be available to local residents through the new build team and the contractor.

## **2. Economic Case**

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2.44. The critical success factors for this project have been identified as follows:

1. Increasing the provision of affordable and private accommodation in the Borough.
2. Reducing the number of families in temporary accommodation.
3. Delivering a financially viable and successful mixed tenure housing development scheme.
4. Making effective commercial use of Council-owned land and buildings; this includes recognising Council stock's potential for development, contributing to the Council's development pipeline of affordable housing as set out in the Barnet Housing Strategy 2015 to 2025.
5. Providing a capital/and or revenue receipt to the Council whilst maintaining the freehold of the site.

At this time there is still a significant amount of uncertainty with regards to the estimated income and expenditure relating to this project. Further detail on the financial costs and benefits is required to enable full financial implications to be provided. These will be in place when considering the Full business Case in the next few months.

The financial information available includes expenditure and income headings which are the same under each option, that is, construction costs, decanting costs, grant funding and rental income. Therefore, the key variable will be the Capital receipts generated from the land and/or property sales and where these receipts will be held.

There is a potential appropriation of the land required and if this is HRA land, an adjustment will need to be made between the Housing Revenue Account and General Fund. In addition, capital financing requirements may be required if any future rental income is not to be retained by the HRA.

Should an initial business decision be based purely on the currently available financial information it would point to the traditional approach as the preferred option but as there are other non-financial implications to be considered the decision should not be purely based on the financial implications/benefits. Therefore, permission will not be granted to enter into contract or give transfer of the site until the Full Business Case is agreed.

### **Options**

2.45. Considering the project objective and the desired outcomes from the commissioning client, the following options were considered:

#### **Option A – Do nothing (i.e. do not develop the site)**

Do not development the site and renew the existing leases; 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 to maximise the commercial value of the leased units at market rates.

The 'Do nothing' option would fail to achieve any of the critical success factors as set out above.

The 'Do nothing' option fails to recognise the development potential of the Hermitage Lane site.

### **Option B – Sell the site**

Sell the site on the open market; whilst this could deliver a capital receipt, the Council would be forgoing the wider economic benefits through the direct delivery of a mixed tenure scheme. The Council would also be forgoing the option to retain the freehold of the site whilst also obtaining a capital receipt.

### **Option C (Preferred Option) – Develop the Hermitage Lane site as a mixed tenure scheme**

Direct delivery of mixed tenure homes provides the opportunity to maximise potential development profit by bringing the best product to the market. This option achieves all the critical success factors as set out above:

- 2.46. Based on the above considerations against the critical success factors, the preferred option is to develop Hermitage Lane as a mixed tenure housing scheme (Option C). Through submitting a high-quality scheme for planning, the Council can be provided with a viable and valuable alternative use for this site.

### **3. Commercial Case**

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#### **Procurement Strategy and Scope**

- 3.1. TBG will be acting as Development Agent for the Council and is recommending entering into appropriate contractual arrangements to include a Development Agreement with risk and reward elements with the proposed contractor.
- 3.2. The Borough instructed TBG to take over on the delivery of this site as the previous attempt had stalled. TBG sought advice from a leading Employer's Agent who has delivered many successful mixed tenure schemes through various models across London for many years. TBG's construction consultant have advised on the procurement route for this project. They will ensure that both the Council and TBG receive value for money from the developer acting as contractor, as well as on the sales through the Development Agreement.
- 3.3. TBG propose to enter into a relatively simple agreement, which does not necessarily involve setting up a special purpose vehicle (e.g. a new limited liability company) with the contractor to deliver the site for the Council. The contractor has indicated they will fully fund the working capital required for the build-out of the scheme.
- 3.4. TBG has developed a variable approach with the contractor to reward that could deliver 3 different outcomes;
  - Traditional approach – land value to the Council, affordable homes purchased by TBG and profit shared by parties
  - Non-traditional approach – no land value, affordable homes gifted to TBG and profit shared by parties – this would enable payment of a revenue dividend to the Council
  - Hybrid – 50:50 of the above – half land value to the Council, half affordable gifted to TBG and profit shared by parties – this would enable payment of a part revenue dividend to LBB
- 3.5. TBG recommend that the site is leased to TBG, with the Council retaining the freehold interest. Should the planning application be granted, and vacant possession of the site is provided, TBG recommend that they provide a sub-lease to the contractor to allow them to proceed with the development.

#### **Potential risk allocation**

- 3.6. TBG has assessed the risk of this scheme under key areas and the following table shows where the risk lies or is allocated.

RISK	ALLOCATED TO
Design Risk	The New Build Team within TBG has taken responsibility for this and liaised with the housing management team before agreeing to sign off the design submitted as part of the planning application.
Construction and Development Risk	TBG has commissioned an experienced contractor to submit the planning application, and if Council approval is granted, to develop the scheme under a yet to be finalised Development Agreement with risk and reward elements. The contractor has indicated their willingness to provide the full working capital for the scheme, thereby minimising the risk to the Council. The new build team will benchmark and monitor the development supported by an experienced construction consultant.
Delays – vacant possession	There are two occupied commercial premises on the site and the Council has begun, or will be seeking to begin, legal proceedings to obtain vacant possession. The site contains four bungalows (the Graftons) due to be demolished. The TBG housing management team are liaising closely with the residents of the four bungalows (the Graftons) to offer them suitable rehousing options. NOSPs will be served once planning consent is gained to help safeguard vacant possession.
Delays – Planning	Following several discussions with Barnet’s planning department and two public consultation events, a planning application was submitted for a 56-home residential scheme in July 2018. An extensive design process has taken place involving the contractor, their architects and planning consultant, along with TBG and their construction consultant. The project is expected to be presented to the Council’s planning committee during the autumn.
Delays - Demand	TBG propose to continue working with their commissioned construction consultant, and will seek out professional sales advice to ensure the shared ownership element of the development is competitively priced and in line with market expectations. The private homes for sale will target the applicants.

RISK	ALLOCATED TO
	<p>eligible for the government's Help to Buy scheme which currently has a maximum purchase price of £600,000. Market intelligence has led to the development of 1 and 2 bed homes for sale aimed at attracting Help to Buy support for the owners in what is a high value area. The responsibility for the sale of the private homes will rest with the contractor. The contractor has shown a good appreciation of build costs through their existing supply chain and have influenced the design to reflect economy of build and with an aim of maximising commerciality/saleability of the new homes.</p>
Demand/Occupancy	<p>TBG has ensured that the specification for the scheme meets employer's requirements and that the space requirements as set out in the London Plan are also met. There is a severe shortage of suitable wheelchair accommodation and the 4 wheelchair users' flats located on the ground floor with dedicated parking spaces will be much in demand. The responsibility for the design and quality of the scheme rests with the New Build Scheme.</p>
Title and legal issues	<p>Early engagement with key parties supported by the Council, client, etc.</p>

### Design and Construction of the Scheme

- 3.7. The scheme will be designed using good quality materials and will incorporate many measures that will generate a proficient sustainable proposal, including;
- Use of natural and heat recovery as part of the ventilation strategy for the building;
  - Standards of thermal insulation and avoidance of leakage will be in excess of current building regulation standards;
  - Efficient centralised plant providing heating and hot water;
  - Careful selection of building materials using the 'Green Guide to Materials' to minimise the impact on the environment;
  - Early preparation and implementation of waste management during the construction period and when the scheme is in use – especially recycling/composting;
  - Low cost in use on utility bills for future residents.

3.8. The scheme will also incorporate the following features:

- An internal courtyard which will provide secluded communal amenity space;
- Entrances to the building will have level thresholds;
- Pedestrian access for the residential units will be through the front gated entrance off Hermitage Lane. This gated entrance has been designed to be partially transparent in accordance with Secured by Design standards;
- Extensive cycle storage located to the right of the ground floor entrance lobby;
- Four homes designed to be accessible wheelchair units (with a further 2 units being cross provisioned on another site).

## 4. Financial Case

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### Cost Savings

- 4.1. Depending on the rewards package chosen, affordable housing gifted by the Council to TBG could enable TBG to pay a dividend back to the Council.
- 4.2. Other revenue benefits to the Council, excluding homelessness dividend and any on lending:
  - Community Infrastructure Levy
  - Section 106 contribution
  - Net Council Tax increase .
  - Temporary accommodation avoidance
  - Wheelchair accessible homes

### Hermitage Lane – current capital costs budget

- 4.3. The construction consultant has provided a works cost budget. Fees and other costs will increase the total scheme cost for the 56-home development. The apportioned total scheme cost for the 22 affordable homes has also been estimated.
- 4.4. The Council have already funded the planning application. This sum will be reimbursed on completion of the scheme.

### ProVal Financial Appraisal

- 4.5. Financial appraisals have been carried out which demonstrates that the affordable housing element of the Hermitage Lane scheme has a positive net present value and internal rate of return.
- 4.6. It should be noted that while the ProVal appraisal demonstrates the feasibility of the scheme as a standalone project, this does not consider the significant financial benefits of providing additional affordable housing, which include the reduction in costs associated with temporary housing.

### Hermitage Lane Funding Route

- 4.7. The contractor has indicated that they will provide the full working capital for the development.
- 4.8. Three 'Risk and Reward' options have been considered with the contractor that could deliver 3 different outcomes:
  - Traditional approach - a land receipt provided to the Council, 22 affordable homes purchased by TBG, and profit shared by parties;



- Non-traditional approach – assumes no land receipt is provided to the Council, the affordable homes gifted to TBG, and profit shared by parties, with an ongoing annual dividend per affordable unit paid to the Council.
  - Hybrid – 50:50 of the above – 50% of the land receipt is provided to the Council, 11 of the 22 affordable homes are purchased by TBG, and the remaining 11 affordable homes are gifted to TBG, and profit is shared by parties, with a smaller ongoing annual dividend per affordable unit paid to the Council.
- 4.9. Any figures provided at this stage are indicative and are based on a pre-planning submission works costs estimate provided by the appointed construction consultant, a reasonable allowance for fees and other costs, and an assumed start on site in Quarter 1, 2019.
- 4.10. The initial assessment of the scheme submitted is positive although it will be the subject of further due diligence before proceeding further. The contractor has a good appreciation of build costs through their existing supply chain and have influenced the design to reflect economy of build and with an aim of maximising commerciality/saleability of the new homes.

## 5. Management Case

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### Risk management

- 5.1. Primary risk management at Board level will be undertaken by the TBG Development and Growth Board. Barnet Homes Development Team produces regular 'Highlight Reports' for the Affordable Housing Board. Borough officers sit on the Affordable Housing Board and receive regular updates through the Highlight Reports. These documents set out the RAG-rated performance of the scheme, against the following categories:
- Time
  - Cost
  - Quality
  - Cashable and non-cashable benefits
  - Resources
- 5.2. This RAG rating of key indicators allows for the Project Board to identify deviation and approve mitigating actions. A tracker of scheduled milestones also allows the Board to identify any delay to forecasted dates.
- 5.3. The Highlight Report also contains a summary of key risks and actions put in place to avoid and mitigate these risks. The Project Board determines risk ownership. Current key risks, generally design-related and financial in nature, are presently owned by the Barnet Homes Development Team. Raising risks at the Project Board ensures the awareness of key partners, and enables risks to be allocated on a shared basis where appropriate.
- 5.4. The Highlight Report document seen by the Project Board communicates the impact and likelihood of residual risk (i.e. the modified risk after the application of internal controls) and the target risk. Based on this information, the Project Board determines the action to take to avoid or mitigate risks, or whether to escalate the risk higher. Additionally, the scheme will be subject to scrutiny and approval from the The Barnet Group board as part of their governance role as a registered provider.

### Project Approach

- 5.5. The project will be managed by TBG in accordance with the Council's project management toolkit, which has been adopted for the delivery of this scheme. This incorporates monitoring and controls to ensure the project is delivered effectively and that budgets and programme are maintained and reported back through the appropriate channels.

## Project Controls

- 5.6. The project team will be managed by TBG to review progress against the schedule, budget, project outputs and benefits.
- 5.7. The project highlight report will be included within the monthly reporting cycle for the Affordable Housing Project Board.
- 5.8. The project will report upwards through the Affordable Housing Project Board and relevant strategic commissioning boards to communicate progress and for approval of all key decisions.

### 5.9. Key Milestones for Project

Key Milestones	Completed Date / Forecasted Date
Funding to achieve Planning	July 2018
Outline Business Case	September 2018
Court case to determine status of commercial tenants	October 2018
Planning determination	November 2018
Vacant possession of commercial and residential units	November 2018
Full Business Case	March 2019
Obtain appropriate consents for land transfer	March 2019
Obtain clean title and LBB transfer site to TBG	March 2019
Design and Build contract signed	April 2019
Start on site	Quarter 1 2019
Practical completion	Quarter 4 2020

Deliverable / Product	Quality Criteria	Author	Reviewers	Accepter
Detailed design to RIBA Stage 3/4 to enable the construction of the new scheme	Analysis that the internal and external layouts and fixtures and fittings meet the needs of the end user group	TBG project team	Development and Growth Board	Council client representative and project sponsor
Project procurement strategy	Analysis that the procurement strategy is compliant with the Barnet	TBG project team	TBG project team Development and Growth Board	Affordable Housing Project Board

	Homes contract procedure rules			
Approval of Full Business Case and contract sum and final budget to enable appointment for the contractor and work to start on site	Assessment that the contract sum offers value for money including analysis of the market conditions	TBG project team	Development and Growth Project Board, Capital Board, Affordable Housing Project Board and a full Gateway Review	Affordable Housing Project Board Full Business Case to go to the Council's ARG committee
Gateway Review at Project closure	There will be a Gateway Review to measure outcome costs against assumptions from the beginning of the scheme as well as lessons learnt moving forward.	TBG project team	TBG project team Affordable Housing Project Board	TBG project team Affordable Housing Project Board

### Approach to Consultation

- 5.10. Two public consultation events have been undertaken (21 June 2018 and 23 July 2018) which produced some adverse publicity in respect of displacement of the vulnerable residents of the bungalows. Generally, concerns aired related to the scale of the development, parking and pressure on amenity space.
- 5.11. A local Councillor has been fully engaged and whilst supports elements of the scheme does not want the bungalows demolished and would like provision of community facilities. Meetings have also taken place with other ward councillors who are supportive of the current proposals.
- 5.12. The residents of the bungalows (The Graftons) are being supported on a weekly basis by TBG's most experienced Resident Liaison Officer. Three of the residents have now submitted rehousing forms and TBG is actively seeking to rehouse them. The fourth resident has been out of contact recently although there is no concern in respect of this at the moment.

## 6 Legal Issues

We have liaised with the Borough's lawyers on the issues that will arise from this project and that will need to be covered in full in time for the Full

Business Case. We have established that the land belongs to Housing Revenue Account.

These areas will cover:

- The structure of the transaction between the Borough and The Barnet Group including whether or not this will entail a freehold transfer or a long lease.
- Negotiations with the commercial tenants on the site.
- All statutory consents required for the residential and commercial aspects of the site.
- Approval of the form of contract or agreements with the contractor/developer.

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	<h2 style="margin: 0;">Assets, Regeneration and Growth Committee</h2> <h3 style="margin: 0;">17 September 2018</h3>
<b>Title</b>	<b>Microsites Programme: Phase 2 project Business Justification Case (BJC)</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	Burnt Oak, Underhill, East Barnet, Hendon and West Hendon
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	<p><b>Appendix 1 - Business Justification Case for the Microsites Programme phase 2 project</b></p> <p><b>Appendix 2 – Site plan Back Lane Garages</b></p> <p><b>Appendix 3- Site plan – Underhill Court</b></p> <p><b>Appendix 4- Site plan – Reets Farm Close</b></p> <p><b>Appendix 5- Site plan- Warwick Close</b></p> <p><b>Appendix 6- Site plan- 22 Edgeworth Avenue</b></p>
<b>Officer Contact Details</b>	<p>Derek Rust, Director of Growth and Development            Tel: 020 8359 4826 <a href="mailto:Derek.rust@barnethomes.org">Derek.rust@barnethomes.org</a></p> <p>Meera Bedi, Head of New Build            Tel: 020 8359 5243 <a href="mailto:Meera.bedi@barnethomes.org">Meera.bedi@barnethomes.org</a></p>

<b>Summary</b>
<p>This paper seeks approval to extend the Microsites Phase 1 programme that was approved by the Committee on 27 November 2017 fully funded by Section 106 commuted sums and Right to Buy receipts.</p> <p>Building on the success of Microsites 1 this report sets out a recommendation to develop 17 units across five sites. Four of these were previously considered as part of the Tranche 3 affordable housing programme. The fifth, 22 Edgeworth Road, is currently in the Council's possession and is need of demolition. The report seeks permission for the transfer of these Sites to Opendoor Homes as part of this programme.</p>

The Council will have 100 per cent nomination rights over the 17 units (16 flats and houses and one bungalow), two of which are wheelchair adaptable and one fully wheelchair accessible, via the Council's Housing Allocations Scheme.

This report includes as an annex the Business Justification Case for the Microsites 2 programme. This report seeks approval of the Business Justification Case, allowing ODH to proceed with the development of the sites.

### **Officers Recommendations**

#### **That the Assets, Regeneration and Growth Committee**

- 1. Approve the Business Justification Case for Phase 2 of the Microsites Programme attached at Appendix 1.**
- 2. Delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to agree the terms of a development agreement (including any variation or supplemental agreement to the existing agreement) and/or any associated documentation with Opendoor Homes based on the principles set out in the business case.**
- 3. Authorise the transfer of the sites listed in Table 2 (22 Edgeworth Avenue, Back Lane, Warwick Close, Underhill Court and Reets Farm Close) to be transferred to Opendoor Homes at nil value for the provision of affordable rented housing and in accordance with the terms of the agreed Development Agreement.**
- 4. Delegate authority to the Deputy Chief Executive to obtain any statutory or other consents required to dispose of the sites both under Housing Act 1985 where the Sites comprise land held under the HRA and also under s123 of the Local Government Act 1972 where land is held in the general fund. To delegate authority to use such of the general consents available for the disposal of the Site and where required to apply for consent to disposal to the Secretary of State on a sale at less than best consideration.**
- 5. Delegate authority to the Deputy Chief Executive to appropriate, where required, for planning purposes or any other relevant purposes of land included in the Site to enable disposal and to facilitate the building of new homes in accordance with the planning permission and the Development Agreement and to take all necessary steps that may be required to ensure statutory compliance in order to dispose of the Site and to take all necessary steps that may be required to dispose of the Site.**
- 6. Recommend that the Committee recommends to the Policy and Resources Committee that the Capital programme is increased by £5.7m to fund this proposal.**



## 1. WHY THIS REPORT IS NEEDED

- 1.1 In December 2016, ARG approved the Full Business Case for the Development Pipeline Tranche 3 affordable housing programme. The programme is on track to deliver 320 homes, funded through a loan agreement between the London Borough of Barnet and Opendoor Homes and managed through an overarching Development Agreement.
- 1.2 There are however a number of smaller scale sites known as 'Microsites' which are smaller and are outside the development cost per unit set in Tranche 3. Microsites Phase 1 identified sites to deliver 10 new homes including 8 units to provide wheelchair accessible housing, meeting a particular housing need and delivering savings for the Council.
- 1.3 This report follows from Microsites 1 and is seeking authority for Opendoor Homes (ODH) to develop five further small sites, including four already identified through Tranche 3. A further site comprises a derelict property subject to complaints from neighbours and has been identified as being suitable for in Microsites Phase 2.
- 1.4 In total, Microsites 2 will deliver 17 new homes for affordable rent, including 3 wheelchair accessible properties.
- 1.5 The five sites are owned by the London Borough of Barnet and it is proposed that these are transferred to Opendoor Homes at nil value in order to develop them.
- 1.6 The full rationale is stated in the Business Justification Case (BJC) and sets out a strategy for developing affordable rented housing on smaller scale infill sites in the Borough, following on from Microsites Phase 1.
- 1.7 Following the success of Microsites Phase 1, Phase 2 involves developing housing on five sites using 70% subsidy in the form of Section 106 commuted sums to provide 17 affordable rented homes including a wheelchair adapted bungalow and two accessible flats. Unlike Phase 1, Right to Buy receipts will not be used in this development.
- 1.8 A recommendation is sought from this Committee to Policy and Resources Committee to increase the capital programme by £5.7m to fund this project. Gap funding will be sought from the GLA or through an extension of the loan with the Public Works Loan Board(PWLB) for the £1.1m required.
- 1.9 It is anticipated that further phases of microsites projects will follow as schemes are identified on, infill sites which are suitable.
- 1.10 Barnet has the largest population of any London borough with 393,000 residents. This figure is expected to grow by 76,000 over the next 25 years; an increase of 19%. With a third of the borough designated green belt, Barnet Council has to be innovative in how more homes can be built in the borough whilst retaining the borough's distinctive outer London character.
- 1.11 As detailed in the Housing Strategy (2015-2025), and in response to the need for more housing in Barnet and in London as a whole, Barnet Council has committed to increasing the supply of housing in the borough, particularly affordable housing whilst maximising

the Council's land resources. With this in mind a Development Pipeline Programme was established identifying Barnet owned sites that could provide locations for housing development schemes. The programme directly supports the Corporate Plan objective of responsible growth and regeneration.

