



ASSETS, REGENERATION & GROWTH COMMITTEE

17 September 2018

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

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>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.</p>
<p>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.</p>
<p>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.</p>
<p>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.</p>
<p>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.</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>