



Assets Regeneration and Growth Committee

13 June 2019

Title

**Proposed Hendon Redevelopment
SOC**

Report of

The Chairman of Assets, Regeneration and Growth
Committee

Wards

Hendon

Status

Public

Urgent

No

Key

Yes

Enclosures

Strategic Outline Case (SOC) - **Proposed Hendon
Redevelopment**

Officer Contact Details

Suzi.carter@barnet.gov.uk

Chris.smith@barnet.gov.uk

Summary

This report seeks approval of the SOC for the proposed redevelopment of three sites in Hendon.

Officers Recommendations

1. That the Committee approves the overall development strategy for Hendon.
2. That the Committee agree to the delegation of development of Outline Business Case (OBC) & Full Business Case (FBC) to the Director of Growth & Regeneration, at an approximate cost of £275k.
3. That the Committee agree to delegation of approval of the OBC to Capital Strategy Board.
4. That the Committee notes that the Full Business Case for this development and the preferred delivery option will be brought to Committee in September or December 2019.

1. WHY THIS REPORT IS NEEDED

- 1.1 To approve the SOC for the proposed Hendon redevelopment, which could yield a substantial capital receipt or revenue (or a combination of the two), to LBB. Added benefits include enhanced place-making in Hendon; strategic improvements to Middlesex University and improved community facilities.

Governance process

- 1.2 There will be a Project Board reporting to the Property Review Programme Board monthly. It is proposed that the Assets, Regeneration and Growth (ARG) Committee delegate approval of the OBC to Capital Strategy Board and the FBC is subsequently taken to a future ARG meeting for approval.

The Proposal

- 1.3 The LBB-owned freehold sites – Ravensfield and Fenella, Meritage Centre and Building 9 – located on or around the Burroughs are considered to be key strategic redevelopment sites which can facilitate substantial capital receipts and / or long-term income for LBB. There are various options that can be pursued to deliver the benefits associated with the developments. At the next stage an informed decision as to which of the development options offers the best solution will be made, based on the balance between the appetite for development risk (and the mechanisms available to mitigate this risk to an acceptable level), the quantum of the forecast returns, and whether there is a desire for capital or revenue to be generated (or a combination of the two).
- 1.4 At this stage, key members of the administration have been consulted. Through the next stage, further consultations with ward councillors will be undertaken.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The benefits of this project include:
 - maximising capital or revenue opportunities (or a mixture of the two) for LBB;

- regenerating the local Hendon urban environment with new sustainably and architecturally designed buildings, landscape areas and public realm;
- using the opportunity to support Middlesex University achieve its own strategic goals;
- replacing existing community uses with new fit for purpose accommodation

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Several options have been tabled in the Strategic Outline Case (SOC) but at this stage no recommendation has been made as to a preferred option so no options have been ruled out either. A preferred option will be determined and progressed prior to OBC / FBC submission.

4. POST DECISION IMPLEMENTATION

4.1 The work necessary to develop the OBC and FBC will be undertaken, with a view to presenting the business cases for development of the sites, and these will be brought to Committee in due course.

4.2 The necessary due diligence work will be undertaken, together with refining of the various options to determine a preferred option.

4.3 In order to refine the various options detailed in the Project Rationale section above, we will undertake the following between SOC and OBC / FBC stages:

- Prepare the Stage 1/2 Viability study and Options Appraisal for Building 9
- Lawyers to be instructed to prepare a report on title on all sites and ownerships
- Finalise Heads of Terms
- Undertake more due diligence on each option
- Run workshops with officers on the various options
- Determine the Council risk appetite on this project & continue to maintain a risk register on each development option
- Run financial models on different options to determine potential returns
- Agree development option and continue due diligence
- Prepare a schedule of projected costs to move to the next stage/s
- Investigate procurement routes
- Continue due diligence on potential delivery partners
- Engage CIPFA, or similar, to substantiate financial model
- Develop design to support a planning pre-application meeting (pre-app)
- Meet with LBB Planners for a pre-app discussion
- Engage in public consultation at the earliest opportunity
- Consultation with Ward Members

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.2 Barnet 2024 Corporate Plan has a strategic objective to responsible Growth, Development and Success across the Borough.

5.3 The Council's Corporate Plan 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

5.4 The Corporate Plan also prioritises maximising opportunity, by taking a commercial approach to generating income, and looking for new opportunities to generate revenue from our estate, and capitalising on opportunities from responsible growth and development to boost the local economy

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

5.4.1 **Finance and value for money**

In order to develop the SOC and FBC, an LBB investment of circa £275k will be required, which will be drawn from the Revenue Implications of Capital Reserve budget via a formal bid to Capital Strategy Board, for recommendation to the CFO.

5.5 **Staffing**

5.5.1 This project will be undertaken using the existing project team at LBB, with external project resource bought in, as required.

5.6 **Risk Management**

5.6.1 A project approach is being taken to risk management and a risk register is being maintained. The option that is ultimately pursued will look to balance risk with return and mitigate risk as far as possible.

5.7 **Property**

5.7.1 The overarching aim of this programme is to achieve the best outcomes in relation the council's assets.

5.8 **Social Value**

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

5.9 **Legal and Constitutional References**

5.91 Council Constitution Article 7.5 states that the remit of the Assets Regeneration and Growth Committee includes responsibility for regeneration strategy and oversight of major regeneration schemes, asset management, employment strategy business support and engagement

- 5.92 The Council Constitution, Article 10 Table A states that Assets Regeneration and Growth Committee is responsible for authorising all acquisitions and disposals over 500K.
- 5.93 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 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 as set out therein.
- 5.94 The Council has a range of powers 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.
- 5.95 The Council will need to consider, comply with and obtain any statutory and legal requirements /consents to give effect to the preferred option.
- 5.96 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 through contract delivery.
- 5.9.6 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:
- 5.9.6.1 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;
- 5.9.6.2 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

5.91 Equalities and Diversity

5.10.1 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.

5.10.2 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 under the Equalities Act. No immediate equality impacts are anticipated as a result of this preliminary proposal and equality impact assessments will be undertaken at each stage of the development of the proposal as necessary.

5.11 Corporate Parenting

5.11.1 None in the context of this report

5.12 Consultation and Engagement

5.12.1 Ward councillors, residents and communities local to each site will be consulted prior to any planning applications being submitted at future stages of this project. Public resident consultation meetings will be held and individual consultations will be undertaken with other residents as requested.

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

5.13 Insight

5.13.1 None in the context of this report.