- 1.12 As a strategic housing authority, the London Borough of Barnet has considered how best to meet future housing demand based upon limited resources available in terms of land.
- 1.13 The London Plan and Barnet's Local Plan recognise the pressing need for more homes in the capital. Managing housing growth and the provision of new homes is the first objective set out in Barnet's Core Strategy. The Council's seeks to achieve this objective by increasing housing supply and maximising the Council's land resources to meet future housing demand whilst creating a long-term revenue stream.

## 2 REASONS FOR RECOMMENDATIONS

- 2.1 It is proposed that Phase 2 of the Microsites Programme is funded through subsidy in the form Section 106 commuted sums that have been received through developer contributions for affordable housing on other sites in the Borough and through Greater London Authority grant funding or a loan from PWLB.
- 2.2 The Strategic Case sets out the rationale, business needs and constraints for the development of new homes on HRA land.
- 2.3 ARG have already approved the Business Justification Case for phase 1 of the Microsites programme at its meeting in November 2017. The transfer of a further five sites will bring forward the delivery of much needed affordable housing and go further to establishing an asset base for the wholly Council owned Registered Provider, Opendoor Homes.
- 2.4 If approval is granted then the developments should provide numerous economic, financial and social benefits, and help achieve objectives of the Housing Strategy while successfully appropriating Section 106 commuted sums and avoiding losing these significant sums through non-utilisation. It also enables growth of Opendoor Homes as a Registered Provider.
- 2.5 The Net Present Value of the annual dividend payable to the Council would exceed the likely value it might achieve through disposal, and by providing affordable tenure that in turn enables numerous economic benefits and savings to be realised.

## 3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 **Do nothing:** Doing nothing would not realise the significant economic, financial and social benefits set out in this report. Considering the expenditure of fees to submit planning applications and obtain planning permissions, doing nothing would result in abortive fees.
- 3.2 **Include the schemes within Tranche 3:** Due to being smaller sites the development costs were also above the Tranche 3 targets thus not the scheme does not meet the parameters required for Tranche 3 including the loan arrangement and repayment date.

The terms of the loan would have to be adjusted to include these schemes within the Tranche 3 programme which is not considered a viable option.

- 3.3 **Disposal of the sites with planning:** Disposing of the sites would realise a residual land value. The sites could be auctioned or marketed to private developers and would attract a premium as four out of five currently have planning permission. The land value obtained from disposal could come back to the Housing Revenue Account. However, four of these sites are back land on our existing estates so will not attract high values on the open market despite having the benefit of planning.
- 3.4 **Development of the sites for private sale or rent:** The delivery of the schemes could be managed by Barnet Council or The Barnet Group through a standard JCT Design & Build contract with a private sale specification. The Council or TBG could take on sales risk and completed units disposed of through an agent on the open market (or retain the asset and rent out at market rents). This would increase the level of return as developer profit and residual land value/return that would come back to the Council. However, selling homes on the private market or PRS would not fulfil the objectives of the housing strategy in terms of affordable housing provision and not provide much needed affordable rented accommodation which has numerous economic and social benefits. It is considered that the wider economic benefits of delivering affordable housing have a greater value than disposal or delivering private rented tenure.
- 3.5 **Develop the sites as Council assets, with the development process managed by Barnet Homes.** This option would enable the Council to have new housing assets and deliver numerous economic, financial and social benefits. However, it would not enable the growth of Opendoor Homes which has been set up as a wholly owned subsidiary of Barnet Homes to provide affordable housing and grow into an established Registered Provider.

The total revenue/operational benefits for Barnet Council in pursuing Phase 2 of the Microsites Programme expected to be over £152,000p.a. This includes a dividend paid from Opendoor Homes, savings from care costs due to additional wheelchair accessible homes, temporary accommodation cost avoidance, and Council tax income.

Economic benefits for Phase 2 of the Microsites Programme, including income generated and savings made to the Council are set out in Table 2 below (taken from the Business Justification Case).

**Table 2: Microsites Phase 2 Revenue Benefits and Savings**

<u>Scheme</u>	<u>WC units (adaptable and accessible)</u>	<u>Total units</u>	<u>LBB Dividend per annum</u>	<u>Adult MTFS Savings per annum</u>	<u>Temporary Accommodation Cost Avoidance per annum</u>	<u>Assumed Council Tax Income</u>	<u>Total LBB Revenue Benefit Per Annum</u>
22 Edgeworth Avenue		2	£5,600.00	£22,988.00	£6,800.00	£2,636	£38,026.00
Back Lane	2	4	£11,200.00		£6,800.00	£5,272	£23,276.00
Reets Farm Close	1	1	£2,800.00	£11,494.00		£1,318	£15,613.00
Underhill Court		4	£11,200.00		£13,600.00	£5,272	£30,076.00
Warwick Close		6	£16,800.00		£20,400.00	£7,908	£45,114.00
<b>Totals</b>			<b>£47,600.00</b>	<b>£34,482.00</b>	<b>£47,600.00</b>	<b>£22,406.00</b>	<b>£152,105.00</b>

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 Post decision, ODH will submit 22 Edgeworth Road for planning permission and go out to tender on the schemes.
- 4.2 A bid for the 'gap' funding to the Greater London Authority at a rate of c£70k per home by their deadline of 30 September 2018 will also be sought. This will enable contracts to be entered into to develop the new homes in a timely manner.
- 4.3 Opendoor Homes will enter into a Development Agreement with the Borough for the transfer and development of these sites based on the one agreed earlier this year for Microsites 1 with the transfer of the land from the Council to ODH for nil value. The Development Agreement may be capable of variation to include the additional sites which will be explored but if necessary a supplemental or new agreement can be put in place.
- 4.4 Opendoor Homes will work with the Property Services team for the transfer of these sites and ensure that Opendoor Homes receives the best title from the Council reasonably possible.
- 4.5 Opendoor Homes will agree a procurement strategy for the development of these sites and seek to deliver the new homes as quickly as possible.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

5.1.1 One of the cornerstones of the Borough's Housing Strategy is to develop new homes to meet the growing need in the Borough and across London as seen in the Borough's Business Plan:

The Barnet Group's business aim

The Barnet Group Business Plan 2016 – 2021 commits to take the organisation from "good to great" through the delivery of three core themes:

- Putting people first
- Thinking differently and challenging ourselves
- Growing our business
- There is a commitment to build or purchase 750 new homes by 2021 as part of growing our business.

Barnet Council's Housing Strategy 2015-2015 states that Barnet has the largest population of any London Borough with an estimated 393,000 residents in 2015 therefore a significant development pipeline of new developments is required. The population is expected to grow by a further 19% over the next 25 years.

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

5.2.1 The total revenue benefits for Barnet Council in pursuing Phase 2 of the Microsites Programme expected to be over £152,000 per annum. The savings are realised through:

- A dividend paid from Opendoor Homes
- Savings from care costs due to additional wheelchair accessible homes
- Temporary accommodation cost avoidance
- Council tax income

5.2.2 A Summary of the costs can be see below:

Scheme Name	Finance									
	Works costs (tender return)	Works +5% risk allowance	On-costs at 14% including 3.5% fees and plus loan interest)	Total Scheme Costs	Units	Scheme Cost Per Unit	S106 70%	PWLB 30%	ODH NPV at Handover	Loan Repaid Year
Back Lane	£1,102,483.00	£55,124.00	£159,803.00	£1,317,410.00	4	£329,352.50	£922,187.00	£395,223.00	£482,660.00	17
Warwick Close	£1,300,105.00	£65,005.25	£190,977.00	£1,556,087.25	6	£259,347.88	£1,089,261.08	£466,826.18	£353,585.00	20
Underhill Court	£1,160,152.00	£58,008.00	£173,087.00	£1,391,247.00	4	£347,811.75	£973,872.90	£417,374.10	£176,785.00	28
Reets Farm Close	£332,546.00	£16,627.30	£48,174.00	£397,347.30	1	£397,347.30	£278,143.11	£119,204.19	£20,375.00	34

22 Edgeworth Avenue	£823,160.00	£41,158.00	£120,258.00	£984,576.00	2	£492,288.00	£689,203.20	£295,372.80	£682,443.00	20
Totals				£5,646,667.55			£3,952,667.29	£1,694,000.27		

## Procurement

- 5.2.3 Tendering exercises on all of the schemes and the sites will be split into two groups based on geographic location.
- 5.2.4 A Dynamic Purchasing System has been set up for low value residential construction contracts under £4m to enable small sized contractors to tender for the work. Smaller businesses are likely to be more competitive than larger contractors, both in terms of their margin for overheads and profits, and also preliminaries for construction works which includes site setup, security, health & safety requirements etc.
- 5.2.5 It is considered that there is sufficient market interest to deliver the construction contract for the Phase 2 project.
- 5.2.6 The contract will be procured through a single stage tendering exercise with the most economically advantageous tenderer being appointed to deliver the contract under a JCT Design & Build contract subject to due diligence undertaken by The Barnet Group.

## 5.3 Social Value

- 5.3.1 LBB has available commuted sums from Section 106 developer contributions which it can use to support the delivery of new affordable housing in the Borough. These commuted sums must be spent by the Council on affordable housing within set timescales.
- 5.3.2 Council's Housing Strategy includes an objective of providing housing to support vulnerable people. The bungalow at Reets Farm Close will be a wheelchair accessible home designed to meet the requirements of Building Regulations Part M4(3). Two of the dwellings at Back Lane are adaptable in line with M4(2). This will support Adults and Communities in the financial savings required as part of the Mid Term Financial Savings by reducing reliance on higher cost forms of care and support.
- 5.3.3 The proposals included in this business case will facilitate the delivery of new homes, which will all be let at affordable rents, enabling those in housing need in the Borough to be housed. The homes will be built to a high standard to protect Opendoor Homes' investment, and be energy efficient to reduce residents' fuel costs, as well as creating an improved environment in the neighbourhoods where they are located.
- 5.3.4 The two units at 22 Edgeworth Avenue have been designed to allow space for a lift in the future. The opportunity to provide more wheelchair accessible housing strengthens the business case as it meets the needs of the Borough, as set out in the Housing Strategy, and helps alleviate the social care budget pressures.
- 5.3.5 The building works will provide social value to the local community via the build contracts and the other local suppliers which will be recommended during the tender process.

## 5.4 Legal and Constitutional References

- 5.4.1 Council Constitution, Article 7.5 states that the remit of the Assets Regeneration and Growth Committee includes responsibility for asset management.
- 5.4.2 Council Constitution, Article 10 Table A states that Assets Regeneration and Growth Committee is responsible for authorising all disposals of land for a Less Than Best transaction.
- 5.4.3 Site specific legal title matters for the sites included in the programme have been explored through joint working with LBB Customer & Support Group and HB Public Law. Devonshires Solicitors will report on title for Opendoor Homes.
- 5.4.4 Where land is subject to third party rights it may be prudent to appropriate to planning purposes to extinguish third party rights on any of the sites. Such appropriation must be undertaken prior to the transfer and before works under the planning permission commence. Section 122 of the Local Government Act 1972 empowers a local authority to appropriate land held by it from one statutory purpose to another if it considers that the land is no longer required for the purpose for which it is currently held. The approval of the Secretary of State is required under s 19 of the Housing Act 1985 to the appropriation of land held for the purposes of Part II of the Housing Act 1985 to other uses. If appropriated the Site cannot be subsequently transferred at undervalue without consent of the Secretary of State. S 32 Housing Act consent will be required for the disposal of housing land not covered by the general Housing Act Consent 2013. Vacant Housing land can be disposed of at any price otherwise the express consent of the Secretary of State will be required to the disposal of any housing land which has been appropriated to planning which is sold at less than market value (s 233 of the Town and Country Planning Act 1990). Consent pursuant to s 25 of the Local Government Act 1988 may be required if the Council has provided financial assistance to the provider depending on relevant financial limits.

The appropriation of land held in the HRA to planning purposes will have the automatic effect of transferring it for accounting purposes from HRA to the General Fund with consequential financial implications.

- 5.4.5 If the Council decides to appropriate the land to planning purposes in order to dispose of it will be necessary to adopt 2 separate but linked processes as follows:
  - a) subject to obtaining any necessary statutory consents to appropriate the land to planning purposes engaging section 203 of the Housing and Planning Act 2016 (“the 2016 Act”) which has the effect of cleansing the title of all third-party interests and covenants which could otherwise prohibit or impede the development. The rights of those affected are commuted into payments subject to a valid claim being made (s 204 of the 2016 Act). and then;
  - b) a disposal of the land to the Opendoor Homes.
- 5.4.6 The sites are held in the HRA. As stated above, section 32 of the Housing Act 1985 allows the Council to dispose of land held for housing purposes provided it has the consent of the Secretary of State (“SoS”). The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 (2013) allows for the disposal of

land held within the HRA in certain circumstances. There are specific rules as the value at which a site is disposed and this will depend on whether the land falls under the definition of vacant land or includes land which falls under the definition of dwelling houses and unless a specific general consent applies site specific decisions will have to be made by the Chief officer as to what consents are required for disposal of each site in the HRA and this will be finalised through joint working with LBB Customer and Support Group and HB Public Law and the ALMO . Where HRA land is disposed of at an undervalue the Council must have regard to the Sections 24 and 25 of LGA 1988 Act (if privately let accommodation is to be provided) and also the State Aid provisions when making any transfers at an under-value. Any other land must be disposed of land at market value.

5.4.7 Where any of the sites comprise public open space the advertising requirements for the disposal of open space pursuant to S.123 (2A) of the Local Government Act 1972 apply. The proposed disposal must be advertised for two consecutive weeks in a newspaper circulating in the area in which the land is situated, with any objections to the proposed disposal being considered by the Council. The advertisements in accordance with the statutory requirements should provide for a period of four weeks from the date of the first public notice for any objections to be made. Any objections made to the disposal will have to be considered before the disposal proceeds.

5.4.8 Where land is disposed at less than market value or best consideration there is a concern about whether the State Aid provisions apply. An exemption to State Aid exists for services in the general economic interest and if Opendoor Homes is letting accommodation at less than market value then the relevant exemption may apply provided always that the land is acquired and developed for social/affordable housing to qualify for this exemption

## 5.5 Risk Management

5.5.1 The key risks for the project as a whole are concerned with

- **Finance** – that the costs of developing the sites are too high: building price escalation cannot be contained within the budget taking account of the contingency sums available. There is also a risk that the GLA funding isn't secured, however the figures in the Business Justification Case highlight the options and amounts of the loan which will be required to pay for the rest of the build and has already been accounted for.

Mitigation – the budget includes a conservative contingency and risk allowance for works and fees, and value engineering can be undertaken with the selected contractor to bring the contract sum within budget.

- **Programme delay** – may have implications for the expenditure of Section 106 commuted sums. Right to Buy receipts will not be used to finance Microsites 2.

The project team will monitor the progress of works on site, anticipating problems and managing solutions. Sanctions (LADs) will be put in place to ensure that works are kept to programme.

- **Contractor failure** – contractors become insolvent or are affected by wider economic uncertainty



Mitigation - The financial status of contractors will be scrutinised and suitable security will be put in place to cover the additional costs of contractors going into liquidation.

- **Unforeseen sites issues** – this could be a legal issue, or a physical issue related to the site which may render any one scheme unviable. In the event that an unforeseen issue arises, then a substitute scheme will be proposed and further approvals sought as required.

## **5.6 Equalities and Diversity**

- 5.6.1 The 2010 Equality Act outlines the provisions of the Public-Sector Equalities Duty which requires Public Bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
  - Advance equality of opportunity between people from different groups and foster good relations between people from different groups.
- 5.6.2 A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet's Community.
- 5.6.3 Allocation of properties acquired will be made in accordance with the Council's Housing Allocations Policy. Analysis of data has shown that women and members of Barnet's black and minority ethnic communities are over represented among those living in temporary accommodation. Over 70% of households in temporary accommodation are from non-white households, compared to around 40% of the Borough's population. Of those in temporary accommodation the main applicant is female in 65% of households.
- 5.6.4 It is not expected that these groups will be adversely affected by implementing Phase 2 of the Microsites Programme as set out in this report. However, the impact will be monitored to ensure that these groups are not adversely affected.
- 5.6.5 All units of accommodation that are procured will meet minimum standards and in placing households into accommodation. Three of the homes will be wheelchair accessible and adaptable.

## **5.7 Consultation and Engagement**

- 5.7.1 Public consultations have taken place before planning application submissions for each scheme. This has helped positively inform the design process.

## **5.8 Insight**

- 5.8.1 The Council's Housing Strategy includes an objective of providing housing to support vulnerable people. The bungalow at Reets Farm Close will be a wheelchair accessible home designed to meet the requirements of Building Regulations Part M4(3). Two of the dwellings at Back Lane are adaptable in line with M4(2). This will support Adults and Communities in the financial savings required as part of the MTFs by reducing reliance on higher cost forms of care and support.
- 5.8.2 The proposals included in this business case will facilitate the delivery of new homes, which will all be let at affordable rents, enabling those in housing need in the Borough to

be housed. The homes will be built to a high standard to protect Opendoor Homes' investment, and be energy efficient to reduce residents' fuel costs, as well as creating an improved environment in the neighbourhoods where they are located.

- 5.8.3 The two units at 22 Edgeworth Avenue have been designed to allow space for a lift in the future. The opportunity to provide more wheelchair accessible housing strengthens the business case as it meets the needs of the Borough, as set out in the Housing Strategy, and helps alleviate the social care budget pressures.

