



Assets, Regeneration and Growth Committee

8 September 2014

Title	Grahame Park Regeneration Update
Report of	Enterprise & Regeneration Lead Commissioner Director of Place, Re
Wards	Colindale
Status	Public
Enclosures	Annex A: Masterplan options paper Annex B: Risk Assessment
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Summary

This report provides an update on the progress of the Grahame Park Regeneration programme, and seeks agreement to the next steps. The Programme is divided into two stages. Stage A is currently on site; this report sets out the recommended way forward for Stage B.

Specifically the report proposes that the existing Stage B Masterplan is no longer appropriate given the changed housing mix in the area; and that should be replaced with a Supplementary Planning Document (SPD) which recognises the need for family housing in Colindale. The report proposes measures which the Council and partners Genesis Housing Association (GHA) will need to implement to deliver the programme, including an SPD and a Resident Engagement Strategy.

The report also sets out proposals to enter into negotiations with GHA to carve out the piece of land in Stage A required to keep open the option of developing a new council office block in Colindale, as addressed in the separate report on the Strategic Asset Management Plan.

Recommendations

That the Committee:

- 1. Confirms its commitment under the terms of the exclusivity agreement in the Principal Development Agreement (PDA) to Genesis Housing Association (GHA) as its development partner for the delivery of Stages A and B of the Grahame Park Regeneration Programme**
- 2. Agrees to preparation of a supplementary planning document to guide the development of Stage B of the Grahame Park Regeneration Programme, to be progressed in accordance with the council's established process for the development and approval of new planning policy documents**
- 3. Agrees to develop and implement, with Barnet Homes and GHA, a comprehensive Resident Engagement Strategy and updated governance arrangements to ensure successful delivery of the remainder of the programme**
- 4. Authorises the Chief Executive to negotiate with GHA to deliver a 'carve out' from the PDA of land to facilitate the development of office facilities in accordance with the separate report to this Committee on the Strategic Asset Management Plan; and notes that the final terms of any carve out will be agreed by the Committee as part of a future decision on the delivery of new office facilities.**

1. WHY THIS REPORT IS NEEDED

- 1.1 In January 2001 the Council embarked upon a scheme for the regeneration of the Grahame Park estate which aimed to transform it into a thriving, mixed tenure community with improved transport links and enhanced community facilities. In 2007 the Council entered into a Principal Development Agreement (PDA) with Choices For Grahame Park (CFGP) a special delivery vehicle created by Genesis Housing Association (GHA). To avoid confusion this report will only refer to GHA but the PDA specifically references CFGP.
- 1.2 The Grahame Park Regeneration Programme is divided into two distinct stages; A and B. Stage A is currently underway and Stage B is currently subject to review. Stage A is divided into a number of phases (1-9). The tenure breakdown of the 677 homes built or planned to date in Stage A is 325 (48%) for private sale or rent and 352 (52%) affordable.
- 1.3 Plot 8 on Stage A (Formerly A1) was scheduled in the original masterplan to deliver around 90 private units with community uses on the ground and first floors. However the Authority is considering the site for new office accommodation and Committee approval is now needed to begin formal negotiations with GHA about potentially 'carving out' this site from the PDA. If the principal parties agree to this course of action a variation would need to be agreed which would release both parties from their PDA obligations and agree

the level of compensation payable to GHA to offset the loss of profit from sales of private housing planned for the site.

- 1.4 The PDA anticipated viability problems for the programme and proposed that a review of Stage B should be undertaken. The review proposed that the existing masterplan needed to be updated as follows:
- A new emphasis on family homes, traditional streets
 - A better mix of housing in the area
 - Density similar to original masterplan
 - Demolition of concourse an early priority
 - A better environment for residents
 - Amenities focused on three smaller neighbourhood centres
 - Smaller, well managed open spaces & private gardens, rather than large open spaces

Funding

- 1.6 The Stage B review identified a significant viability gap & the need for public sector investment. In March 2014 the Estate Renewal Fund (ERF) was announced in the budget and GHA were invited to submit an expression of interest. This was submitted and GHA is now preparing a major bid to the Fund. If successful this will deliver:
- a low-cost loan, repaid at end of 20 years
 - secured initially against Genesis stock elsewhere
 - speeding up demolition of the concourse (est. start on site 2017/18)
 - no requirement for Council investment beyond that already committed through Phase A

Accelerating demolition of the Concourse

- 1.7 A clear requirement of the ERF is that expenditure should be completed within around four years of approval. Whilst this is helpful in meeting the Council's commitment to an accelerated programme for the concourse demolition it is extremely challenging and requires the careful management of a number of GHA and LBB work-streams. For the purposes of the accelerated programme the concourse has been divided into three phases.
- 1.8 A key factor in being able to deliver the accelerated programme will be the Council's capacity to re-house the significant numbers of Non-Secure Tenants (NSTs) currently residing in the concourse. There are an estimated 570 NST's residing in the concourse area and Barnet Homes is at present revising its corporate decant programme to accommodate this large additional cohort. Early indications are that the Council has the capacity to deliver the decant of the NSTs but will require additional resources.
- 1.9 Site 11 in the concourse also retains most of the retail units and community uses. LBB and GHA are currently undertaking an audit of all of the affected non-residential facilities to understand how best to negotiate existing commercial leases and plan for the removal and re-provision of large community uses (Flight-ways, health centre etc).

