

	<h2>HOUSING & GROWTH COMMITTEE</h2> <h3>27 January 2020</h3>
<p style="text-align: right;">Title</p>	<p>WEST HENDON PHASES 5 & 6: VARIATION TO THE PRINCIPAL DEVELOPMENT AGREEMENT</p>
<p style="text-align: right;">Report of</p>	<p>Chairman of Housing & Growth Committee</p>
<p style="text-align: right;">Wards</p>	<p>West Hendon</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 – Plan Showing Sites at 213-215 West Hendon Broadway</p>
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<h3>Summary</h3>	
<p>Barratt Metropolitan Limited Liability Partnership (BMLLP) have written to the Council requesting support for amending the existing Principal Development Agreement (PDA) to provide for up to 350 residential units to be built in the final phases of the scheme (Phases 5 and 6).</p> <p>BMLLP are also seeking agreement to incorporate two new sites at 213-215 West Hendon Broadway within the scheme Masterplan. The incorporation of the sites would allow more intensive use of these sites, promote a more coherent Phase 5 design solution and offer a positive impact on the Broadway frontage.</p> <p>The changes would allow BMLLP to bring forward proposals for a new, permanent 500sqm health centre and add up to 350 residential units to the scheme, with 40% of the new homes offered as Affordable Housing.</p> <p>In order to provide assurance before committing significant further resources and bringing forward proposals to Planning, BMLLP have requested the Council indicate whether it 'in</p>	

principle' supports the proposal and would be willing to vary the PDA to accommodate the changes set out above to Phases 5 & 6 of the West Hendon Regeneration scheme.

Recommendations

That the Housing & Growth Committee:

- 1.1 confirm 'in-principle' support for an increase in the maximum residential unit cap in the West Hendon Principal Development Agreement to 2350 units;**
- 1.2 confirm 'in principle' support for the incorporation of sites at 213-215 West Hendon Broadway within the West Hendon Regeneration Scheme;**
- 1.3 delegates authority to the appropriate Chief Officer to take any further necessary actions or decisions with regard to formally varying the Principal Development Agreement to accommodate the Additional Unit Scheme acting in the best interests of the Council and to authorise the negotiation and completion of any required documents.**

1. WHY THIS REPORT IS NEEDED

- 1.1 Barratt Metropolitan Limited Liability Partnership ('BMLLP') have written to the Council requesting 'in principle' support for amending the existing Principal Development Agreement ("the PDA") to provide for an increase of up to 350 housing units, to be built in the final phases of the scheme – Phases 5 & 6. This would increase the provision of homes from 2000 to up to 2350 units. BMLLP are also seeking agreement to incorporate two new sites within the scheme. Both these additional sites fall outside of the currently defined regeneration area for the scheme.
- 1.2 The changes to the PDA would allow BMLLP to bring forward proposals for a new, permanent 500sqm health centre and add up to 350 residential units to the scheme, with 40% of the new homes offered as Affordable Housing. The proposed revisions and tenure mix are subject to further public consultation by BMLLP and the required planning variations and consents being secured.
- 1.3 In order to provide assurance before committing significant further resources to developing the new proposals ('Additional Unit Scheme'), BMLLP have asked the Council to agree in principle to vary the PDA.
- 1.4 Detailed planning consent for Phases 5 & 6 of the West Hendon scheme was granted in June 2018 for 732 homes. The proposed amendments to Phases 5 & 6 include the addition of land at 213-215 West Hendon Broadway to create a larger site. This allied with amendments to the existing consented blocks offers potential for an additional 350 homes and provision of a new self-contained Health Centre of 500sqm. In total the revised Phases 5 & 6 would deliver 1082 units.