## 6. BACKGROUND PAPERS

- 6.1 Cabinet Resources Committee, 24 June 2013, 'Local Authority New Housing Programme' <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=7457&Ver=4>
- 6.2 Policy and Resources Committee, 16 February 2016, Loan to Barnet Homes' Registered Provider (Opendoor Homes) for the development of new affordable homes <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8351&Ver=4>
- 6.3 [Assets, Regeneration and Growth Committee, 17 March 2016](#), Development of new affordable homes by Barnet Homes Registered Provider ("Opendoor Homes") <http://barnet.moderngov.co.uk/documents/s30501/Development%20of%20new%20affordable%20homes%20by%20Barnet%20Homes%20Registered%20Provider.pdf>
- 6.4 Assets, Regeneration and Growth Committee, 11 July 2016, Development of new affordable homes by Barnet Homes Registered Provider ("Opendoor Homes") For the list of Tranche 3 approved site please see Agenda item 8, appendix 1. <https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8881&Ver=4>
- 6.5 Assets, Regeneration and Growth Committee, 12 December 2016, Development Pipeline Tranche 3 - Affordable Housing Programme <https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8640&Ver=4>

## THE BARNET GROUP

### Microsites Programme: Phase 2 project

### Business Justification Case (BJC) August 2018

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Author:	<i>Meera Bedi, Claire Kelvin</i>
Date:	<i>August 2018</i>
Service / Dept:	<i>Opendoor Homes, New Build, Barnet Homes Development</i>

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## 1. EXECUTIVE SUMMARY

- 1.1 This document is the Business Justification Case for Phase 2 of the Microsites Programme, involving the transfer to Opendoor Homes of sites from Barnet Council (LBB) for development. The sites will be developed as 100% affordable housing for Opendoor Homes, a subsidiary of Barnet Homes within The Barnet Group (TBG). LBB is the sole shareholder of TBG. The new homes will be occupied by nominees from Barnet Homes on behalf of the council.
- 1.2 This report sets out a strategy for developing affordable rented housing on smaller scale infill sites in the Borough, following on from Microsites Phase 1.
- 1.3 Phase 2, for which this justification case is about, involves developing housing on five sites using 70% subsidy in the form of Section 106 commuted sums to provide 17 affordable rented homes including a wheelchair adapted bungalow and two accessible flats.
- 1.4 It is anticipated that further phases of microsites projects will follow as further infill sites have been identified.
- 1.5 The principle of developing four of these five sites was approved as part of the Tranche 3 Business Case. The update to the Full Business Case for the Tranche 3 development programme was approved by Assets, Regeneration and Growth Committee in July 2017 entitled 'Tranche 3 Affordable Housing'.
- 1.6 The fifth site, 22 Edgeworth Avenue, is derelict empty property that was acquired by the Council under a CPO, and has received many complaints from local residents. The five sites proposed to be part of Microsites Phase 2 are:
  - 22 Edgeworth Avenue, NW4 4EY (Hendon Ward)
  - Back Lane garages, HA8 0HS (Burnt Oak Ward)
  - Reets Farm Close garages, NW9 7HN (West Hendon Ward)
  - Underhill Court, EN5 2BD (Underhill Ward)
- 1.7 Warwick Close garages, EN4 9SF (East Barnet Ward) The breakdown of units and bedrooms can be seen below in Table 1.

**Table 1: Accommodation schedule for the Microsites Programme (Phase 2)**

Scheme	1b2p	2b3p	2b4p	3b5p	3b6p	Total number of units	Planning Permission Expiry
22 Edgeworth Avenue					2	2	Date submitted
Back Lane		4				4	16/06/2019
Reets Farm Close		1				1	13/06/2019
Underhill Court			2	2		4	13/03/2020
Warwick Close	3	3				6	20/05/2019
						17	

1.8 Due to the nature and small scale of the sites, and their associated higher development costs, the schemes were not considered financially viable for the Tranche 3 programme considering required cost parameters. However, given the savings in care costs of amending schemes to provide three wheelchair adapted housing, along with subsidy funding from LB Barnet, the development of these sites has become financially viable and offers significant economic and social benefits to the London Borough of Barnet and the Barnet Group outlined in section 7.

1.9 The Borough are also obliged to spend s106 commuted sums as like for like housing. These microsites schemes set at affordable Barnet rents provide a pipeline for allocating these monies and fulfilling Borough obligations.

#### Benefits to London Borough of Barnet:

- Development of a higher value asset through a wholly owned subsidiary of the Council.
- Creating an ongoing General Fund revenue stream.
- Delivery of affordable housing – good quality new homes at affordable rents.
- Positive use of Section 106 commuted sums – avoiding the necessity of handing the funds back to central government.
- Temporary Accommodation Cost Avoidance.
- Bringing underutilised garages and land into more productive use.

#### Benefits to The Barnet Group

- Increasing the asset base for Opendoor Homes.
- An ongoing revenue stream supporting and creating a more resilient business plan for Opendoor Homes.
- Recovery of potential abortive costs to date for Opendoor Homes as these schemes were worked up to Planning.
- Reducing maintenance burden of garages and hard standing areas which attract fly tipping and anti-social behaviour.

## 2. BACKGROUND

- 2.1 The term “Microsites” has been coined to describe smaller scale infill development sites/schemes.
- 2.2 These sites are, due to their characteristics, disproportionately more expensive to develop than typical schemes and are likely to need a greater level of subsidy to make them financially viable.
- 2.3 Five schemes are proposed to be included in Phase 2 of the “Microsites” Programme.
- 2.4 The original intention was to develop four of these sites within the Tranche 3 development programme, funded through the loan agreement between Opendoor Homes and Barnet. However, after competitive tendering on the four schemes within Microsites Phase 1, the build costs exceeded the threshold set within the approved parameters for Tranche 3 so an alternative funding strategy was required to make them financially viable and the same is required for Microsites Phase 2.
- 2.5 Phase 2 has also expanded since inception and includes 22 Edgeworth Avenue. The other four sites have been granted planning permission. Only 22 Edgeworth Avenue is awaiting planning submission.
- 2.6 Reets Farm Close was a contingency scheme for Microsites 1 if one of the four schemes became unviable. Due to site constraints at Reets Farm Close only a bungalow is feasible in planning terms, which in turn makes it ideal for wheelchair adapted housing which serves a need in the Borough.

## 3. STRATEGIC CASE

- 3.1 This report seeks to secure approval to fund Phase 2 of the Microsites Programme, comprising the development of seventeen new homes, three of which are wheelchair accessible or adaptable across five different underutilised sites.
- 3.2 It is proposed that Phase 2 of the Microsites Programme is funded through subsidy in the form Section 106 commuted sums that have been received through developer contributions for affordable housing on other sites in the Borough and with a loan from PWLB.
- 3.3 The Strategic Case sets out the rationale, business needs and constraints for the development of new homes on HRA land.
- 3.4 LBB policy context
  - Barnet Council’s Housing Strategy 2015 – 2025 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.

### 3.5 The cost of homelessness in Barnet: a snapshot of supply and demand in Barnet

- Since 2013/2014 there has been a 30% increase in homelessness applications in Barnet with a total of 1554 in 2017/18.
- There was an overall 58% decrease in letting within Council stock from 2011/12 to 2017/18.
- Barnet has below average levels of social housing on average compared to other London Boroughs, with just over 2600 households waiting for social housing (7<sup>th</sup> best London Borough).<sup>1</sup>
- There has been a significant increase (35%) in the number of households in temporary accommodation from January to March 2017 with numbers increasing from 12.7% in 2015<sup>2</sup>.
- Barnet has the 6<sup>th</sup> highest number of households in temporary accommodation in the country.<sup>3</sup>
- 68% of all the households in temporary accommodation in England are in London Authorities as of March 2018<sup>4</sup>. This has led to increased pressure in competition for affordable supply.
- Whilst it is positive that the regeneration schemes in Barnet are progressing in their development, this has an impact on available supply as 'non-secure' tenants placed in regeneration units as long-term TA are decanted and require rehousing, either to alternative TA or social housing units.

### 3.6 The Barnet Group's business aim

The Barnet Group Business Plan 2016 – 2021 commits to take the organisation from “good to great” through the delivery of three core themes:

- Putting people first
- Thinking differently and challenging ourselves
- Growing our business
- There is a commitment to build or purchase 750 new homes by 2021 as part of growing our business.

## 4. CASE FOR CHANGE

4.1 The case for change sets out present circumstances and reasons for taking advantage of them.

4.2 LBB has available commuted sums from Section 106 developer contributions which it can use to support the delivery of new affordable

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<sup>1</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>

<sup>2</sup> <https://www.trustforlondon.org.uk/data/Boroughs/barnet-poverty-and-inequality-indicators/> figures correct as of July 2018.

<sup>3</sup> <https://www.trustforlondon.org.uk/data/temporary-accommodation-Borough/>

<sup>4</sup> Page 19, Statutory Homelessness in England, Briefing Paper 01164, 6 July 2018, House of Commons.

housing in the Borough. These commuted sums must be spent by the Council on affordable housing within set timescales.

- 4.3 The Council's Housing Strategy includes an objective of providing housing to support vulnerable people. The bungalow at Reets Farm Close will be a wheelchair accessible home designed to meet the requirements of Building Regulations Part M4(3). Two of the dwellings at Back Lane are adaptable in line with M4(2). This will support Adults and Communities in the financial savings required as part of the MTF5 by reducing reliance on higher cost forms of care and support.
- 4.4 The proposals included in this business case will facilitate the delivery of new homes, which will all be let at affordable rents, enabling those in housing need in the Borough to be housed. The homes will be built to a high standard to protect Opendoor Homes' investment, and be energy efficient to reduce residents' fuel costs, as well as creating an improved environment in the neighbourhoods where they are located.
- 4.5 The two units at 22 Edgeworth Avenue have been designed to allow space for a lift in the future. The opportunity to provide more wheelchair accessible housing strengthens the business case as it meets the needs of the Borough, as set out in the Housing Strategy, and helps alleviate the social care budget pressures.

## **5. ECONOMIC CASE**

- 5.1 The Economic case sets out the critical success factors for the decision, appraising various options and indicating which is preferred.
- 5.2 The following critical success factors have been established:
  - Delivery of General Fund revenue benefits (including savings) to Barnet Council.
  - Delivery of completed affordable housing units.
  - Engaging smaller contractors to support Small and Medium-Sized Enterprises.
  - Utilising Section 106 commuted sums for the delivery of affordable homes.
  - Contributing to the growth of Opendoor Homes as a Registered Provider to deliver more affordable housing in the future by increasing its asset base and revenue.
- 5.3 Opendoor Homes is the preferred vehicle for delivery as it meets all critical success factors:
  - Opendoor Homes will procure works in accordance with Barnet Homes' standing orders and in compliance with OJEU requirements as necessary.
  - Barnet Homes has long experience of managing affordable housing and knows its customer base well.



5.4 When considering the case for Phase 2 of the Microsites Programme, several options were considered.

- **Do nothing:** Doing nothing would not realise the significant economic, financial and social benefits set out in this report. Considering the expenditure of fees to submit planning applications and obtain planning permissions, doing nothing would result in abortive fees.
- **Include the schemes within Tranche 3:** Due to being smaller sites the development costs were also above the Tranche 3 targets thus not the scheme does not meet the parameters required for Tranche 3 including the loan arrangement and repayment date. The terms of the loan would have to be adjusted to include these schemes within the Tranche 3 programme which is not considered a viable option.
- **Disposal of the sites with planning:** Disposing of the sites would realise a residual land value. The sites could be auctioned or marketed to private developers and would attract a premium as four out of five currently have planning permission. The land value obtained from disposal could come back to the Housing Revenue Account. However, four of these sites are back land on our existing estates so will not attract high values on the open market despite having the benefit of planning.
- **Development of the sites for private sale or rent:** The delivery of the schemes could be managed by Barnet Council or The Barnet Group through a standard JCT Design & Build contract with a private sale specification. The Council or TBG could take on sales risk and completed units disposed of through an agent on the open market (or retain the asset and rent out at market rents). This would increase the level of return as developer profit and residual land value/return that would come back to the Council. However, selling homes on the private market or PRS would not fulfil the objectives of the housing strategy and not provide much needed affordable rented accommodation which has numerous economic and social benefits. It is considered that the wider economic benefits of delivering affordable housing have a greater value than disposal or delivering private rented tenure.
- **Develop the sites as Council assets, with the development process managed by Barnet Homes.** This option would enable the Council to have new housing assets and deliver numerous economic, financial and social benefits. However, it would not enable the growth of Opendoor Homes which has been set up as a wholly owned subsidiary of Barnet Homes to provide affordable housing and grow into an established Registered Provider.

- **Develop the sites through Opendoor Homes, funded by using Council subsidy for specialised affordable housing:** This is the preferred option because it provides numerous economic, financial and social benefits, and helps achieve objectives of the Housing Strategy while successfully utilising Section 106 commuted sums and avoiding losing these significant sums through non-utilisation. It also enables growth of Opendoor Homes as a Registered Provider. The Net Present Value of the annual dividend payable to the Council would exceed the likely value it might achieve through disposal, and by providing affordable tenure that in turn enables numerous economic benefits and savings to be realised.

- 5.5 The total revenue benefits for Barnet Council in pursuing Phase 2 of the Microsites Programme expected to be over £152,000p.a. This includes a dividend paid from Opendoor Homes, savings from care costs due to additional wheelchair accessible homes, temporary accommodation cost avoidance, and Council tax income.
- 5.6 Economic benefits for Phase 2 of the Microsites Programme, including income generated and savings made to the Council are set out in Table 2 below.

**Table 2: Microsites Phase 2 Revenue Benefits and Savings**

<u>Scheme</u>	<u>WC units (adaptable and accessible)</u>	<u>Total units</u>	<u>LBB Dividend per annum</u>	<u>Adult MTFS Savings per annum</u>	<u>Temporary Accommodation Cost Avoidance per annum</u>	<u>Assumed Council Tax Income</u>	<u>Total LBB Revenue Benefit Per Annum</u>
22 Edgeworth Avenue		2	£5,600.00	£22,988.00	£6,800.00	£2,636	£38,026.00
Back Lane	2	4	£11,200.00		£6,800.00	£5,272	£23,276.00
Reets Farm Close	1	1	£2,800.00	£11,494.00		£1,318	£15,613.00
Underhill Court		4	£11,200.00		£13,600.00	£5,272	£30,076.00
Warwick Close		6	£16,800.00		£20,400.00	£7,908	£45,114.00
<b>Total</b>			<b>£47,600.00</b>	<b>£34,482.00</b>	<b>£47,600.00</b>	<b>£22,406.00</b>	<b>£152,105.00</b>

- 5.7 The suggested dividend to the Borough is explained in section 6.1 but is calculated at £2,800 per unit per year following completion, this is costed with a 70% grant in mind.
- 5.8 The adult medium term financial strategy is estimated based on figures from Microsites Phase 1 proposal regarding cost of care as confirmed by Adults and Communities.
- 5.9 The temporary accommodation cost avoidance per annum is calculated at £3,400 per unit for non-accessible units.

- 5.10 All properties except 22 Edgeworth Avenue are Council tax band C. Edgeworth Avenue will be band F or G. However, this Council tax estimate was taken from London Borough of Barnet's own website.
- 5.11 The total revenue benefit inclusive of savings to Barnet Council is **£152,105.00** per annum.

## **6. COMMERCIAL CASE**

### 6.1 Land

It is proposed that the land is transferred freehold (or long leasehold) from the London Borough of Barnet to Opendoor Homes at nil value, as per the terms of the Microsites development agreement between the London Borough of Barnet and Opendoor Homes (TBG Open Door Ltd) however the proposed annual dividend per unit per year is higher at £2,800 reflecting a greater return for disposal of the land asset. Phase 1 of Microsites proposed an annual dividend per unit of £4,000 but this scheme was fully funded rather than Phase 2 which is funded at 70%, hence we can now offer 70% of £4,000.

The Development Agreement, between Opendoor Homes and the Borough, will either be adjusted from the one used with Microsites 1 or a new one will be created, whichever is deemed more appropriate when necessary.

### 6.2 Procurement

A Dynamic Purchasing System has been set up for low value residential construction contracts under £4m to enable small sized contractors to tender for the work. Smaller businesses are likely to be more competitive than larger contractors, both in terms of their margin for overheads and profits, as well as preliminaries for construction works which includes site setup, security, health & safety requirements etc. This approach was adapted for Microsites Phase 1.

- 6.3 It is considered that there is sufficient market interest to deliver the construction contract for the Phase 2 project, and it is proposed that the five sites will be packaged as a group two and three due to their locations, see Appendix 1 for a map and distances. One package will include the Burnt Oak and two Hendon properties of 7 units and the other will include the Underhill and East Barnet properties of 10 units.

- 6.4.1 The contract will be procured through a single stage tendering exercise with the most economically advantageous tenderer being appointed to deliver the contract under a JCT Design & Build contract subject to due diligence undertaken by The Barnet Group. We have taken the advice of our procurement consultants on this approach and they concur.

### 6.5 Revenue

The Barnet Group will receive the rental income for the project and provide an annual dividend per unit per annum to the London Borough of Barnet which is a total of £47,600 per annum.

## 7. FINANCIAL CASE

- 7.1 The financial case indicates the budgetary, financial and affordability considerations of this approach.
- 7.2 Barnet Council has sufficient resources to deliver the project through subsidy in the form of Section 106 commuted sums. Based on budget estimates for the five schemes, it is currently anticipated that the total scheme cost of Microsites Phase 2 is £5.7m. This will be spent during 2018-19, 2019-20 and 2020-2021.
- 7.3 In May 2018 it was agreed by the CIL Section 106 Officer group that 70% of the scheme costs could be covered by Section 106 commuted sums. However, at the time the paper presented total scheme costs of £5,294,000 which would be £3,705,800.
- 7.4 Estimates have since increased by 7% to a total scheme cost of £5.7m which means 70% now equates to £3,990,000.
- 7.5 This Gap Funding of £1,994,200 is currently being sought through a loan as part of the original 30% (now 35% of the scheme cost) from the London Borough of Barnet on the same terms as Tranche 3, i.e. PWLB + 1.35%.
- 7.6 An alternative funding option is to be sought GLA funding but this would be capped at £70,000 per unit (£1,190,000) and so a gap will remain of £804,200 (14% of scheme costs) which will be sought through a loan.
- 7.7 Financial appraisals for the five schemes in Microsites Phase 2 have been undertaken and each scheme is financially viable on the basis that it is mostly funded through subsidy, generating a positive net present value and various revenue benefits and savings to the Council and The Barnet Group.
- 7.8 The financial appraisal is based on rents capped at the Local Housing Allowance levels to maximise revenue while enabling savings such as Temporary Accommodation cost avoidance.
- 7.9 It is important to remember that the project has not yet gone to tender and so the scheme costs are based on estimates using current market intelligence.

## 8. MANAGEMENT CASE

- 8.1 The management case provides the outline plans for programme management, governance, risk management and benefits realisation that will be required to ensure successful delivery. The programme will follow the Corporate project management guidelines, specifically around governance, reporting and risk management.
- 8.2 Opendoor Homes is an independent Registered Provider regulated by the Homes and Community Agency (HCA). Opendoor Homes Board has an absolute responsibility to ensure that the Microsites programme is scrutinised, monitored and meets the requirements of the business plan including dealing with significant exceptions in line with the expectations of the Government's regulator the HCA. The Opendoor Homes programme is managed by the Group's established structures at officer level by the Development and Growth Board and the Affordable Housing Board and at Board member level by the Opendoor Homes Board which includes suitably experienced members from a Registered Provider background.
- 8.3 Programme delivery is reported at Affordable Housing Board attended by representatives from LBB and Barnet Homes. Barnet Council as provider of land and subsidy will receive regular financial and programme monitoring information and more regular exception reporting should this be necessary. This will be especially relevant to variations to the Business Plan and any specific implications on the subsidy comprising of the gifting of Section 106 commuted sums, or the release of sites for Opendoor Homes to develop.
- 8.4 Reporting to the Council will include:
- Overall progress against programme
  - Financial progress against programme, together with appraisals
    - Quarterly cost update
    - Cash flow including S106 contributions
    - Risk profile updates
    - Cost variations
- 8.5 Gateway Review Process  
The Phase 2 Microsites are at an advanced stage in the development process. Four of the five sites have planning permission. 22 Edgeworth Avenue's planning application is about to be accepted. 22 Edgeworth Avenue was sourced at a later date hence why it is yet to gain planning permission.
- 8.6 If the contract sum for the most economically advantageous tender is within the budget set out in this report, the Barnet Group can authorise award of the contract.

### 8.7 Equalities

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.

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

8.9 Allocation of properties acquired will be made in accordance with the Council's Housing Allocations Policy. Analysis of data has shown that women and members of Barnet's black and minority ethnic communities are over represented among those living in temporary accommodation. Over 70% of households in temporary accommodation are from non-white households, compared to around 40% of the Borough's population. Of those in temporary accommodation the main applicant is female in 65% of households.

8.10 It is not expected that these groups will be adversely affected by implementing Phase 2 of the Microsites Programme as set out in this report. However, the impact will be monitored to ensure that these groups are not adversely affected.

8.11 All units of accommodation that are procured will meet minimum standards and in placing households into accommodation.

Three of the homes will be wheelchair accessible and adaptable.