Replacing the existing masterplan

- 1.10.1 Following discussion between GHA and LBB and in response to the recommendations of the stage B review (para.1.4 refers) it is proposed that the existing masterplan should be replaced with a Supplementary Planning Document (SPD). The existing masterplan with its emphasis on flats is considered out-dated given the emerging requirement of family homes and the large number of flats already being delivered by a range of developers in the area.
- 1.10.2 Both parties agree that the SPD will provide the policy certainty and flexibility necessary for the delivery of Stage B via individual, phased planning applications. GHA have received formal board approval to commission key elements of the SPD from LBB/Re. Both parties will agree the detailed delivery arrangements and costs via an exchange of correspondence and subsequent legal agreement.
- 1.10.3 Compulsory Purchase Orders (CPOs) are expected to be required to secure the accelerated demolition of the concourse. These will need to be carefully timed when sufficient certainty is provided through the development and planning (SPD) processes to ensure that a successful outcome is achieved.

2 REASONS FOR RECOMMENDATIONS

- 2.1 An SPD linked to an accelerated programme funded through a low cost Government loan is considered the only route able to deliver policy certainty and financial viability.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 A summary of the options is available at Annex A.
- 3.2 In brief, the Council considered a full masterplan and rejected the proposal as it was considered too costly, time consuming and inflexible to deliver the requirements of the accelerated programme. The Council also considered use of Local Development Orders (whereby permitted development is granted for particular types of development) but concluded that the Council's ownership of the site and its existing commitment to the full redevelopment via the PDA gave sufficient control and planning certainty. Also the Council's partners, GHA, are already fully committed to bidding, with the full support of the Homes and Communities Agency (HCA), GLA and government Treasury Department to the ERF.. An attempt to secure funding through a new government funding route could weaken the existing bid.

4 POST DECISION IMPLEMENTATION

- 4.1 The agreement will facilitate the Council's immediate start on the SPD which will take between 15 - 18 months to complete and will require statutory consultation and consideration by Policy and Resources Committee in due

course. The full 'carve out' proposal for A1/Plot 8 will be considered as part of proposals for new Council office accommodation, and may also require Policy and Resources Committee approval.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The regeneration of the Grahame Park estate supports the Corporate Plan priority of 'To maintain the right environment for a strong diverse local economy' and the strategic objective under this priority to sustain Barnet by 'promoting growth, development and success across the borough'.
- 5.1.2 Furthermore the regeneration scheme complies with strategic objectives in the Council's Housing Strategy 2010-2025 which include:
1. Increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and
 2. Promoting mixed communities and maximising opportunities available for those wishing to own their home.
- 5.1.3 The accelerated programme will also support Barnet's 'Health and Well-being Strategy 2012-2015' through its core value of '*wellbeing in the community*' which is *creating circumstances that better enable people to be healthier and have greater life opportunities*. Central to the programme will be the re-provision of a new health centre to serve the needs of Grahame Park residents and beyond.

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

- 5.2.1 When the Council and GHA negotiated the original PDA they both reached a conclusion that Stage B of the regeneration was not viable (as of 2007). In order to progress matters both parties accepted that there would have to be a fundamental review of Stage B of the Grahame Park development. Clause 33 of the PDA sets out the requirements of that Stage B Review.
- 5.2.2 The clause permits a comprehensive review of implementing Stage B and includes the possibility of amending arrangements to introduce one or more new "stages" to accompany A and B. However, neither party can be required to accept any "Major Change" arising from that review unless they expressly consent to it.
- 5.2.3 The PDA does not dictate the methodology which GHA or the Council should adopt in respect of the Stage B review. Therefore if the Council and GHA thought the best way to proceed was to adopt a plan based on an SPD then this would be acceptable. If the parties divide Stage B into more new stages then it is likely the PDA should be amended to repeat the Stage B review for any of those new stages which are not viable at the date the review is completed.