- 1.5 As a result of maximising unit numbers in earlier phases & optimising Phases 5 & 6, the 732 currently consented units were accommodated within the original outline parameter plans for the scheme agreed in November 2013. There is therefore significant potential to increase unit numbers within the existing consented parameters as well as the possibility of making modest increases to the consented building heights in Phases 5 and 6.
- 1.6 Currently the freehold of the sites at 213-215 West Hendon Broadway are owned by the Council and the NHS respectively. BMLLP are close to agreeing Heads of Terms to acquire these properties by private treaty. Both sites comprise single storey properties and front West Hendon Broadway. 213 is currently used as an MOT garage which will not be an appropriate use once the regeneration is complete. It is also on a prominent corner and has a significant deleterious impact on the streetscape. 215 is used as temporary NHS office accommodation and GP surgery. The Heads of Terms agreed for the purchase of this site from the NHS by BMLLP are dependent on BMLLP providing a dedicated, permanent 500sqm GP health facility as part of the regeneration programme. Incorporation of the sites within the scheme would permit multi-storey redevelopment, making better use of the land and allow for an additional circa 45 residential units.
- 1.7 BMLLP have also included a request to re-sequence Phases 5 and 6. This would permit more efficient development of the final phases of the scheme and minimise disruption to residents of new homes in Phase 6. The changes will require formal revision to the Master Programme. Note that by Phases 5 & 6 current residents of the estate will have been re-housed in Phase 4 on the other side of the development so will be unaffected by this change. The key benefit to existing residents is the introduction of the new health centre and the additional stimulus to regeneration on the Broadway that additional residents in the area will bring.
- 1.8 The West Hendon Partnership Board received an initial briefing from BMLLP at their meeting of the 8th January 2020. Beyond the Partnership Board, stakeholders and residents will be consulted by BMLLP in the run up to and during consideration of planning submissions. Updates will also be provided through the regeneration newsletter and presentations at West Hendon Partnership Board Open Meetings.

2 REASONS FOR RECOMMENDATIONS

- 2.1 Support for the variation of the Principal Development Agreement would allow for the development of proposals for a much needed, new 500sqm permanent health centre and up to 350 additional new homes (40% affordable).
- 2.2 The incorporation of sites at 213-215 West Hendon Broadway would allow better use of the land, promote a more coherent Phase 5 design solution and offer a positive impact on the A5 frontage with associated benefits for the regeneration of the retail offer along West Hendon Broadway.

- 2.3 In-principle agreement to vary the PDA would provide encouragement to Barratt Metropolitan Limited Liability Partnership (BMLLP) to invest further in developing proposals for the new health facility and new homes.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Do not confirm support for the proposed variations to the PDA to allow for amendments to Phases 5 & 6 of the scheme - this would mean that delivery of the new health centre and additional homes would not be possible.

4 POST DECISION IMPLEMENTATION

- 4.1 Once in-principle agreement is secured, Barratt Metropolitan Limited Liability Partnership (BMLLP) will provide a formal Deed of Variation to the PDA for the Council's consideration. The Council has entered into a number of variations at different times already during the history of the scheme.
- 4.2 The Additional Unit scheme remains subject to further public consultation, securing the necessary planning consents and subject to BMLLP being able to finalise the purchase of the sites at 213-215 West Hendon Broadway. Amendment of the PDA allows for the possibility of an enhanced scheme but does not mean that it will definitely be delivered.
- 4.3 In the event that support to vary the PDA is secured, it is likely that BMLLP will make the necessary Planning submissions towards the middle of 2020.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The regeneration of the West Hendon Estate contributes to the outcomes promoted through the Council's Corporate Plan 2019-2024. These focus on place, people and communities and are;
- a pleasant, well maintained borough that we protect and invest in
 - our residents live happy, healthy, independent lives with the most vulnerable protected
 - safe and strong communities where people get along well
- 5.1.2 The regeneration of the West Hendon regeneration estate also supports the Sustainable Community Strategy for Barnet 2010–2020 through the following objectives:
- A new relationship with citizens - the new developments will offer more choice and promote independence by providing a number of different housing options such as shared ownership to residents and to other people in the wider community.
 - A one-public-sector approach - the Council is working together with other public sector partners to ensure the delivery of the schemes.

- A relentless drive for efficiency - the Council is working with Development Partners to ensure that the scheme is delivered in the most cost effective way.

5.1.3 The regeneration scheme also complies with strategic objectives in the Council's Housing Strategy 2010-2025 which include:

- Increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and promoting mixed communities and maximising opportunities available for those residents wishing to own their own home.

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

5.2.1 When approaching the Council, BMLLP included in their proposal a review of the impact on possible sales overage payable to the Council. Current projections indicate that, as a result of the proposed amendments to the scheme, the likelihood of an overage payment to the Council could be improved. Note that there remains no guarantee that overage will ultimately be payable as this is conditional on development costs and sales values, etc. However, the Council would still benefit from a significant amount of additional affordable housing, a new, permanent GP surgery for West Hendon and a smarter, more coherent streetscape.

5.2.2 In the event that the Additional Unit Scheme progresses, an increase in the developer's financial contribution to the West Hendon Community Trust Fund would need to be agreed.