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

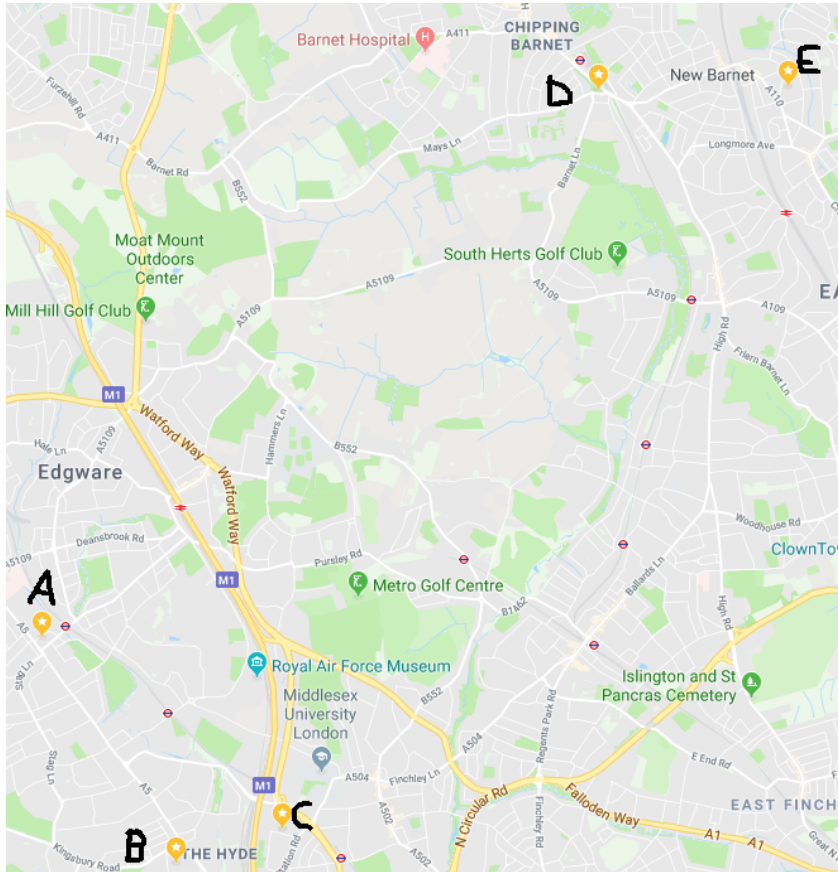
8.13 A full equalities impact assessment was completed for The Housing Strategy 2015-2025 which identified that the Strategy would have a positive impact on all sections of Barnet's Community.

8.14 The proposals in this report do not raise any negative impacts for equalities and demonstrate that the Council has paid due regard to equalities as required by the legislation. The proposals anticipate a positive impact for residents because they:

- Underline the Council's aim that all residents from our diverse communities – the young, old, disabled people and those on low incomes – benefit from the opportunities of growth.
- Contribute to Barnet's commitment to fairness - to be mindful of the concept of fairness and of, disadvantaged communities - which was adopted at Policy and Resources Committee in June 2014.
- Form part of Barnet's Housing Strategy 2015-2025 which includes the objective to deliver homes that people can afford.
- Provide homes for people who are homeless and may be currently disadvantaged.
- Also reflect the Development Pipeline EQIA.

## 9. APPENDICES

### Appendix 1 – Map and Distances of the 5 sites



A – Back Lane

B - Reets Farm Close

C- Edgeworth Avenue

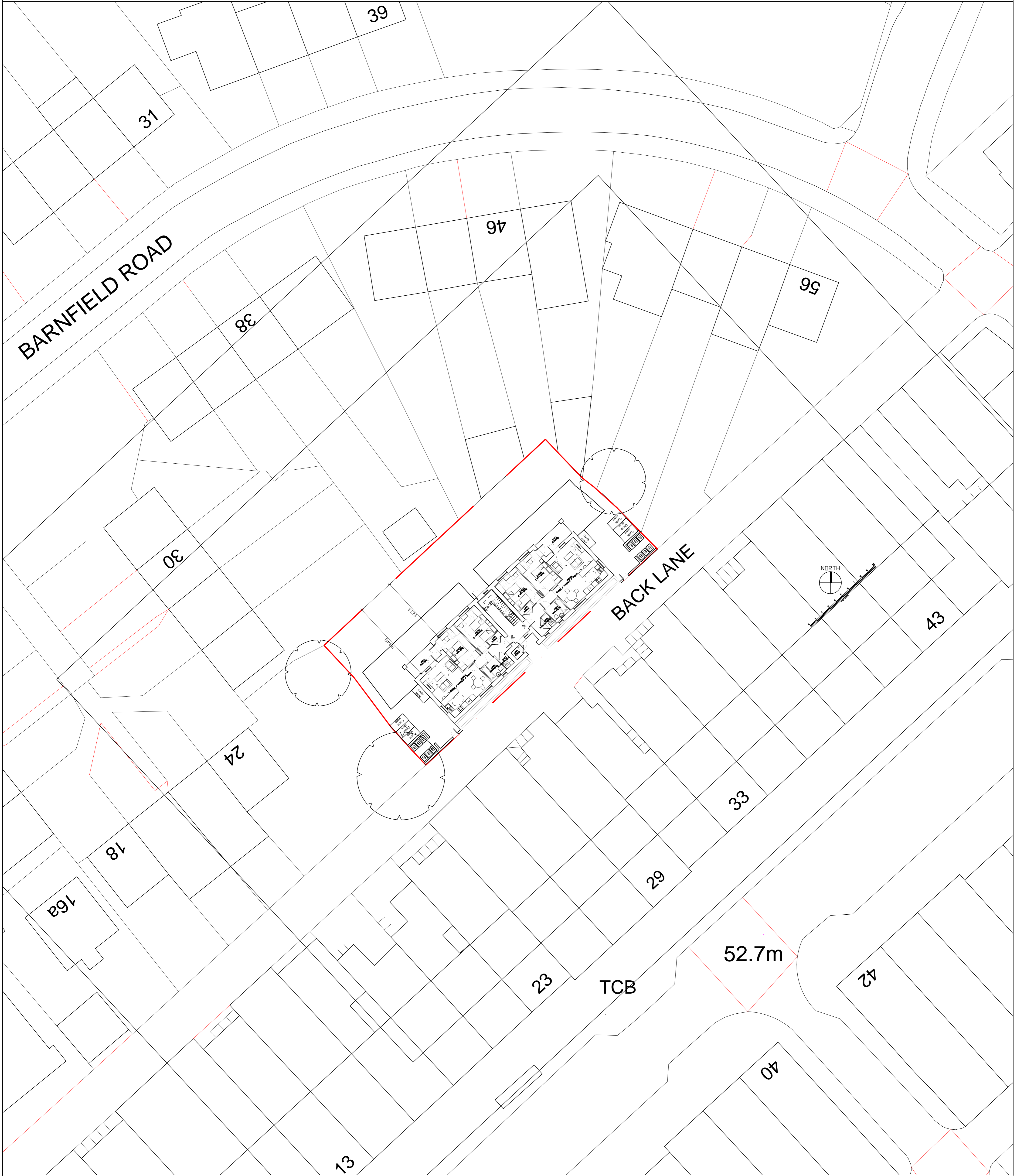
D – Underhill

E – Warwick Close

A to B: 1.7 miles	D to E: 1.3 miles	A to D: 5.6 miles
B to C: 1.5 miles		A to E: 6.9 miles
A to C: 2.3 miles		B to D: 7.5 miles
		B to E: 8.7 miles
		C to D: 6.6 miles
		C to E: 7.9 miles

<u>Sites</u>	<u>Units</u>	<u>People</u>
A, B, C	7	31
D, E	10	33





Proposed Site Plan  
1:200

**DRAFT FOR INFORMATION ONLY**  
**22.04.16**



XX.XX.XX.PSM Initial Issue

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Drawing to be read in conjunction with outline specification.

- |                        |                             |
|------------------------|-----------------------------|
| - Site Boundary        | - Refuse/recycling bins     |
| - Trees as existing    | - Close board timber fence  |
| - Trees as proposed    | - Hedge / Planting          |
| - Trees to be felled   | - Garden Shed/Cycle Storage |
| - Front Entrance       | - Lamp Post                 |
| - Rear Garden Entrance | - PIR Outdoor wall light    |

Proposed Site Plan  
drawing title Back Lane Garages

Barnet Homes Barnet Small Sites  
client / project

PLANNING  
status

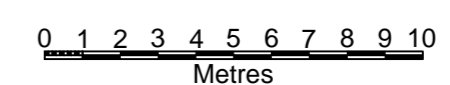
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drawing number

1:200  
scale @ A1

LBB-SMP-200 PSM  
project number  
originated by

HTA Design LLP  
106-110 Kentish Town Road  
London, NW1 9PX  
020 7485 8555  
www.hta.co.uk

HTA Design LLP  
21 Slater's Steps  
Edinburgh, EH8 8PB  
0131 344 4742  
www.hta.co.uk



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Revisions:

Rev	Date	Drawn	Chkd

Revisions:

Rev	Date	Drawn	Chkd

Revisions:

Rev	Date	Drawn	Chkd

<b>FOR COMMENTS ONLY</b>			
Date: SEP 2016	Client: Barnet Homes		
Drawn: WO	Project: Underhill Court		
Check:	Title: Proposed Site Plan		
Scale: 1:200 @ A1	Dwgno: 15-290 SK13.50	Revision:	

**bptwpartnership**  
 110-114 Norman Road,  
 Greenwich, London SE10 9QJ  
 020 8293 5175 www.bptw.co.uk

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**Proposed Site Plan**  
1:200



03.06.16 PSM Issue for planning  
A 13.06.16 PSM Scale bar amended

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Legend	
	- Site Boundary
	- Trees as existing
	- Trees as proposed
	- Trees to be felled
	- Front Entrance
	- Rear Garden Entrance
	- Refuse/recycling bins
	- Communal bins
	- Close board timber fence
	- Garden Shed/Cycle Storage
	- Shared surface block paving
	- Precast concrete paving slab
	- Grass lawn
	- Soft planting
	- Hedge

**Proposed Site Plan**

drawing title Reets Farm Close  
Barnet Homes Barnet Small Sites  
client / project

**A\_BA2-S15\_DR\_0100**  
drawing number

1:100  
scale @ A1

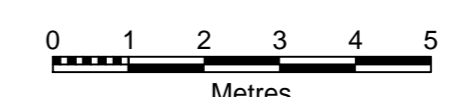
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project number

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106-110 Kentish Town Road  
London, NW1 9PX  
020 7485 8555  
www.hta.co.uk

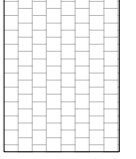
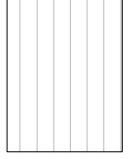
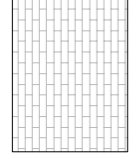
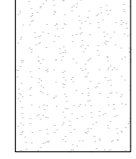
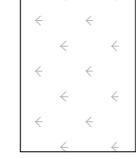
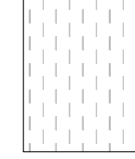
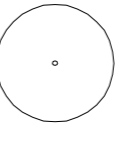

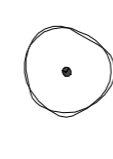
HTA Design LLP  
21 Slater's Steps  
Edinburgh, EH8 8PB  
0131 344 4742  
www.hta.co.uk

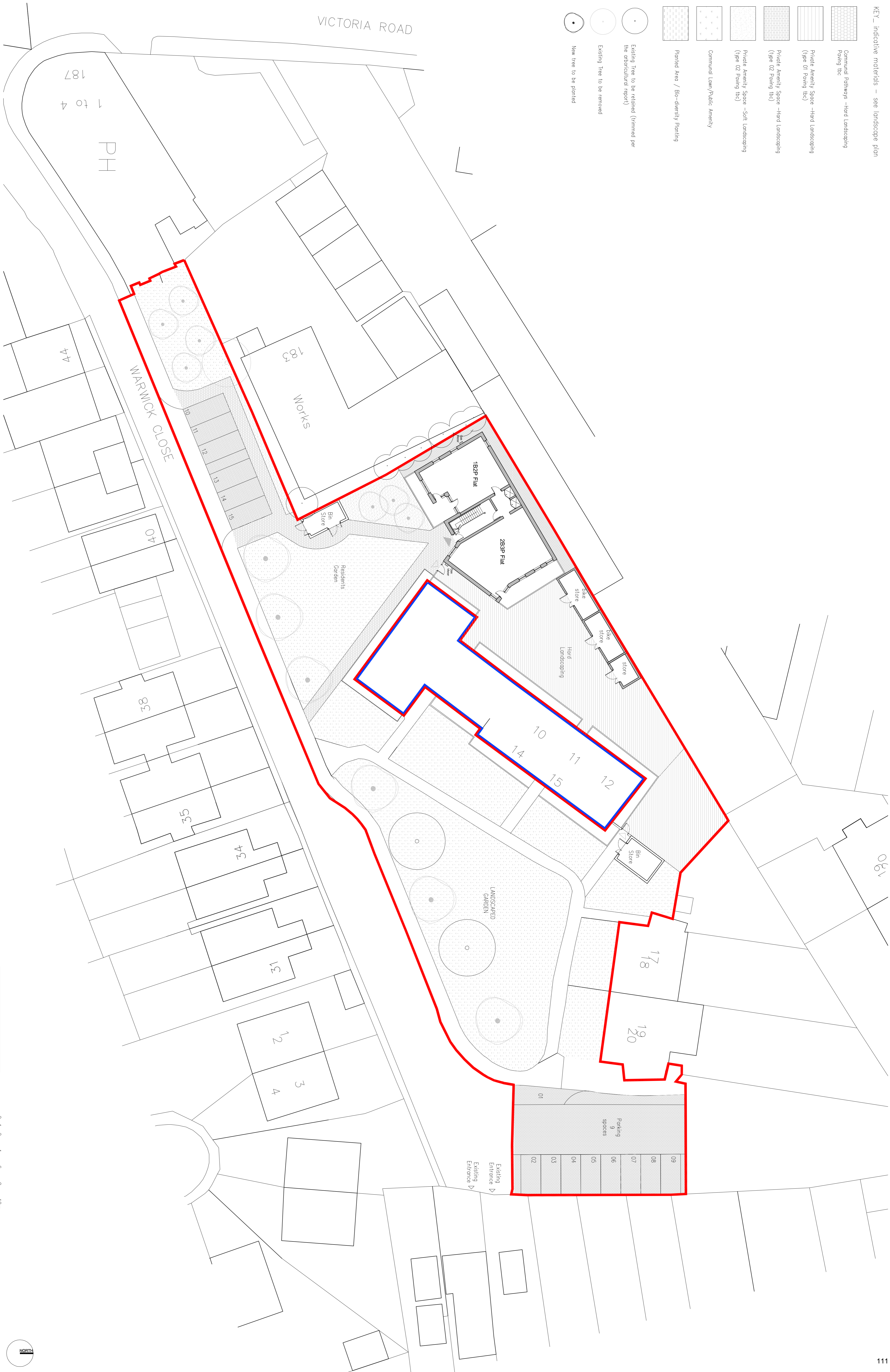


**PLANNING**  
status



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-  Communal Pathways - Hard Landscaping Paving tbc
-  Private Amenity Space - Hard Landscaping (type 01 Paving tbc)
-  Private Amenity Space - Hard Landscaping (type 02 Paving tbc)
-  Private Amenity Space - Soft Landscaping (type 02 Paving tbc)
-  Communal Lawn/Public Amenity
-  Planted Area / Bio-diversity Planting
-  Existing Tree to be retained (informed per the arboricultural report)
-  Existing Tree to be removed
-  New tree to be planted



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Revisions:

Rev	Date	Drawn	Checked

Revisions:

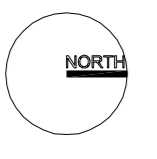
Rev	Date	Drawn	Checked

Revisions:

Rev	Date	Drawn	Checked
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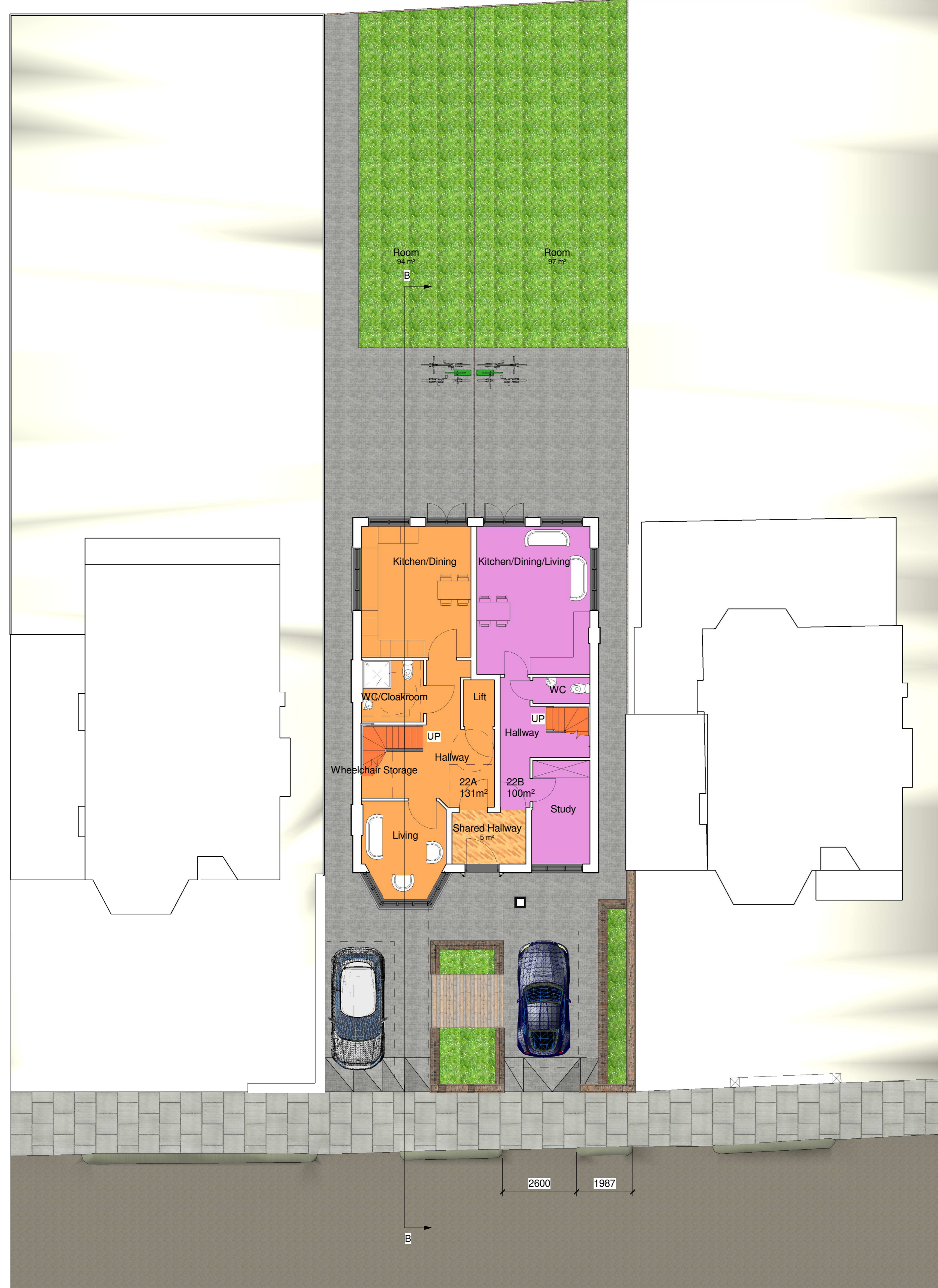
**PLANNING ISSUE**

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Drawn: DG	Project: WARWICK CLOSE
Checked: DG	Title: PROPOSED SITE PLAN
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	D03 050
	Reviser: A