- 5.2.4 The PDA does not dictate whether the Council or GHA or both should appoint advisers to undertake the review. It is therefore open to GHA and the Council to make a joint appointment and/or for one party to rely upon the proposals or recommendations issued by the other party's advisers. The PDA does require both parties to agree what the budget should be for the costs of the review and these are to be treated as a Total Development Cost. The Council would be able to appoint an advisor that they had a relevant contractual arrangement with and/or had been procured to a Council framework.
- 5.2.5 The Council will therefore contract directly with Genesis for the delivery of the SPD which will be undertaken on behalf of the Council by Re (Regional Enterprise) Ltd; its DRS contract regeneration partner. These costs will be agreed between GHA and LBB and incorporated within the Planning Performance Agreement (PPA). LBB will commission Re to manage the contractual delivery of the SPD.
- 5.2.6 The Resident Engagement Strategy and consultation costs associated with the SPD, Ground 10A consultation, CPO and all other development costs will be allocated in accordance with the PDA which may need to be reviewed to meet the needs of the new scheme. Furthermore, a new CPO Indemnity Agreement between LBB and GHA will have to be agreed for stage B as the existing agreement is limited to stage A.
- 5.2.7 The proposed 'carve out' of site A1 (plot 8) will be subject to a detailed business case which will be presented separately at the Policy and Resources Committee as part of the consideration of proposals for new office accommodation.
- 5.2.8 The impact on revenue budgets of bringing forward concourse demolition is being modelled, in particular in relation to costs relating to temporary accommodation.

5.3 Legal and Constitutional References

- 5.3.1 Local authorities have a powers under sections 120 and 123 of the Local Government Act 1972 to acquire and dispose of land by agreement. A local authority also has a general power of competence under the Localism Act 2011 to do anything which an individual can do, subject to the provisions of other enactments.
- 5.3.2 Council's Constitution, Responsibility for Functions, Annex A states the terms of reference of Assets, Regeneration and Growth Committee which includes: to develop and oversee a Regeneration Strategy; develop strategies which maximise the financial opportunities of growth; oversee major regeneration schemes including those of key social housing estates; and all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.
- 5.3.3 Council Constitution, Responsibility for Functions, Annex A states the terms of reference of the Policy & Resources Committee which includes the approval of the Local Development Framework (LDF) and associated

documents. Although Supplementary Planning Documents do not have the same status as full Development Plan Documents (DPDs) as formal planning policy documents they nevertheless require approval of the Policy & Resources Committee.

- 5.3.4 Council Constitution, Management of Asset, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop appropriate change of use of, or dispose of assets within its portfolio.

5.4 Risk Management

- 5.4.1 See attached at Annex B

5.5 Equalities and Diversity

- 5.5.1 Pursuant to the Equality Act 2010 ("the Act"), the Council has a legislative duty to have 'due regard' to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; and promoting good relations between those with protracted characteristics and those without. The Authority has an agreed policy on how it will comply with its obligations. The 'protected characteristics' are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation. In accordance with this act the Council will be undertaking an Equalities Impact Assessment (EIA) as part of the SPD.

- 5.5.2 The Council is committed to improving the quality of life and wider participation for all the economic, educational, cultural, and social and community life within the borough. This is achieved by pursuing successful regeneration of the Borough's regeneration areas. This benefits all sections of society by directly addressing the shortage of housing in the Borough across all tenures..

5.6 Consultation and Engagement

- 5.6.1 The Council conducted a consultation exercises with secure tenants for the original masterplan and delivery of Stage A.
- 5.6.2 Consultation does have a legal effect. Without undertaking that consultation the Secretary of State would not have given his approval to the redevelopment. The approval permits the use of Ground 10A to evict tenants who refused voluntarily to move from their homes at Grahame Park.
- 5.6.3 A requirement of the Secretary of State's approval is that if the proposals materially change (as is potentially the case with respect to AI/plot 8) then the local authority should re-consult and seek an approval for the amendment. For Stage A this consultation included a commitment to existing secure tenants that if they wanted to move to a new home at Grahame Park then they would be permitted to do so.

- 5.6.4 Furthermore, effective resident engagement will be central to the success of the accelerated programme. There is a pressing requirement to engage residents and provide certainty following a period of relative inactivity across the estate as a whole. However this requirement needs to be balanced against a degree of perceived consultation fatigue and scepticism.
- 5.6.5 In addition the various work-streams required to deliver the regeneration (SPD, CPO, re-housing, Ground 10A etc) all have a requirement for consultation and these strands must be properly coordinated to minimise overlap and repetition. GHA, in full consultation with LBB, will develop a Resident Engagement Strategy to address all these needs.
- 5.6.6 LBB and GHA already have resident engagement and consultation structures in place to assist in the redevelopment of the estate. The Council has recently strengthened its resources through the appointment of Priority Estates Project (PEP) as the Independent Resident Advisors for the current phase of redevelopment. PEP replace SOLON, the previous advisors and LBB and GHA will shortly review our resident engagement structures to ensure we support the residents throughout the new accelerated programme

6 BACKGROUND PAPERS

- 6.1 None