5.2.3 All legal costs incurred by the Council in varying the PDA will be recovered from BMLLP.

5.3 Social Value

5.3.1 The West Hendon regeneration offers a broad range of social, economic and environmental benefits. The Additional Unit scheme would add to the range of benefits by providing additional new homes and a new health facility.

5.4 Legal and Constitutional References

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

5.4.2 The PDA defines mechanisms for making changes to the scheme and many have already been made over the lifetime of the project. Given the significance of the variations to the residential cap and the addition of sites to the regeneration area, it is appropriate that this matter is considered by the Housing and Growth Committee. Other associated decisions, such as the revisions to the Master Programme constitute an Intermediate Variation under the terms of the PDA and can be managed through Chief Officer Decision.

5.5 Risk Management

- 5.5.1 The Additional Unit Scheme presents very limited risk to the Council.
- 5.5.2 The delivery of Phases 5 & 6 of the West Hendon Regeneration Scheme is dependent upon the ability of the Council and Barratt Metropolitan Limited Liability Partnership (BMLLP) to acquire all third party proprietary interests in the necessary development land. However, having secured West Hendon Compulsory Purchase Order 3 (CPO3) in September 2019, this no longer presents a risk. Negotiations to acquire properties via private treaty are ongoing and CPO powers will only be used a last resort.
- 3.2 The incorporation of 213-15 West Hendon Broadway to the scheme is dependent on BMLLP being able to agree a deal to acquire the two properties by consensual agreement as they are not covered under Compulsory Purchase powers. BMLLP have agreed Heads of Terms with the Council and NHS as respective property owners and this is not considered to present a significant risk to the scheme. The sale of the freehold of 213 West Hendon Broadway will be at market value and subject to a separate decision by the Council to dispose and any necessary consents being secured. Appropriate steps will also need to be taken by the Council to gain vacant possession of the 213 West Hendon Broadway prior to its sale.
- 5.5.3 Implementation of the scheme is subject to individual phases being financially viable. Current projections indicate that Phases 5 & 6 are viable. However, should market conditions significantly change this could present an issue for the West Hendon programme. This has always been the position.

5.6 Equalities and Diversity

- 5.6.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough. The West Hendon Regeneration Scheme will provide a mix of affordable and private sale properties. The new mixed tenure housing will improve the community cohesion in an area with a highly diverse population. It will provide increased choice and opportunity for Barnet residents. This supports the overall aim of the Council's Equalities Policy and the Council's duties under the Equality Act 2010.
- 5.6.2 At present the West Hendon Estate does not reflect a mixed and balanced community, with a heavy bias towards an affordable housing tenure. The Estate offers little by way of variety of unit mix. The regeneration proposals seek to address this imbalance through the delivery of a range of residential tenures across the site e.g. private housing, a new range of intermediate housing, wider range of unit sizes across all tenures and 10% of all residential units meeting Wheelchair Standards. The Scheme seeks to improve the demographic of the Estate to provide a step change in the levels of social inclusion to create a sustainable, mixed and cohesive community.
- 5.6.3 Having had due regard to its duty under the Equality Act 2010, the Council is confident that the delivery of the Scheme will contribute towards the social,

economic, educational and cultural improvements for existing and future residents. It will also increase levels of social inclusion within a mixed and diverse community.

5.7 Consultation and Engagement

- 5.7.1 Consultation with the community re the possible expansion of the scheme started with a presentation to the West Hendon Partnership Board on 8th January 2020. Should the Council agree the variations to the PDA to accommodate changes to Phases 5 & 6, Barratt Metropolitan Limited Liability Partnership (BM LLP) will embark on further consultations in the run up to submission of planning proposals.
- 5.7.2 Scheme wide consultation has and will continue to be undertaken with the residents and wider community to ensure that the Scheme reflects local needs. In this regard, the Council and the Development Partners appointed an Independent Resident Advisor to work with the residents on the estate. A Partnership and Residents Board has been established who meet on a regular basis to discuss the regeneration proposals with the Council and its partners.
- 5.7.3 Meetings & issue specific drop-in sessions (e.g. CPO) have held over the past 4 years and these will continue. Updates and information are also provided through the West Hendon Regeneration Newsletter and the production of issue specific leaflets. In addition, staff representing the Development Partners are regularly available at the estate's Interim Community Hub, affording residents the opportunity to discuss their particular issues or concerns relating to the scheme.

6. BACKGROUND PAPERS

Cabinet Resources Committee, 16 December 2013, West Hendon Regeneration Project
<http://barnet.moderngov.co.uk/documents/s12100/West%20Hendon%20Regeneration%20Project.pdf>