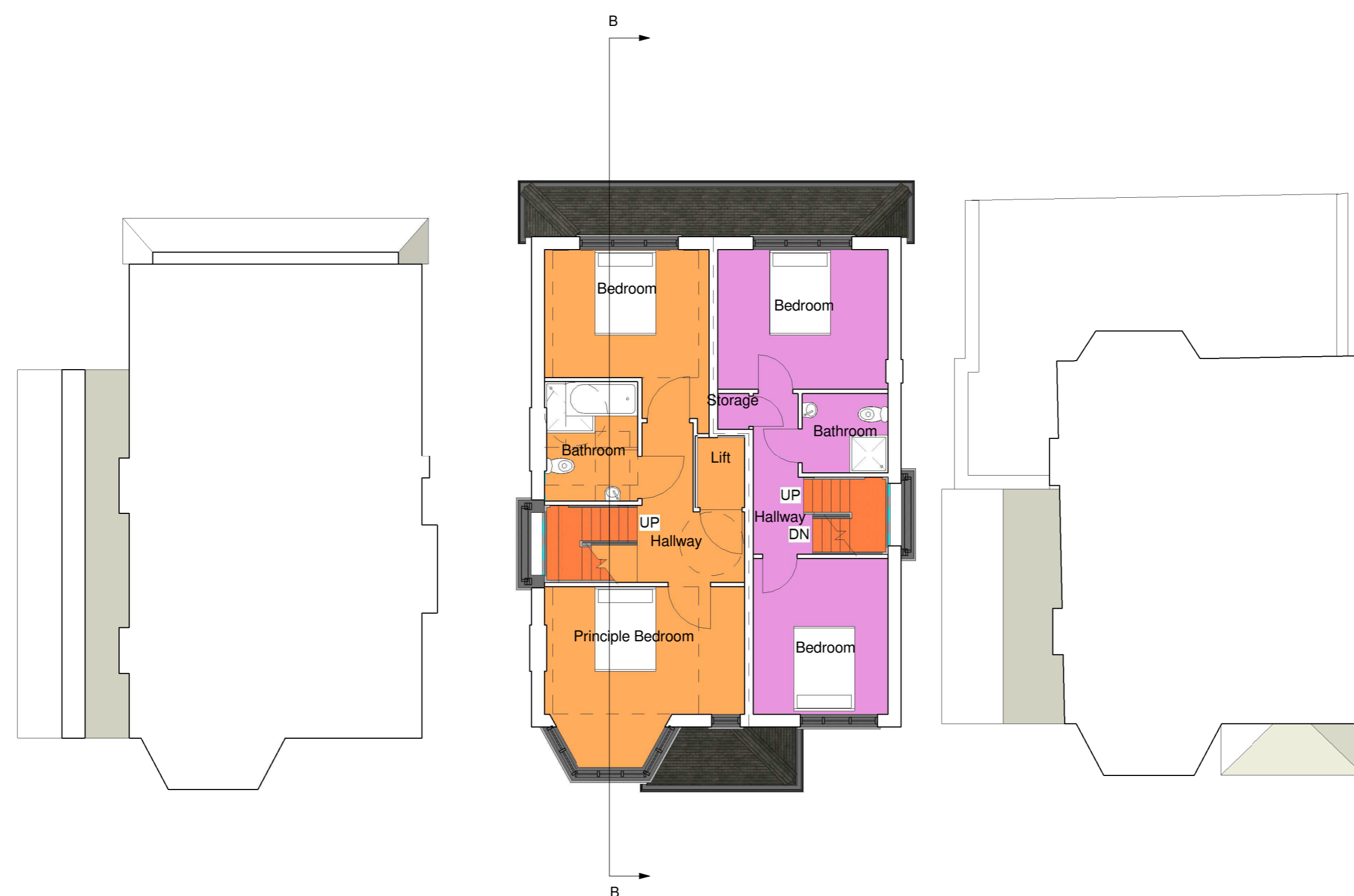


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**0 - Ground Floor - Proposed**  
1 : 100



**1 - First Floor - Proposed**  
1 : 100



**3D Render - Proposed**



**Section B-B - Proposed**  
1 : 100



**Front Elevation - Proposed**  
1 : 100



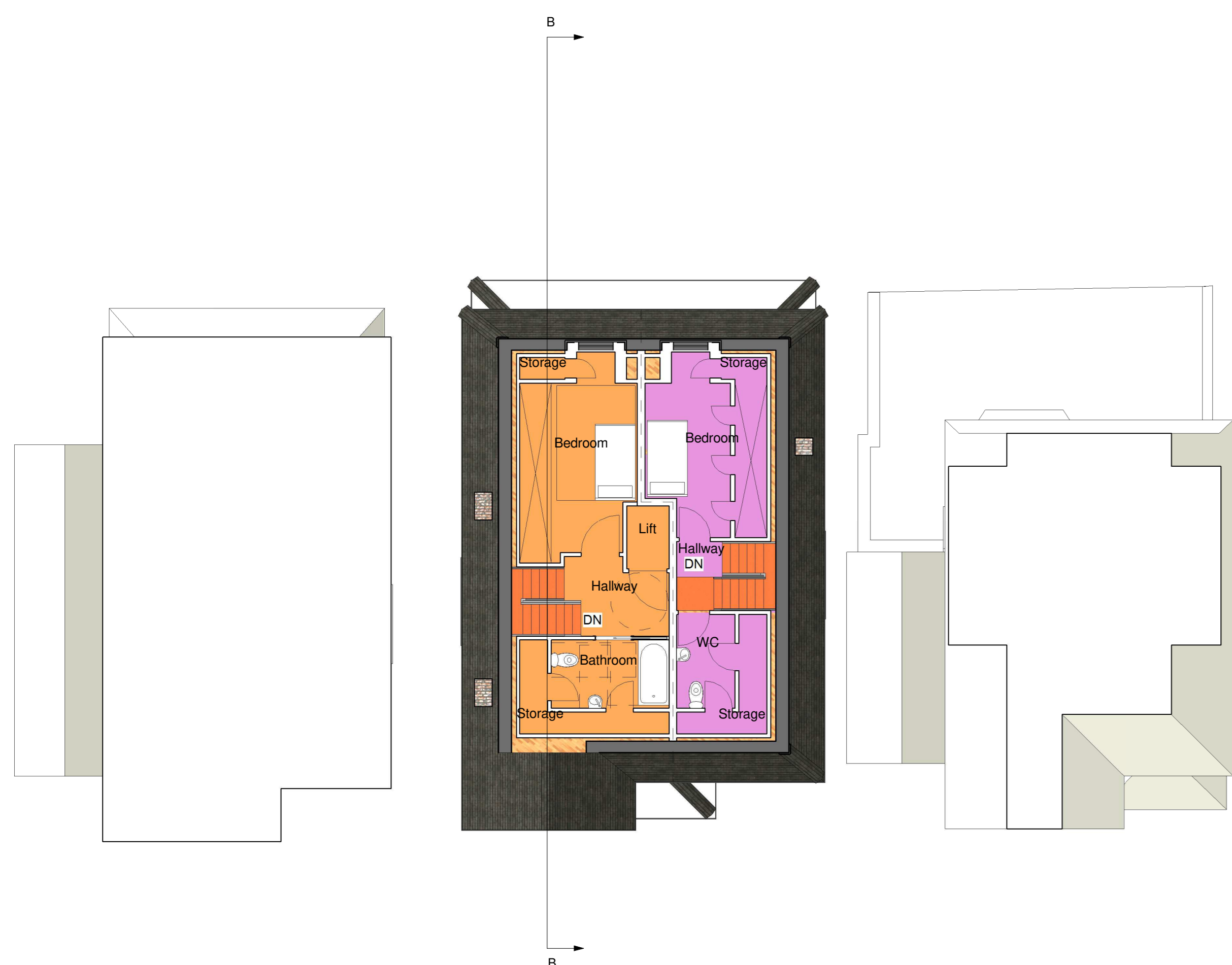
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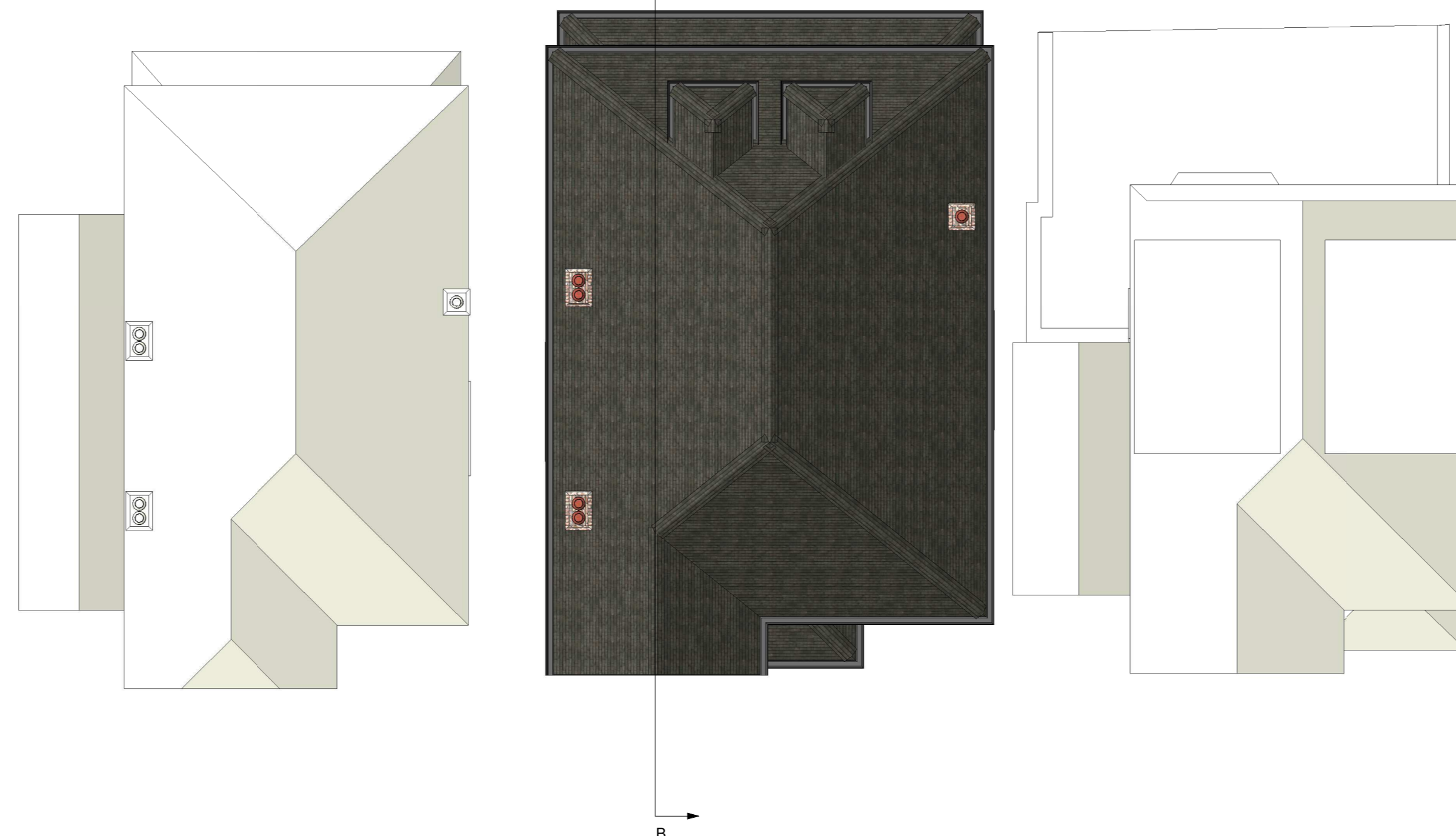
**Side A Elevation - Proposed**  
1 : 100



**Side B Elevation - Proposed**  
1 : 100



**2 - Second Floor - Proposed**  
1 : 100



**3 - Site Plan - Proposed**  
1 : 100

PURPOSE OF ISSUE		
Planning		
PROJECT NO:		
DAS29		
PROJECT:		
22 Edgeworth Avenue London NW4 4EY		
DRAWINGS:		
Proposed Floor Plans & Elevations		
SCALE (@ A0)	DRAWN:	CHECKED:
1 : 100	GMO	TSI
DRAWING REF:	DATE:	REVISION:
RE/DAS29/18/2	02/03/18	

- NOTES
1. Any inaccuracies or errors to be reported to the immediately prior to any work commencing.
  2. All dimensions to be verified on site.
  3. All work to comply with British Standards Code of Practice.
  4. All external surfaces and materials to match.

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## Assets Regeneration and Growth Committee

17<sup>th</sup> September 2018

<b>Title</b>	<b>Amendments to the London Borough of Barnet assets included in the Community Asset Strategy.</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	Appendix 1 – Up to date list of properties in the Community Asset Strategy.
<b>Officer Contact Details</b>	Melanie Chiknagi – Surveyor for the Head of Estates <a href="mailto:Melanie.Chiknagi@barnet.gov.uk">Melanie.Chiknagi@barnet.gov.uk</a>  Chris Smith – Head of Estates <a href="mailto:Chris.smith@barnet.gov.uk">Chris.smith@barnet.gov.uk</a>

### Summary

The Community Asset Strategy (CAS) Implementation Plan (agreed by Assets, Regeneration and Growth Committee in September 2015) set out that a new process would be developed for agreeing new leases and lease renewals, with an initial guaranteed five year rent subsidy, for eligible voluntary and community sector (VCS) organisations occupying the Council's community buildings.

The aim of the CAS is to increase transparency, fairness and consistency in the way that subsidies are awarded to VCS organisations, and to recognise the important contribution to the borough that VCS organisations make equally. The programme also seeks to ensure that the Council's buildings are used in a way that benefits Barnet residents by making sure organisations leasing Council buildings are financially viable, sustainable and governed appropriately.

There were originally 74 groups in the programme, there are now 48 left, with details of the groups occupying leased-out assets that have either opted out or are not eligible, shown in Appendix A.

There are also two assets that were not originally included in the Community Asset Strategy

but that now should be, in order to properly recognise the primary use of the building, namely:

- Burnt Oak Spiritualist Church at 143 Orange Hill Road
- Grahame Park Library

The object of this paper is to formally register these two buildings as community assets and to update the committee on other changes to the assets originally defined as such under the Community Asset Strategy.

## **Recommendations**

- 1. That the Committee approve the addition of Burnt Oak Spiritualist Church and Grahame Park Library to the Community Asset Strategy.**
- 2. That the committee notes the other assets shown in Appendix A, that are no longer part of the Community Asset Strategy.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 This report is needed to enable the Assets, Regeneration and Growth committee to approve the addition of the Burnt Oak Spiritualist Church and Grahame Park Library in the Community Asset Strategy.
- 1.2 To ensure the Committee is aware of the properties that have either opted out of the CBAT programme or were found not to be eligible.

### **2. REASONS FOR RECOMMENDATION**

- 2.1 The Community Asset Strategy (CAS) was agreed in July 2015, through Assets, Regeneration and Growth Committee, and the recommendation for the methodology to be used, was approved by Policy & Resources Committee in June 2016
- 2.2 The CAS originally identified all LB Barnet assets thought to be eligible and at the time justifiably omitted the Burnt Oak Spiritualist Church and the Grahame Park Library. However, both assets are now deemed eligible as a result of their primary use being better understood and / or recently changing.
- 2.3 It is clear that both of these buildings now provide specific community benefits to the residents of Barnet, as their primary function.
  - a) The Burnt Oak Spiritualist Church is used for a variety of purposes, including spiritual healing, one to one sessions and social events. The Church is not active during the day, so the space is available for other users to utilise between 10am and 4pm.
  - b) Since the Grahame Park Library closed and following the completion of some remedial works to the inside of the building, the building has been re-purposed

as a dedicated community asset and now provides a base for a number of community activities, such as:

- Management of a One Stop Shop and The Pulse Community
- Provision of services to residents to enhance community links
- Identification of community development needs within Colindale
- The Colindale Community Website
- Community researchers
- The Community Garden Project
- The Counselling project, which offers free one-to-one counselling to parents and carers with children under the age of ten for residents of Colindale
- The Colindale Community Facilities Our Place Project

2.4 Re-categorising these buildings as community assets properly recognises them as such and also allows them to be included in the community asset strategy. This potentially entitles tenants to subsidised rents, subject to assessment of their activities via the Community Benefit Assessment Tool (CBAT).

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

3.1 Do nothing. This would leave the Burnt Oak Spiritualist Church and Grahame Park Library designated as operational buildings, which would not properly recognise the now primary purpose of those assets.

### **4. POST DECISION IMPLEMENTATION**

4.1 The activities of all tenants will be assessed using the CBAT and appropriately subsidised leases will be agreed.

All lease documents shall be drafted by HB Public Law and cleared using delegated powers, as for all land transactions.

### **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 fore-designation of the Burnt Oak Spiritualist Church and Grahame Park Library as community assets supports the corporate plan of delivering a service that gets value for money for the taxpayer. The CBAT tool provides a fully

transparent subsidy calculation, as the subsidy is calculated as a direct product of the social value that the VCS group brings to the borough.

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

5.2.1 Following the acceptance of these recommendations, the CBAT mentor will engage with the tenants of Burnt Oak Spiritual Church to renew their lease, and with the in-going tenants of Grahame Park Library (CCT) to surrender their lease and regrant a subsidised lease.

5.2.2 Whilst the Council will receive little to no rent from the groups for at least the first five years of the lease, the tenants will pay all utilities, rates, and charges associated with the building.

5.2.3 The tenant of Burnt Oak Spiritualist Church currently pay a peppercorn rent, therefore subsidy of the group will have no financial impact on LB Barnet. The tenant had a 20 year lease that was protected by the Landlord and Tenant Act 1954. The lease has expired and is currently holding over until we are able to document a new CBAT lease for them. The new lease offered will be for a short term of five years.

5.2.4 The tenants of Grahame Park Library have not yet moved in, however they will be occupying the premises on a license, paying pro rata £14,000 a year until the CBAT lease can be documented. There will therefore be a financial implication to LB Barnet in this transaction, however this is mitigated by the fact it is a short-term, five lease due to the impending redevelopment of Grahame Park, the tenant will be carrying out work in the property, saving LB Barnet the cost of doing so, and the services the tenant provides brings substantial social value to the residents of the Grahame Park area.

## **5.3 Social Value**

5.3.1 The aims and objectives of the tenants in the Burnt Oak Spiritualist Church and Grahame Park Library are deeply rooted in bringing social value to Barnet. Both are well established in the borough and provide invaluable services to residents, encouraging community cohesion and practical assistance to their members.

## **5.4 Legal and Constitutional References**

5.4.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 (as amended) to dispose of land or assets held by them in any manner they wish. Except with the consent of the Secretary of State for Communities and Local Government, a council cannot dispose of land, other than for the grant of a term not exceeding seven years, for a consideration less than the best that can reasonably be obtained. A general consent dated 2003 has been issued by the DCLG, this can be used where the value foregone is less than £2 Million and the proposed lease would be for the social, environmental or economic well-being of the residents of the Borough. Neither the rent for the lease term of Burnt Oak Spiritualist Church, nor the Grahame Park Library, surpass the £2 million threshold.

5.4.2 Should the matter be considered to fall under these provisions, the matter will be dealt with under these Local Government Act 1972 rules and the appropriate action taken. This is to ensure that the Council does not breach statutory rules.

5.4.3 Under Article 7.5 of the Council's Constitution Responsibility for Functions, the functions of the Assets, Regeneration, and Growth Committee includes responsibility for asset management.

## 5.5 Risk Management

5.5.1 RISK: Other community groups that lease space in operational buildings may consider that they should qualify for inclusion in the Community Asset Strategy.

MITIGATION: Clearly communicate to any potential tenant in a council building what the primary purpose of that asset is, and therefore what it's designation is so that tenants fully understand.

5.5.2 RISK: Over time, the primary use of the asset may need to be changed, as a result of development of the surrounding area as employment land, for instance. Under these circumstances the designation of the asset may have to revert back to commercial or operational use to ensure it is in-keeping with its surroundings.

MITIGATION: Clear communication with tenants and the surrounding residents & businesses as the context changes, in order to ensure that any potential changes of designation are as transparent as possible.

## 5.6 Equalities and Diversity

5.6.1 Under the 2010 Equality Act, the Council must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion and belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.6.2 The proposal does not raise any issues under the Council's Equalities Policy and does not have a bearing on the Council's ability to demonstrate that it has paid due regard to equalities as required by the legislation. No immediate equality impacts are anticipated as a result of this proposal.

## 5.7 Consultation and Engagement

5.7.1 There has been no formal or public consultation. The CBAT mentor is engaging directly with both tenants.

## **6. BACKGROUND PAPERS**

6.1.1 Policy and Resources Committee in June 2016

6.1.2 The Community Asset Strategy (CAS) Implementation Plan (agreed by Assets, Regeneration and Growth Committee in September 2015)



**APPENDIX A**  
(shaded assets are those who are no longer in the CBAT programme)

<b>Asset</b>	<b>Location</b>	<b>Tenant</b>	<b>Update</b>
Hendon Rugby FC, Copthall Sports Centre, Greenlands Lane, NW4 1RL	Mill Hill	Hendon Rugby Football Club	
Mill Hill Rugby FC, Copthall Sports centre, Champions Way, NW7 2EL	Mill Hill	Mill Hill Rugby Football Club	
Mill Hill Village Sports Club, Burtonhole Lane, NW7 1AS	Mill Hill	Mill Hill Village Sports Club	
CCSFA; Old Copthall School Site, NW7	Mill Hill	CCFSA	On Hold
SWBA – Tarling Road Community Centre N2	East Finchley	Tarling Road Community Centre	Separate Hub development
NW7 Hub – Daws Lane NW7	Mill Hill	Dawes Lane NW7	Separate Hub development
Independent Living Centre (Former Flightways) The Concourse, NW9 5UX	Colindale	Maxability	
Meritage Club, Church End, NW4 4JT	Hendon	Age UK	Age UK have now left Meritage Centre
Meritage Club, Church End, NW4 4JT	Hendon	CMHA	
Independent Living Centre (Former Flightways) The Concourse, NW9 5UX	Colindale	BBSI	
Independent Living Centre (Former Flightways) The Concourse, NW9 5UX	Colindale	Nepalese Community	Tenants want to relocate, no longer part of the programme
Community Focus; Friary House, 1st FL, Pt 2nd FL & Store in Stable, Friary Park, N12	Finchley	Community Focus	
TS Broadsword, 61 Cool Oak Lane NW9 (sea cadets)	West Hendon	TS Broadsword	Tenant no longer part of the programme
Algernon Road Multi Cultural Centre, Algernon Road, NW4 3TA	West Hendon	Algernon Road Multicultural Day Centre Ltd	
Friern Barnet Library, Friern Barnet Road, N11 3DS	Coppetts	Friern Barnet Community Library	
The Old Bull, Suzie Earnshaw Theatre School, 68 High Street, EN5 5SJ	High Barnet	Dare to Dream Performers Ltd	Excluded - Commercial
Nightingale Nursery, 23 Victoria Road, EN4 9PH	East Barnet	Jenny Beckwith and Margaret Collins T/A Nightingale day Nursery	Excluded - Commercial
Friary House, Ground Floor, Friary Park, N12	Finchley	Barnet Asian Women Association	
Grahame Park All Weather Pitch, Grahame Park Way, NW9	Colindale	Paul Fitzgerald	Excluded - Commercial
Hendon Mosque and Islamic Centre, 4a Park Road, NW4 3QB	West Hendon	Trustees of the Hendon Mosque and Islamic Centre	
North Road Community Centre	Burnt Oak	North Road Community Association	Part of Burnt Oak Hub - tenant currently uncontactable but

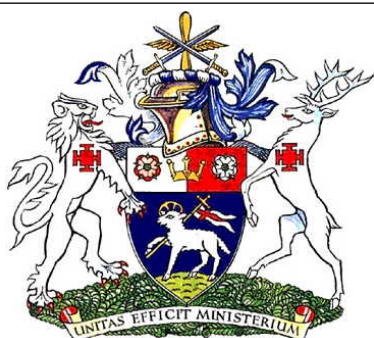
Asset	Location	Tenant	Update
			LBB is to offer short term lease
Society of Model Engineers, 1 Legion Way, N12 0PZ	Woodhouse	North London Society of Model Engineers	Decided to opt out of the programme
Sea Cadets, 184a Long Lane, N3 2RA	West Finchley	Finchley Sea Cadets	Moved to Phase 6
RSPCA, 28 Market Place, N2 8BB	East Finchley	RSPCA	
Former Association of Veterans of Foreign Wars, Osidge Lane, N14 5DU	Brunswick Park	Trustees of Theotherapy Christian Fellowship	
Nomads Community Gym, 3a Hamonde Close, HA8 8TG	Edgware	Mr Steven Mills T/A Nomads Community Gym	No longer part of the programme. The tenant was not able to provide the necessary information so will have a regular lease renewal with Property Services
Barnet Talking Newspaper, Wetherill Road, N10 2LS	Coppetts	Barnet Borough Talking Newspapers	Attempts are being made to contact the tenant, in order to progress a CBAT lease.
Friary House, Room Pf11, Friary Park N12	Friern Barnet	Barnet Elderly Asian Group	
West Hendon Community Centre, Marsh Drive, NW9 7QE	West Hendon	Operated by Barnet Homes	Out of the programme - there is no tenant. Centre used by Barnet Homes for ad-hoc hall rental and for use by local councillors
Grahame Park Community Centre, The Concourse, NW9 5XB	Colindale	Operated by Barnet Homes	
TAVRA, Watling Park Former Bowling green, Colchester Road, HA8	Burnt Oak	Territorial and Army Volunteer Reserve	Bowling greens are all part of a larger strategy and therefore not to be included in the CBAT programme
Minotaur Thai Boxing Gym, Back Lane, HA8 0AS	Burnt Oak	The North London Fitness Centre	

Asset	Location	Tenant	Update
Friary House, Room Ps2 (Shared )M R 2 , Friary Park, N12	Friern Barnet	African Refugee Community	
Phoenix Canoe Club(Former North Circular Sailing Club), Woodfield Park, Cool Oak Lane, NW9 7ND	West Hendon	Phoenix Canoe Club	
Barnet Table Tennis Club, Barnet Lane Playing Fields, EN5 2DN	Underhill	Barnet table tennis centre	
Finchley Lawn Tennis Club	East Finchley		
Sea Cadets, 184a Long Lane, N3 2RA	West Finchley	Finchley Sea Cadets	
Oakhill Park Bowls Club, Oakhill Park, EN5	East Barnet	The Trustees of Oak Hill Park Golf Club	Bowling greens are all part of a larger strategy and therefore not to be included in the CBAT programme
Tower Gym, Church Farm, Church Hill Road EN4	Brunswick Park	Neil Godly Oxygen Fitness	No longer part of the programme as lease renewal just completed by Property Services
Arkley Village Hall, Brickfield Lane, EN5 3LD	High Barnet	Arkley Association	
St John's Ambulance, Church Farm Garage, Church Farm, EN4	Brunswick Park	St John Ambulance	Tenants do not wish to take part in the programme
Grahame Park All Weather Pitch, Grahame Park Way, NW9	Colindale	Paul Fitzgerald	Not eligible for the programme
Former Scout Hut, Avion Crescent, off Grahame Park Way, NW9 5QY	Colindale	Northwest Churches	
East Barnet Rifle Club Albert Road, EN4 9SH	East Barnet	East Barnet Shooting Club	
Barnet Housing Aid Centre, part 36b Woodhouse Road, N12 0RG	Woodhouse	Housing Aid	
Homeless Action in Barnet, part 36b Woodhouse Road, N12 0RG	Woodhouse	Homeless in Action	Opted out of the programme
Bishopswood Bowling Club, Summers Lane, N12 0PD	Woodhouse	The Bishopswood Bowling Club	Bowling greens are all part of a larger strategy and therefore not to be included in the CBAT programme
Noel Lounge, Grahame Park, NW9	Colindale	Trustees of the Somali Graduate association	Tenants relocated as building due for demolition as part of the Grahame Park redevelopment
Tedder Lounge, Wiggins Mead, NW9	Colindale	Faith Community Limited	Building is severely deteriorated so we cannot allow the tenant to occupy. We are seeking to relocate the tenant while we understand whether it is more cost effective to repair or demolish the building

Asset	Location	Tenant	Update
Barnet CAB, 40/42 Church End, NW4 4JT	Hendon	Barnet Citizens Advice Bureau Ltd	
Barnet CAB 44 Church End, NW4 4JT	Hendon	Barnet Citizens Advice Bureau Ltd	
Sherrick House (Pt) 30 Church End, NW4 4JX	Hendon	Barnet Mencap	
Sherrick House (Pt) 28 Church End, NW4 4JX	Hendon	African Cultural Association	
<del>Hanuman Community Centre, Marquin Centre, Marsh Drive, NW9 7QE</del>	<del>West Hendon</del>	<del>Hanuman Community Centre Trustees</del>	This building has been demolished so is no longer in the programme
<del>Northway Tennis Centre, Northway Gardens, NW11 6RJ</del>	<del>Garden Suburb</del>	<del>Stephen Poxon</del>	It is recommended that this group comes out of the programme as they are a commercial tennis club who takes membership fees.
Princes Park Youth FC, Woodfield Park, Cool Oak Lane, NW9 7ND	West Hendon	Princes Park Youth FC	
Old Camdenians Sports and Social Club, Burtonhole Lane, NW7 1AS	Mill Hill	The Old camdenians Sports Club	
Former Scout Hut, Market Lane, Burnt Oak, HA8	Burnt Oak	Faith Community Limited	
Barnet 1st Scout Group, Priory Grove, EN5	Underhill	Barnet First Scout Group	
Sea Cadets, 184a Long Lane, N3 2RA	West Finchley	Finchley Sea Cadets	
3rd East Barnet Scout Group, Vernon Crescent, EN4 8QG	East Barnet	3rd East Barnet Scout Group	
East Barnet Scout Hut, Osidge Lane, N14 5DU	Brunswick Park	5th East Barnet Scout Association	

Asset	Location	Tenant	Update
Hendon 16th Scout Group, Brownsea Walk, Sanders Lane, NW7 1BF	Mill Hill	The Scout Association Trust Corporation - occupier Hendon 16th Scout Group	
Finchley Scouts, R/O 190-192 Long Lane, N3	West Finchley	22 Finchley Scout Group	
1374 East Barnet Squadron, Gloucester Road, EN5 4BP	Oakleigh	Territorial Auxiliary and Volunteer Reserve Association	The tenant has decided they do not wish to take part in the programme
New Barnet Community Centre 48-50 Victoria Road, EN4 9PF	East Barnet	New Barnet Community Association	
St John's Ambulance, Priory Grove, EN5 2BE	Underhill	St John Ambulance	The tenant does not wish to take part in the programme
Barnet Lawn Tennis Club, Gloucester Road, EN5 1RS	Oakleigh	Barnet Lawn Tennis Club	It is recommended that this group comes out of the programme as they are a commercial tennis club who takes membership fees.
The Stables Horse Activity Centre, Barnet Lane, EN5 2DN	Totteridge	The Stables Horse Activity Centre. Charity No 1108451	The tenant has opted out of the programme
Moat Mount Camp Site, Barnet Way, NW7	Hale	Trustees of the Friends of Moat Mount camp Site	The CBAT mentor has met with the tenant, and they have decided to opt out of the programme as they are happy with their current lease arrangement.
Frith Grange Camping Ground	Mill Hill	Scout Association	The Area Commissioner for Scouts has requested that this site comes out of the CBAT programme.
Hendon Rifle Club, Woodfield Park, Cool Oak Lane, NW9 7NB	West Hendon	Trustees of the Hendon Rifle Club	
Chin Woo Ltd, Lower Ground Floor West Hendon Playing Fields Pavilion, Goldsmith Avenue NW9 7EU	West Hendon	Chinwoo UK Limited	
Parkside View Nursery, Ground Floor West Hendon Playing Fields Pavilion, Goldsmith Avenue NW9 7EU	West Hendon	Parkside View Nursery Limited	It is recommended that this group comes out of the programme as they are a commercial fee-paying nursery.
Incognito Theatre, Holly Park Road, N11 3HB	Coppetts	Incognito Theatre Group	

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## ASSETS, REGENERATION & GROWTH COMMITTEE

17 September 2018

<b>Title</b>	<b>Town Centre Capital projects and update on Finchley Central Housing Infrastructure Fund project</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	Finchley Church End, and West Hendon
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Rachel Williamson, <a href="mailto:rachel.williamson@barnet.gov.uk">rachel.williamson@barnet.gov.uk</a> Jamie Robinson, <a href="mailto:jamie.robinson@barnet.gov.uk">jamie.robinson@barnet.gov.uk</a> Susan Curran, <a href="mailto:susan.curran@barnet.gov.uk">susan.curran@barnet.gov.uk</a>

### Summary

This report proposes a profile for the spend of the Town Centre Capital Fund in 2018/19 agreed as part of the Council Budget 2018/19 Financial Forward Plan and Capital Programme in the Business Planning 2018-20 report taken to Council on 6 March 2018. The suite of projects takes forward interventions proposed in the Finchley Central Town Centre Strategy and a smaller scale West Hendon Strategy that is currently being developed.

The report also introduces Committee to a separate but complementary Transport for London-led scheme at Finchley Central Station and confirms that, following a successful funding bid, the government has announced that £9.8m has been secured from the Housing Infrastructure Fund to support this.

### Officers Recommendations

<p><b>1. To approve spend of £550,000 from the Town Centres Capital Budget for the Finchley Central Town Centre Project, to deliver physical environment interventions as identified in the Finchley Central Town Centre Strategy.</b></p>
<p><b>2. In keeping with Paragraph 2.4.9, to delegate the development and approval of a business case for the Finchley Central Town Centre Project to the Deputy Chief Executive in consultation with the Chairman of the Assets, Regeneration and Growth Committee.</b></p>
<p><b>3. To note that in February 2018 government announced that the council was successful in its bid for £9.8m from the Housing Infrastructure Fund to support a development scheme at Finchley Central Station. This bid was made on behalf on TfL and is now subject to further due diligence by Homes England.</b></p>
<p><b>4. In keeping with Paragraph 2.6.7, to delegate approval of the West Hendon Broadway Town Centre Strategy to the Deputy Chief Executive in consultation with the Chairman of the Assets, Regeneration and Growth Committee.</b></p>
<p><b>5. To approve spend of £60,000 from the Town Centres Capital Budget for the West Hendon Broadway Town Centre Project, to deliver public realm improvements to be identified in the West Hendon Town Centre Strategy.</b></p>

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 Entrepreneurial Barnet 2015-2020 sets out how the council will work with partners to support the economy by focusing on enabling small businesses to succeed, and encouraging thriving town centres that people want to live, work and invest in.
- 1.2 Entrepreneurial Barnet includes proposals relating to assisting town centres to respond to the challenges and opportunities associated with national trends like increasing use of internet shopping, growth in socially focused town centre activities and a growing population. This will ensure that public resources can be used in a way that maximise returns to local businesses and the public purse. This can be achieved through a targeted programme of investment that contributes toward the overall vitality and safeguards the distinctiveness of our town centres.
- 1.3 Over a number of years, the council has worked with traders and key groups in Barnet's main high streets to develop town centre strategies and implementation plans. These strategies aim to develop the character of the town centre, build consensus around a number of practical actions to improve the look of the centre and guide future development. These strategies are in place for Chipping Barnet, Cricklewood, Burnt Oak, Finchley Central, and the council will conclude consultation on a strategy for Golders Green in 2018. The council is also working with a design practice on developing a strategy for West Hendon Broadway, which whilst a neighbourhood centre, is an area undergoing significant change. In the past, these strategies have supported the council in applying for mayoral funding from the Outer London and High Street Funding.
- 1.4 The Council has approved capital funding for town centre improvements, funded from the Infrastructure Reserve which, in practice, means the project will be funded through Community Infrastructure Levy funds and grants. It was originally intended to provide match funding for grant bids. Whilst the council



has continued to bid for Mayoral funds such as the Good Growth Fund and Liveable Neighbourhoods Fund, these are very competitive bidding processes and recent tenders have been unsuccessful. It is proposed that the 2018/19 Town Centre Capital programme progresses without matched income. It is noted that in Finchley Central and West Hendon Broadway there will be complementary investment from developer contributions or reinvestment of council income.

- 1.5 Officers continue to promote a range of funding opportunities to Town Teams and traders who would like to improve their Town Centres. This includes the Barnet Together Fund which can contribute to revenue and capital projects posted on the Spacehive crowdfunding platform. Another route is the Area Committee Community Infrastructure Levy which can be used to fund a wide range of infrastructure to support development of the local area.
- 1.6 Finally, this report provides Committee with an overview of the TfL scheme at Finchley Central which is proposed to secure an estimated £240m of investment into the borough through the delivery of a sustainable high-density development around the station. There is potential for over 600 residential units, retail and commercial space. The scheme provides an opportunity to deliver substantial improvements to the public realm around Finchley Central Station, including junction works to bring together the two halves of the town centre and secure direct pedestrian access from the high street to the station.
- 1.7 In September 2017, TfL approached the Council with a proposed bid for the Housing Infrastructure Fund for a scheme at Finchley Central Station. The council proceeded to submit a bid under the Marginal Viability Fund element of the Housing Infrastructure Fund (HIF) for the development at Finchley Central station. It was announced in February 2018 that this bid had been successful in attracting funding of £9.8m. This funding is, however, subject to further due diligence by Homes England. This report provides Committee with an overview of the scheme, the governance arrangements with TfL, the programme and next steps.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 A Town Centre Capital budget of £4.970m was agreed from 2018/19 onwards and was approved within the Council's Capital Programme, agreed at Council as part of the Business Planning report of 6 March 2018. Of this, £720,000 is the 2018/19 current allocation.
- 2.2 This paper proposes two projects to be funded from this 2018/19 allocation for the Committee's approval:
  - Finchley Central Town Centre Project up to the value of £550,000;
  - West Hendon Broadway Town Centre Project up to the value of £60,000.
- 2.3 This report makes the link between the capital programme to improve and support Barnet's town centres and the TfL programme of housing development in Finchley Central which is expected to bring investment to the area to deliver

over 600 homes, retail and commercial space and substantial improvements to public realm around Finchley Central Station, including key junction improvements. These different town centres projects are included in more detail below.

## **2.4 Finchley Central Town Centre improvements**

2.4.1 At its meeting of November 2017, ARG approved a Town Centre Strategy for Finchley Central, within Finchley Church End ward. The main aims of the strategy are to:

- Strengthen the identity of Finchley and sense of place;
- Support businesses and entrepreneurs, including business space, pop-up shops and steps to grow the evening economy;
- Guide future development sites that reflect the needs of the local population;
- Guide infrastructure investments required along the high street to improve conditions for active travel;
- Consider the role of high streets in meeting the needs of an ageing and diverse population.

2.4.2 Finchley Central town centre has many distinctive assets, such as its rich architectural heritage (including a Conservation Area), a relatively affluent local demographic and significant clusters of office space. The high street has a range of small, independent and specialist shops that distinguish it from other centres and good access to green space at Victoria Park and Stephens Gardens. Finchley Central provides jobs for 2,800 people and is specialised in higher value sectors such as finance, professional, ICT and digital. It is well-connected by bus and tube and accommodates a steady flow of commuters and travellers.

2.4.3 Despite these positive attributes, evidence suggests that the town centre could better serve its local residents and workers. The Town Centre Strategy found that neighbouring centres such as Muswell Hill, North Finchley and Temple Fortune are commonly more highly rated than Finchley Central.

2.4.4 Specific issues identified by businesses and users of the town centre include:

- The dominance of traffic and poor junction layouts, which provides an unfriendly environment for pedestrians and cyclists;
- The route to Finchley Central station is unappealing and provides a poor gateway to the high street for visitors. There is a missed opportunity for more businesses that serve commuter traffic.
- A lack of seating provision. Finchley Central is a key employment hub and there's an opportunity to improve the public environment for office workers.
- The town centre has wide footways and is bookended by green space but the public realm is poor. There is an opportunity to establish public spaces, introduce activities on these and encourage people to spend more time in the town centre.

- Gaps in shopping and leisure provision which are better met by competing towns and shopping centres, for example an opportunity to improve evening activities.
  - Overall, the town centre was described by residents and shoppers as 'bland' and 'nondescript' and lacking in identity.
- 2.4.5 The Town Centre Strategy outlines a future for Finchley Central as a multifunctional centre, with retail playing a part alongside office, community, public service, leisure, cultural and civic uses. Finchley Central is likely to remain an important town centre for employment in the borough, alongside North Finchley. The Strategy identifies a range of actions and interventions that will help to deliver this vision, over a ten-year period.
- 2.4.6 The objective of the Finchley Central Town Centre Project is to implement short-term actions and address the challenges faced in the area.
- 2.4.7 The council intends to deliver a number of short-term improvements as well as laying a foundation for longer-term change. These will likely focus on the following recommendations in the Strategy:
- Establishing Civic Spaces – improving Church End Gardens, establishing 'Finchley Square', supporting community use of the library and supporting Victoria Park as part of the town centre;
  - Promoting Positive Perception and Identity – improving shopfronts and visual merchandising, introducing wall artwork, establishing a local Town Team.
- 2.4.8 The following benefits will be delivered through the project:
- New and improved civic spaces;
  - Support for vital employment clusters in the borough;
  - Better pedestrian and cycling movement leading to reduced traffic and pollution and improved health and well-being;
  - Enhanced approach to heritage assets;
  - A more inclusive town centre;
  - Improved local perception and identity.
- 2.4.9 The proposal for 2018/19 is to procure appropriate expertise to cost, assess and commence delivery of a suite of proposals up to the value of £550,000. Prior to implementation, a business case will be developed for approval, including a full delivery timetable.
- 2.4.10 Using a similar approach adopted in other town centres, a Town Centre Investments Manager in Re will engage businesses and other local stakeholders. This will start with those members of the business and local community that have already expressed an interest in joining a local forum for the area. The nascent forum, or town team, will be supported to identify and further shape priorities for delivery. The Town Centre Investments Manager will

coordinate with appropriate Re and council colleagues to oversee delivery of public realm projects.

2.4.11 The work will integrate with other associated activities such as the Finchley Central HIF project, delivery of a masterplan for Victoria Park (and investment of £575,000) and development of town centres policy in the Council's new Local Plan.

## 2.5 Finchley Central HIF project

2.5.1 As set out in paragraphs 1.6 and 1.7 the government announced that the council was successful in its bid for £9.8m from the Government's Housing Infrastructure Fund to support a development scheme at Finchley Central Station. This bid was made on behalf of TfL and is now subject to further due diligence by Homes England.

2.5.2 The Finchley Central Station scheme proposes to secure an estimated £240m of investment into the borough through delivery of a sustainable, high-density development around the existing station, encapsulating principles of Good Growth and Healthy Streets promoted by the GLA. The initial feasibility work undertaken by TfL has established potential for over 600 residential units, which will be supplemented by retail and commercial space. It should be noted that, at this early stage, no detailed proposals have been presented to the Council and any development would be dependent upon planning approval being granted.

2.5.3 The £9.8m investment from the Housing Infrastructure Fund will support the early enabling works required by the scheme, including relocation of London Underground facilities, key junction works and the works on and around the embankment to enable the likely first phase, which is fronting Nether Street in the north-west of the scheme.

2.5.4 The development proposals also envisage a much-improved transport interchange and public realm, delivering on the principles set out within the Mayor's Transport Strategy and supporting the council's Finchley Central Town Centre Strategy. This includes new open space and connectivity achieved through 'decking over' the railway line and embankment areas. This investment will bring together the two halves of the town centre and secure direct pedestrian access from the high street to the station, further promoting sustainability within the town centre and addressing some of the issues outlined in paragraph 2.4.4 above.

2.5.5 TfL and the council are currently assisting the GLA and Homes England in their due diligence work. Next steps for the project are as follows:

- Late 2018 – continued work on due diligence;
- Early 2019 – formal selection of TfL's joint venture development partner;
- 2019 – stakeholder consultation and detailed scheme design;
- Mid 2019 - commence site surveys and operational enabling works to facilitate future scheme;

- Early 2020 – submit planning application.

2.5.6 The Council will ensure that any proposals for Finchley Central are compliant with Local Plan policy as well as the new Regeneration Strategy, currently in development.

## 2.6 **West Hendon Broadway project**

2.6.1 West Hendon Broadway is one of Barnet's 'Local Town Centres' based on its scale, population size, and growth potential.

2.6.2 The Broadway currently suffers from a range of problems including poor public realm, a number of neglected shop units, a low-quality retail offer and a vacancy rate which at over 20% is one of the highest in the borough.

2.6.3 West Hendon Broadway's status as a local centre means that the council is limited in the support and resources that it can provide to the area. However, due to the significant investment in new housing on the adjacent West Hendon Estate, a need has been identified to improve the local high street. As such, the council has been working in partnership with Barratt Homes and Metropolitan Housing Trust to lead development of a West Hendon Broadway Town Centre Strategy.

2.6.4 The Strategy, which is now in development, will make recommendations in relation to a range of issues, including:

- Better public realm;
- Enhanced connections with surrounding areas such as the Welsh Harp Reservoir;
- Improvements to the streetscape including commercial units;
- Support for local businesses and entrepreneurs;
- Community activities in local public spaces;
- Increased satisfaction with West Hendon as a place to live, work and visit.

2.6.5 The Strategy will build upon other deliverables of the West Hendon Regeneration Scheme, including the widening of Station Road, public realm enhancements and development of a new 'pedestrian vista'. It will also complement the Neighbourhood Investment Strategy that was recently developed for West Hendon.

2.6.6 The project will contribute to the wider renewal of West Hendon, helping to ensure that the high street better reflects the changing needs of both new and existing community members.

2.6.7 Strategy development, which has already commenced, is being funded by Barratt Homes. Upon completion of the strategy, the council proposes to use Town Centre Capital Funding to invest in short-term projects to kick-start high street renewal. A full, costed list of proposed interventions will be developed as part of the strategy. Following this, priorities will be identified for implementation

before being presented for approval. It proposed that these interventions are limited to £60,000 which is commensurate with the investment made by the developer in preparing the strategy.

- 2.6.8 Project implementation will be led by Re's High Streets & Town Centres Investments Manager in coordination with appropriate Re and council colleagues.

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

- 3.1 The council could opt not to intervene in the development of town centres at all, however this would be a missed opportunity to capitalise on developer and other council interventions.
- 3.2 The council could opt to leave development to the market and take only a reactive approach that responds to individual development proposals as they come forward. However, this approach could result in dis-jointed interventions that do not sufficiently respond to the scale and approaches a more strategic approach to Finchley Central Town Centre.
- 3.3 Town centres are important sites of economic, employment, services and community activity and therefore, a key part of the council's approach to the economy and regeneration.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Should the Committee approve the proposal, implementation of activities in Finchley Central and West Hendon will commence. This report seeks approval for officers to procure implementation works.
- 4.2 Terms of Reference in relation to Finchley Central HIF to be agreed with TfL.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The implementation of the Town Centre capital programme supports the delivery of the Corporate Plan 2016-21, particularly the responsible approach to regeneration.
- 5.1.2 The project supports the council's Entrepreneurial Barnet approach to the economy and theme B, which aims to make Barnet a great place to live, work and invest'.

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

- 5.2.1 The total budget in the capital programme against Town Centres is £4.970m from 2018/19, of which £0.720m is the current 2018/19 budget allocation.
- 5.2.2 The council has approved capital funding for town centre improvements, funded

from Community Infrastructure Levy funds and grants. This was originally intended to provide match funding for external grants. Whilst the council has continued to bid for Mayoral funds such as the Good Growth Fund and Liveable Neighbourhoods Fund, these are highly competitive processes and recent bids haven't been successful. It is therefore proposed that the 2018/19 Town Centre Capital programme progresses without direct match funding. It is noted, however, that in both Finchley Central and West Hendon there will be complementary investment from developer contributions.

- 5.2.3 The council has already committed to funding £100,000 of investment in Burnt Oak and £8,000 in Golders Green from the 2018/19 allocation. This has been approved through previous Committee decisions and via Powers delegated to the Deputy Chief Executive.
- 5.2.4 The £9.8m secured from the Housing Infrastructure Fund will be added to the council's Capital Programme once the due diligence has been undertaken by Homes England and the funding confirmed.
- 5.2.5 Where approval to spend is sought via this report (Recommendations 1 and 5) it will need to be ensured that the Capital Programme continues to include the agreed budget provision and that appropriate funding remains in place.
- 5.2.6 Further financial implications will be required on approval of the business case (Recommendation 2).
- 5.2.7 Further financial implications will be required following completion of due diligence of the Housing Infrastructure Funding by Homes England (Recommendation 3).

### 5.3 **Social Value**

- 5.3.1 The development of specifications for all proposed procurements related to the town centre project will take into consideration the requirements set out in the Public Services (Social Value) Act 2012, which requires the authority to consider:
  - a) What is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and
  - b) How, in conducting the process of procurement, it might act with a view to securing that improvement.
- 5.3.2 It should be noted that such considerations could compromise the council's ability to maximise the value for money it can achieve, so a balance will be sought wherever possible.
- 5.3.3 This project will not only improve the economic and social well-being of local people and businesses but it will also improve the public realm, encouraging more active and engaged local community groups, and create employment and apprenticeship opportunities for young people.

## **5.4 Legal and Constitutional References**

- 5.4.1 The proposals are in line with the Localism Act (2011), and particularly the General Power of Competence which is a power introduced by section 1(1) of the Localism Act 2011 which gives local authorities the power to do anything an individual can do, unless prohibited by law (and subject to public law principles).
- 5.4.2 Where relevant, specific planning permission will be sought to enable the implementation of specific proposals.
- 5.4.3 Under the Council's Constitution, Article 7, Committees, Forums and Partnerships – The Assets, Regeneration and Growth Committee has responsibility for:
- Regeneration strategy and overseeing major regeneration schemes, asset management, employment strategy, business support and engagement

## **5.5 Risk Management**

- 5.5.1 All projects will identify project-related risks and escalate these as and when this is appropriate. Town Centre projects can be complex as a result of the different uses, landlords and services on our high street. Council officers have recognised the need to have dedicated resource to manage the capital delivery of projects and propose to bring in additional capacity for this purpose.
- 5.5.2 The Business Case for Finchley Central will identify risks and mitigation strategies.

## **5.6 Equalities and Diversity**

- 5.6.1 Equality and diversity issues are a mandatory consideration in the decision making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.
- 5.6.2 The proposals on town centres are part of the overall Entrepreneurial Barnet approach that the Assets, Regeneration and Growth Committee approved at its meeting on 15 December 2015. An Equalities Impact Assessment was undertaken for Entrepreneurial Barnet, the key findings of which were outlined in the paper presented to Assets, Regeneration and Growth Committee in March 2015.
- 5.6.3 The proposals will ensure that people in the area, no matter what their background and circumstances, should have equality of opportunity to succeed and gain from the improvements and growth of the economy in the town centre.

## **5.7 Corporate Parenting**



5.7.1 There aren't any direct links with the council's corporate parenting function and this project.

## 5.8 Consultation and Engagement

5.8.1 There will be opportunities for residents to engage with these projects either through town teams or consultation events. These events will take place in Autumn.

## 5.8 Insight

5.8.1 Insight data informs town centre strategies, including data related to town centre vacancy rates, index of multiple deprivation and footfall measurements.

## 6. BACKGROUND PAPERS

6.1 **Entrepreneurial Barnet 2015-2020 (approved at Assets Regeneration and Growth Committee December 2014):**

<https://www.barnet.gov.uk/dam/jcr:e326f566-5394-4a68-921c5fee57541c9a/Entrepreneurial%20Barnet%202015-2020.pdf>

6.2 **Council Budget 2018/19 Financial Forward Plan and Capital Programme, Appendix E2 Capital Programme by Delivery Unit:**

<http://barnet.moderngov.co.uk/documents/s45350/Appendix%20E2%20-%20Capital%20Programme%20by%20Delivery%20Unit.pdf>

6.3 **Town Centres in Barnet (approved at Assets, Regeneration and Growth Committee March 2015):**

<http://barnet.moderngov.co.uk/documents/s21967/Town%20Centres%20in%20Barnet.pdf>

6.4 **Burnt Oak Town Centre project and extension**

<https://barnet.moderngov.co.uk/documents/s25571/Burnt%20Oak%20High%20Street%20Fund.pdf>

<https://barnet.moderngov.co.uk/documents/s39257/Town%20Centres%20Expenditure%20-%20Burnt%20Oak%20and%20Spacehive%20Crowdfunding%20Scheme.pdf>


6.5 **Burnt Oak Town Centre strategy**

<https://barnet.moderngov.co.uk/documents/s43516/Appendix%201%20-%20Burnt%20Oak%20own%20Centre%20Approach%20February%202017.pdf>

6.6 **Finchley Central Town Centre strategy**

<https://barnet.moderngov.co.uk/documents/s43517/Appendix%202%20%20Fi%20nchley%20Central%20Town%20Centre%20Strategy.pdf>

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	<h2 style="margin: 0;">Assets, Regeneration and Growth Committee</h2> <h3 style="margin: 0;">17 September 2018</h3>
<b>Title</b>	<b>Quarter 1 2018/19 Assets, Regeneration and Growth Performance Report</b>
<b>Report of</b>	Councillor Daniel Thomas – Chairman of Committee
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Alaine Clarke, Head of Performance and Risk <a href="mailto:alaine.clarke@barnet.gov.uk">alaine.clarke@barnet.gov.uk</a>

### Summary

This report provides an update on the Theme Committee priorities in the Corporate Plan 2018/19 Addendum for **Quarter 1 (Q1) 2018/19**, including budget forecasts for revenue and capital, progress on activities, performance of key indicators and any high level risks.

### Officer Recommendations

1. The Committee is asked to review the financial, performance and risk information for Q1 2018/19 and make any referrals to Policy and Resources Committee or Financial Performance and Contracts Committee in accordance with the terms of reference of these Committees.

## 1. PURPOSE OF REPORT

### Introduction

- 1.1 The Assets, Regeneration and Growth Committee has responsibility for regeneration strategy and overseeing major regeneration schemes, asset management, employment strategy, business support and engagement. The priorities for the year ahead (see table 1) are set out in the Corporate Plan 2018/19 Addendum, which is available online at <https://www.barnet.gov.uk/citizen-home/council-and-democracy/policy-and-performance/corporate-plan-and-performance>
- 1.2 This report provides an update on these priorities for **Q1 2018/19**, including budget forecasts for revenue and capital, progress on activities, performance of key indicators and any high level risks.
- 1.3 This report is in addition to the Q1 2018/19 Strategic Performance Report to Policy and Resources Committee and the Q1 2018/19 Contracts Performance Report to Financial Performance and Contracts Committee. These reports can be found on the committee section of the council's website at <https://barnet.moderngov.co.uk/ieDocHome.aspx?bcr=1>

**Table 1: Assets, Regeneration and Growth Committee priorities for 2018/19**

Priorities	Key activities
<b>Regenerating Brent Cross Cricklewood</b>	<ul style="list-style-type: none"> <li>Commence the early works (utilities diversion) on Brent Cross North and works to the shopping centre and highways</li> <li>Start the infrastructure works for Brent Cross South</li> <li>Complete the design of the new Thameslink station</li> <li>Commence the construction of freight and waste facilities and enabling works for the station and sidings</li> </ul>
<b>Increasing the housing supply, including Colindale</b>	<ul style="list-style-type: none"> <li>Complete the first affordable housing developments by Open Door Homes by October 2018</li> <li>Complete 402 homes in Colindale, including 10 at Grahame Park</li> <li>Obtain vacant possession of Stag House and submit the full business case for the extra care scheme</li> <li>Submit the outline business cases and planning applications for the extra care scheme at Upper and Lower Fosters in Hendon</li> </ul>
<b>Helping people into work</b>	<ul style="list-style-type: none"> <li>Support people to find work through active employment schemes available on the regeneration sites</li> <li>Develop new programmes to reduce levels of NEET (Not in Education, Employment or Training) care leavers to ensure they have access to employment and training opportunities</li> </ul>
<b>Investing in key Town Centres and making Barnet the best place in London to be a small business</b>	<ul style="list-style-type: none"> <li>Distribute business rates relief to eligible businesses</li> <li>Develop materials for a business directory and inward investment portal</li> <li>Open a series of workspaces in libraries to support new start-ups</li> <li>Develop town centre strategies for North Finchley and Edgware</li> </ul>

### Budget forecasts

- 1.4 The forecast **revenue outturn** for Re is included in the Q1 2018/19 Contracts Performance Report for Financial Performance and Contracts Committee.

1.5 The projected **capital outturn** for Re (Regeneration) is £72.234m (1.7% variance from the revised budget).

**Table 2: Capital forecast (Q1 2018/19)**

Service	18/19 Revised Budget	Additions/ (Deletions)	(Slippage)/ Accelerated Spend	Q1 18/19 Forecast	Forecast variance from Approved Budget	Forecast variance from Approved Budget
	£000	£000	£000	£000	£000	%
BXC - Funding for Land Acquisition	25,500	0	0	25,500	0	0.0
Colindale – Highways and Transport	3,331	0	(1,831)	1,500	(1,831)	(55.0)
Colindale – Parks, Open Spaces and Sports	3,165	0	(1,500)	1,665	(1,500)	(47.4)
Colindale Station Works	6,500	0	0	6,500	0	0.0
Grahame Park – Community Facilities	1,000	0	0	1,000	0	0.0
West Hendon Highway Improvement	3,600	(3,600)	0	0	(3,600)	(100.0)
Town Centre	720	0	0	720	0	0.0
Thames Link Station	19,258	0	0	19,258	0	0.0
Development Pipeline	282	0	(101)	181	(101)	(35.7)
Development Pipeline Strategic Opportunities Fund	6,900	0	4,904	1,804	4,904	71.1
Disabled Facilities Grants Programme	1,741	0	861	2,602	861	49.5
Refurbish and regenerate Hendon Cemetery and Crematorium	1,149	0	0	1,149	0	0.0
Hendon Cemetery & Crematorium Enhancement	116	0	0	116	0	0.0
Decent Homes Programme	232	0	0	232	0	0.0
DECC - Fuel Poverty	7	0	0	7	0	0.0
<b>Re (Regeneration)</b>	<b>73,501</b>	<b>(3,600)</b>	<b>2,333</b>	<b>72,234</b>	<b>(1,267)</b>	<b>(1.7)</b>

1.6 £1.831m of the Colindale (Highways and Transport) programme has been reprofiled due to delays by Transport for London (TfL) on junction works. £1.500m of the Colindale (Parks, Open Spaces and Sports) project will also slip as work is not expected to start until

2019/20. Accelerated spend of £4.904m will, however, take place this year for the acquisition of properties in Colindale to enable the tube station redevelopment.

## Committee priorities

- 1.7 The update on Committee priorities includes performance and risk information as follows:
- Progress on activities
  - Performance of key indicators<sup>1</sup>
  - High level risks from the Corporate Risk Register<sup>2</sup>
  - Strategic issues/escalations related to Theme Committee.
- 1.8 An overall status for each of the Committee's priorities is shown in table 3. This reflects the Q1 2018/19 position on budget forecasts, progress on activities, performance of key indicators and any high level risks.

**Table 3: Overall status for priorities (Q1 2018/19)**

Assets, Regeneration and Growth Committee priorities	Overall status
Regenerating Brent Cross Cricklewood	Amber
Increasing the housing supply, including Colindale	Red
Helping people into work	Green
Investing in key Town Centres and making Barnet the best place in London to be a small business	Green

## Regenerating Brent Cross Cricklewood

- 1.9 **Brent Cross North** – Hammerson, the joint owner of the Brent Cross Shopping Centre with Aberdeen Standard Investments, issued their half year financial results to the London Stock Exchange along with their planned strategy update. Within this, they confirmed their decision to defer the start of works to expand the shopping centre. The claim against CPO1 was withdrawn.

**Brent Cross Thameslink** – the application for the new rail freight facility has been approved. CPO3 has been confirmed by the Secretary of State. This package of land is required for the Brent Cross Thameslink and Brent Cross South developments. The contract to carry out early works for the new sidings has been signed and works commenced at the end of July 2018. The main works will begin early in 2019 on all Thameslink packages subject to approval of the alternative funding strategy.

An initial review has been undertaken for the potential station on the West London Orbital Line to link into the Brent Cross West station and a number of options for platform configurations have been identified for further testing.

**Brent Cross South** – The Claim against CPO2 was dismissed at the hearing on 5 July 2018 and now CPO2 is now free from legal challenge. Planning approval was given for

<sup>1</sup> New RAG rating reflects the percentage variance of the result against the target as follows: On target = GREEN (G); Up to 9.9% off target = AMBER (A); 10% or more off target = RED (R). The Direction of Travel (DOT) status shows the percentage variation in the result since last year e.g. Improving (↑ I), Worsening (↓ W) or Same (→ S). The percentage variation is calculated as follows: Q1 18/19 result minus Q1 17/18 result equals difference; then difference divided by Q1 17/18 result multiplied by 100 = percentage variation.

<sup>2</sup> The Corporate Risk Register includes strategic risks (strategic and business critical risks) and high level (scoring 15 and above) service/joint risks (service and contract delivery risks). All risks are managed in line with the council's risk management framework. The risk registers are live documents and the Q1 2018/19 Corporate Risk Register provides a snapshot in time (as at end June 2018). All risk descriptions for the strategic and high level service/joint risks are available in Appendix A.

Plot 12 – the first new residential plot in phase 2 South in February. The Local Planning Authority are in pre-application discussions with the development partner in relation to the detailed designs for Plots 11 and 13.

- 1.10 There are no key indicators linked to this priority in the Corporate Plan; and no high-level risks.

### Increasing the housing supply

- 1.11 Work has progressed on the extra care schemes being delivered by Barnet Homes. **Stag House** - permission has been granted by the Court in June 2018 to obtain vacant possession of the commercial unit; but despite the appeal against the judgment being dismissed a request for an oral hearing has been made and is pending; and negotiations have concluded with the four residential leaseholders to surrender their leases to the Council by way of private treaty acquisition. **Cheshir House** – Royal Institute of British Architects (RIBA) stage 2, concept design, is now complete. **Ansell Court** - works on site have continued and the remedial piling works have been completed.

Planning consent has been given for 4282 new homes in **Colindale** and a further 680 homes are in the pipeline. 1744 homes were under construction in Q1 and 1593 homes were completed. A planning application from Redrow for a further 2576 homes by 2026 on the Peel site will be considered by Planning Committee in October 2018. Notting Hill Genesis are evaluating proposals to increase the density of the Concourse on the **Grahame Park Estate**, which will take the total new homes to 2000.

The **Stonegrove** scheme was completed in May 2018; and schemes at **Mill Hill East** and **West Hendon** are on track. Viability of the **Upper and Lower Fosters** scheme is under review due to key policy and design issues such as affordable housing targets, ratio of parking and housing density.. A CPO Public Inquiry is underway at **Granville Road**. Completion of phase 2b at **Dollis Valley** has been delayed until February 2019 (from December 2018); however, the affordable housing will be completed ahead of plan with 48 homes by January 2019.

- 1.12 There are five key indicators linked to this priority in the Corporate Plan; and **affordable housing completions** (linked to another priority for Housing Committee) has been included for information. The **new homes completed** and **affordable housing completions** are 'Monitor only' indicators for the quarter; both have worsened since last year. **Statutory compliance with civic estate** is also a 'Monitor only' indicator for the quarter and shows a delay in planned inspections. One indicator has not met the quarterly target.

- **New homes completed** - the London Plan annual target for Barnet is 2349 and Barnet has projected that 3100 new homes will be completed in 2018/19. Surveys are undertaken in July/August of each year to confirm the number of completions in the preceding year, whereby progress on all outstanding planning consents is undertaken. The Q1 completions (65) is based on Building Control records and does not take into account records of Approved Inspectors (private building control companies) or allow for a time-lapse in properties being completed and paperwork being recorded. New homes will only be counted as completed where a phase or the total development is completed, which means a number of completed new homes may not be counted until the wider scheme is at completion stage. The number of housing completions is also dependent on the number of schemes granted planning permission. In 2017/18, 3109 new homes recommended by officers for approval were refused by Planning Committee or the Mayor of London.

- **Affordable housing completions** - 10 affordable houses were completed in Q1 compared with 68 last year. The target of 294 is expected to be achieved by year-end.
- **Statutory compliance with civic estate** - shows that 238 out of 388 planned inspections were undertaken in Q1. The number of inspections was lower than planned due to a delay in mobilising the new contractor.
- **Income from the estate (RAG rated AMBER)** - £0.85m against a target of £0.93m. Some lease renewals and rent reviews planned to take place in Q1 were not completed due to longer than expected negotiations with tenants or lengthy legal clearance processes. Any lag in lease completions are expected to reduce close to zero by the end of the financial year.

Indicator	Polarity	17/18 EOY	18/19 Target	Q1 18/19			Q1 17/18	Benchmarking
				Target	Result	DOT	Result	
New homes completed	Bigger is Better	1,183 <sup>3</sup>	3100	Monitor	65	↓ W -73%	241	No benchmark available
Affordable housing completions	Bigger is Better	303 <sup>4</sup>	294	Monitor	10	↓ W -85%	68	No benchmark available
Homes started on site through development pipeline programme	Bigger is Better	97	Monitor	Monitor	12	↑ I	0	No benchmark available
Statutory compliance with civic estate	Bigger is Better	N/A	100% (2052)	Monitor (388)	238	N/A	N/A <sup>5</sup>	No benchmark available
Income from the estate (cumulative)	Bigger is Better	£4.05m	£3.70m <sup>6</sup>	£0.93m	£0.85m (A)	↓ W -22%	£1.10m	No benchmark available
Running costs of estate (designated civic buildings only)	Smaller is Better	£5.03m	£4.54m	£1.14m	£1.03m (G)	↓ W +42%	£0.72m	No benchmark available

1.13 There are no high level risks linked to this priority.

<sup>3</sup> This is a provisional result (1,183) as at March 2018. Further information on completions will be added to the GLA database over the summer; and the final result will be published in the GLA Annual Monitoring Report in May 2019. The Q1 completions (65) is based on Building Control records and does not take into account records of Approved Inspectors (private building control companies) or allow for a time-lapse in properties being completed and paperwork being recorded.

<sup>4</sup> This is a provisional result (303) as at March 2018. The final result will be published in the GLA Annual Monitoring Report in May 2019.

<sup>5</sup> 2017/18 programme covered five buildings. Q1 2017/18 result not available. 2018/19 programme covers 95 buildings.

<sup>6</sup> Annual target revised from £3.046m to £3.70m after publication of Corporate Plan 2018/19 Addendum.



## Helping people into work

1.14 Universal Credit Full Service was rolled out in Barnet on 16 May 2018. Whilst Universal Credit has been available to single people since 2015 this further roll out will see more families and couples claiming Universal Credit. The Welfare Reform Task Force offers support to Universal Credit claimants with finding work, managing their claim online and monthly budgeting. They can also help residents to claim for discretionary funds such as Advance Payments, Discretionary Housing Payments, Crisis Fund and Discretionary Council Tax Relief. In Q1, the team supported 150 Universal Credit claimants with managing the transition to the new benefit. The council's employment projects have supported 160 people into work.

The council continues to promote apprenticeships as a route to good work. In Q1, Barnet Homes and their sub-contractor Mears have promoted 13 apprenticeship vacancies in housing, care, plumbing, electrician, gas and carpentry. The Children's Service, DWP and Cambridge Education have been working together to ensure that Barnet's care leavers are well placed to apply for local opportunities. Cambridge Education has arranged a motivational programme called 'Bridging the Gap' for those NEET<sup>7</sup> young people who may need extra support.

1.15 There is one key indicator linked to this priority in the Corporate Plan. This is a 'Monitor only' indicator and has improved since last year.

Indicator	Polarity	17/18 EOY	18/19 Target	Q1 18/19			Q1 17/18	Benchmarking
				Target	Result	DOT	Result	
Unemployment (of people on out of work benefits)	Smaller is Better	4.4% (Jan – Dec 17)	Monitor	Monitor	4.3% (Apr 17 - Mar 18)	↑ ↓ -14%	5.0% (Apr 16 - Mar 17)	London 5% National 4.3% (Apr 17 - Mar 18, Nomis)

1.16 There are no high level risks linked to this priority.

## Investing in key Town Centres and making Barnet the best place in London to be a small business

1.17 The council has communicated regularly with businesses, promoting business rates relief to those who are eligible and those who have signed up for the Barnet Business newsletter have been sent monthly updates on networking and funding opportunities.

In Q1, Barnet has worked with the West London Alliance and marketing firm 'White Label' to develop an approach to inward investment for the area called 'Capital West London'. Capital West London have a website, a newsletter and attend and host relevant events. The Capital West London Growth Summit will take place on in October 2018 and the event will be aimed at attracting Foreign Direct Investment to the area

1.18 There are four key indicators linked to this priority in the Corporate Plan. Three are annual indicators and will be reported later in the year. **Council spend with local business** is a 'Monitor only' indicator and has been provided for information. The **business satisfaction** indicator was late reporting in Q4 and has been provided for information.

<sup>7</sup> Not in Education, Employment or Training

- **Business satisfaction with the council and area** - 27% of respondents to the Re survey said they were either satisfied or very satisfied with the way the council runs things (19 of 71 respondents) and a further 30% of respondents were neutral, which may mean they have no issues or expectations of the council. 43% of respondents said they were either satisfied or very satisfied with the borough as a place to do business (32 of 74 respondents). Business respondents were generally more satisfied with Barnet as an area to do business than with how the council runs things. A similar trend is found in the Residents' Perception Survey where residents are more satisfied with the area than the council.

Indicator	Polarity	17/18 EOY	18/19 Target	Q1 18/19			Q1 17/18	Benchmarking
				Target	Result	DOT	Result	
Council spend with local businesses (excluding direct debits)	Bigger is Better	31% <sup>8</sup>	Monitor	Monitor	32% <sup>9</sup>	→ S	32% <sup>10</sup>	No benchmark available
Business satisfaction with the council and area (Annual) <sup>11</sup>	Bigger is Better	27%	Monitor	Monitor	Due Q4 18/19	Due Q4 18/19	New for 17/18	No benchmark available

1.19 There are no high level risks linked to this priority.

### Strategic issues/escalations

1.20 There are no strategic issues/escalations for P&R Committee.

<sup>8</sup> The indicator is reported for a 12 month period in arrears. EOY 2017/18 is for January to December 2017.

<sup>9</sup> The indicator is reported for a 12 month period in arrears. Q1 2018/19 is for April 2017 to March 2018.

<sup>10</sup> The Q1 2017/18 result was for April 2016 to March 2017. The result has been revised to 32% from 42% originally reported following data management work to improve data quality.

<sup>11</sup> New survey. Target set as Monitor for 2017/18 whilst baseline identified. The survey ran from 2 to 31 March 2018 and was circulated to 6990 businesses. 108 responses were received. This response rate means that the findings are not sufficient to be generalised to the wider business population as there were around 27,650 active businesses in Barnet in 2016 (ONS, Business demography, 2017). However, the survey is considered to have fair validity given that findings of the survey coincide with feedback from business engagement activities and there is good alignment with responses received in previous business engagement surveys.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 These recommendations are to provide the Committee with relevant financial, performance and risk information in relation to the priorities in the Corporate Plan 2018/19 Addendum. This paper enables the council to meet the budget agreed by Council on 6 March 2018.

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

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The report provides an overview of performance for Q1, including budget forecasts for revenue and capital, progress on activities, performance of key indicators and any high level risks.
- 5.1.2 The Q1 2018/19 results for all Corporate Plan indicators are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>
- 5.1.3 Robust budget, performance and risk monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of council priorities and targets as set out in the Corporate Plan.
- 5.1.4 Relevant council strategies and policies include the following:
- Corporate Plan 2015-2020
  - Corporate Plan - 2016/17, 2017/18 and 2018/19 Addendums
  - Medium Term Financial Strategy
  - Performance and Risk Management Frameworks.
- 5.1.5 The priorities of the council are aligned to the delivery of the Health and Wellbeing Strategy.

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

- 5.2.1 The budget forecasts are included in the report. More detailed information on financial performance will be provided to Financial Performance and Contracts Committee.

### **5.3 Social Value**

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The council's contract management framework oversees that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through this contract management process.

## 5.4 Legal and Constitutional References

5.4.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.

5.4.3 The Council’s Constitution (Article 7, Article 7 – Committees, Forums, Working Groups and Partnerships) sets out the responsibilities of all council Committees. The responsibilities of the Assets, Regeneration and Growth Committee include:

- (1) Responsibility for regeneration strategy and oversee major regeneration schemes, asset management, employment strategy, business support and engagement.
- (2) To submit to the Policy and Resources Committee proposals relating to the Committee’s budget for the following year in accordance with the budget timetable.
- (3) To make recommendations to Policy and Resources Committee on issues relating to the budget for the Committee, including virements or underspends and overspends on the budget. No decisions which result in amendments to the agreed budget may be made by the Committee unless and until the amendment has been agreed by Policy and Resources Committee.
- (4) To receive reports on relevant performance information and risk on the services under the remit of the Committee.

5.4.4 The council’s Financial Regulations can be found at:

<http://barnet.moderngov.co.uk/documents/s46515/17FinancialRegulations.doc.pdf>

5.4.5 Section 2.4.3 states that amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to and including £250,000 must be approved by the Chief Finance Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the approved bottom line are approved by the Service Director
Virements between services (excluding contingency allocations) up to and including a value of £50,000 must be approved by the relevant Chief Officers
Virements between services (excluding contingency allocations) over £50,000 and up to and including £250,000 must be approved by the relevant Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee.

## 5.5 Risk Management

5.5.1 Various projects within the council’s revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects, there is the risk that the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other council priorities will be required.

5.5.2 The revised forecast level of balances needs to be considered in light of the risk identified in 5.5.1 above.

## 5.6 Equalities and Diversity

5.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

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

5.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.

5.6.3 In order to assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet’s diverse communities by engaging with them.

This is also what we expect of our partners.

5.6.4 This is set out in the council’s Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

5.6.5 Progress against the performance measures we use is published on our website at: [www.barnet.gov.uk/info/200041/equality\\_and\\_diversity/224/equality\\_and\\_diversity](http://www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity)

## 5.7 Corporate Parenting

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

## 5.8 Consultation and Engagement

5.8.1 During the process of formulating budget and Corporate Plan proposals for 2015-2020 onwards, four phases of consultation took place:

Phase	Date	Summary
Phase 1: Setting out the challenge	Summer 2013	The council forecast that its budget would reduce by a further £72m between 2016/17 and 2019/20, setting the scene for the PSR consultation

Phase	Date	Summary
Phase 2: PSR consultation to inform development of options	October 2013 - June 2014	Engagement through Citizen's Panel Workshops which focused on stakeholder priorities and how they would want the council to approach the Priorities and Spending Review An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.
Phase 3: Engagement through Committees	Summer 2014	Focus on developing commissioning priorities and MTFs proposals for each of the 6 committees Engagement through Committee meetings and working groups
Phase 4: Strategic Plan to 2020 Consultation	December 2014 – March 2015	A series of 6 workshops with a cross section of residents recruited from the Citizens Panel and Youth Board, plus two workshops with users <sup>12</sup> of council services. An online survey (17 December 2014 – 11 February 2015)

## 5.9 Insight

5.9.1 The report identifies key budget, performance and risk information in relation to the Corporate Plan 2018/19 Addendum.

## 6 BACKGROUND PAPERS

- 6.1 Council, 3 March 2015 (Decision item 12) – approved Business Planning 2015/16 – 2019/20, including the Medium-Term Financial Strategy.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7865&Ver=4>
- 6.2 Council, 14 April 2015 (Decision item 13.3) – approved Corporate Plan 2015-2020.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=7820&Ver=4>
- 6.3 Council, 4 April 2016 (Decision item 13.1) – approved 2016/17 addendum to Corporate Plan.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8344&Ver=4>
- 6.4 Council, 7 March 2017 – approved 2017/18 addendum to Corporate Plan.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8819&Ver=4>
- 6.5 Council, 6 March 2018 – approved 2018/19 addendum to Corporate Plan  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=9162&Ver=4>

<sup>12</sup> One "service user" workshop was for a cross section of residents who are users of non-universal services from across the council. The second workshop was for adults with learning disabilities.

**London Borough of Barnet  
Assets Regeneration and  
Growth Committee Work  
Programme  
June 2018 - May 2019**

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Title of Report	Overview of decision	Report Of ( <i>officer</i> )	Issue Type (Non key/Key/Urgent)
17 September 2018			
Brent Cross Cricklewood Update Report	Brent Cross South first phase proposal	Deputy Chief Executive	<b>Key</b>
Microsites Phase 2	Business justification case for approval	Deputy Chief Executive	<b>Key</b>
Q1 2018/19 Performance Report	To receive a quarterly performance report.	Deputy Chief Executive	<b>Non-key</b>
Mixed tenure housing programme	This report seeks approval of a revised approach to the development of council-owned for sites identified for the provision of mixed tenure housing.	Deputy Chief Executive	<b>Key</b>
Outline Business Case for 2-10 Hermitage Lane	Note and approve the Outline Business Case for 2-10 Hermitage Lane development scheme	Deputy Chief Executive	<b>Key</b>
Town Centre Capital projects and update on Finchley Central Housing Infrastructure Fund project	This report proposes a profile for the spend of the Town Centre Capital Fund and introduces Committee to a separate but complementary Transport for London-led scheme at Finchley Central Station.	Deputy Chief Executive	<b>Key</b>



Title of Report	Overview of decision	Report Of ( <i>officer</i> )	Issue Type (Non key/Key/Urgent)
Amendments to the London Borough of Barnet assets included in the Community Asset Strategy.	The report seek to formally register two buildings as community assets and to update the committee on other changes to the assets originally defined as such under the Community Asset Strategy.	Deputy Chief Executive	<b>Key</b>
27 November 2018			
Regeneration Strategy Update	An update on the Emerging themes and evidence base of the Regeneration Strategy	Deputy Chief Executive	<b>Key</b>
Brent Cross Cricklewood - Quarterly Update	<p>To receive a quarterly update on the Brent Cross Cricklewood Programme, and take such decisions as are required.</p> <p>To note any decisions of the Brent Cross South Shareholder Board and provide an update on community engagement.</p>	Deputy Chief Executive	<b>Key</b>
Grahame Park	Update report - options for plots 10,11,12	Deputy Chief Executive	<b>Key</b>
Burnt Oak Broadway Tophatting	Outline business case for approval	Deputy Chief Executive	<b>Key</b>

Title of Report	Overview of decision	Report Of ( <i>officer</i> )	Issue Type (Non key/Key/Urgent)
Business Planning report 2019/20	Agree and consider proposals for the committee in line with the Council's MTFS process.	Deputy Chief Executive	<b>Key</b>
Entrepreneurial Barnet - Annual Update and Forward Plan	This report provides an update on progress towards delivering the 2018 programme of activity for Entrepreneurial Barnet. It also includes an update on the progress made on North Finchley Town Centre	Deputy Chief Executive	<b>Key</b>
Upper and Lower Fosters Outline Business Case	Outline Business Case for approval.	Deputy Chief Executive	<b>Key</b>
<b>28 January 2019 – Reserve meeting</b>			
<b>25 March 2019</b>			
Brent Cross Cricklewood - Quarterly Update	<p>To receive a quarterly update on the Brent Cross Cricklewood Programme, and take such decisions as are required.</p> <p>To note any decisions of the Brent Cross South Shareholder Board and provide an update on community engagement.</p>	Deputy Chief Executive	<b>Key</b>

Title of Report	Overview of decision	Report Of ( <i>officer</i> )	Issue Type (Non key/Key/Urgent)
The Annual Growth and regeneration report	To receive the Annual Growth and regeneration report.	Deputy Chief Executive	<b>Key</b>
Q3 2017/18 Performance Report	To receive a quarterly performance report	Deputy Chief Executive	<b>Key</b>
Assets, Land and Property Transactions for Approval	Approval of Assets, Land and Property Transactions	Director of Resources	<b>Key</b>
13 May 2019 – Reserve meeting			

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## AGENDA ITEM 17

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## AGENDA ITEM 18

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