



Housing and Growth Committee

14 September 2020

Title	Annual Regeneration Report
Report of	Chairman of Housing and Growth Committee
Wards	All
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Enclosures	Appendix 1 Annual Regeneration Report 2019/20
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Summary

This report summarises the 2019/20 Annual Regeneration Report (attached) which updates Committee of the following: -

1. The current context for growth and regeneration
2. Regeneration scheme challenges
3. Regeneration scheme progress
4. Regeneration scheme achievements

Officers Recommendations

1. That the Committee: Note the 2019/20 Annual Regeneration report.
2. Delegates authority to the Deputy Chief Executive to make any non-material changes to the attached Annual Regeneration Report.

1. WHY THIS REPORT IS NEEDED

- 1.1 The attached 2019/20 Annual Regeneration Report (ARR), provides an update on:
- The local and strategic policy context for future growth.
 - Scheme challenges faced over the last year.
 - The progress being made by the borough's Regeneration schemes.
 - The key achievements over the last financial year.
- 1.2 This includes updates on Barnet's largest growth areas – Colindale, Brent Cross Cricklewood and Mill Hill East as well as progress on the key estate regeneration schemes at West Hendon, Grahame Park, Dollis Valley, and infill schemes at Granville Road, Upper and Lower Fosters and several Barnet Group-led Development Pipeline schemes. There are also updates on business, employment, skills initiatives taking place alongside the regeneration schemes.
- 1.3 The ARR report usually comes to HAG committee at the end of the financial year between March and June. This year delays due to COVID-19 have impacted on report timelines but allowed time for this report to capture and reflect on some of the Implications of the pandemic on growth and regeneration schemes.
- 1.4 Construction was interrupted on all the regeneration sites during the height of the pandemic resulting in a number of challenges over and above business as usual. This is discussed further in paragraphs 1.22 and sub paragraphs below. Sites gradually reopened by the second week in June. Despite the challenges, our development partners, quickly put in place a range of health and safety measures to enable a speedy return to site, demonstrating their investment in and commitment to the schemes. The council put in place a strategy to monitor and manage risks and issues in order to support the sustainability of schemes and safeguard its land and property investments. Despite development interruption, the regeneration schemes successfully navigated from the position of stoppage to the position of reboot and resilient delivery.
- 1.5 It is not possible to predict the medium to long term implications of the pandemic but economic forecasts anticipate a significant down turn in the economy which will have serious implications for all economic sectors. This is likely to slow down the construction sector significantly as funding decisions governing where investment is prioritised, when and how much, may adversely affect our key regeneration schemes, particularly the future phases which are not contractually committed. These risks have been identified in the challenges section of this report and are being monitored. Developers are already requesting deferral of payments (ie section 106 and CIL) and other programmed capital receipts, to align with delayed construction schedules.
- 1.6 Other adverse impacts relate to the possibility of a second wave of high Covid-19 infections prompting a local lockdown and further temporary construction site closures, staff sickness, sub-contractor and supply chain delays. Whilst development partners are demonstrating resilience, there are factors that will be beyond their control and the control of the Council that may force business case reviews and alterations. With the end to furlough approaching in October, unemployment is likely to increase, and disposable income reduce which will slow down the sale of newly completed properties. Developers are likely to wait for a buoyant sales outlook before committing to future phases.

The local and strategic policy context for future growth

- 1.7 Whilst the ARR looks back over 2019/2020 at scheme delivery, progress and achievements, it also highlights the importance of the local plan, Growth Strategy and Long-Term Transport Strategy, which set out the local and strategic policy context for future Growth. The strategies were drafted before the pandemic and now face the challenge of how to adapt and achieve delivery in a new economic landscape. Work to assess the implications is being undertaken within each Council service.
- 1.8 The Draft Local Plan (Reg 18) Preferred Approach was approved by Policy and Resources Committee in January 2020 and consulted on in spring. It sets out the borough's planning policy framework used by the council to make decisions about how Barnet will change as a place over the next 15 years and is one of the most important statutory documents that must be produced for the borough, providing the spatial expression of Council plans and strategies. The ARR contains a spotlight on the Local Plan highlighting consultation activities that occurred over the year, Reg 18 features, the policy focus for growth, key challenges, the current local plan timetable, achievements and the focus in 2020/21.
- 1.9 The Growth Strategy, approved by Housing and Growth Committee in January 2020, sets out its ambitions for growth and development across the borough and considers future challenges and the growth principles, objectives and programmes that will address them. The Growth Strategy aims to make Barnet a great place to live, work, do business and visit; seeking to deliver this through 20 objectives across five themes that will shape how the council will engage in the delivery of growth and ensuring the maximum benefit to the residents of Barnet. The adopted delivery plan sets out a range of projects and programmes from 2020-21 onwards and will be monitored and reviewed annually.
- 1.10 The draft Long-Term Transport Strategy, approved by Environment Committee in January 2020, sets out a vision for transport in Barnet and a roadmap for achieving this vision. This strategy looks forward to 2041 and aligns with the Mayor of London's Transport Strategy. The strategy considers major infrastructure change and forecasting for social, economic, technological changes whilst providing sufficient flexibility to respond to uncertainties. Adoption will follow the period of public consultation and review that took place in the final quarter of 2019-20.
- 1.11 Each year the ARR revisits the financial strategies in place to support key policies and assist the rollout of scheme delivery. The report highlights the funding secured by the council and how it re-invests in growth, regeneration, infrastructure and service delivery to maximise the benefits to the borough's residents and businesses. The report recognises that funding availability will be an ongoing challenge and that the council continues to identify new ways of working and funding. This includes collaborating with partners in the public, private and voluntary sector and investment to sustain a growing borough by: Insulating from economic shocks by building resilience and long-term changes
- Properly funding priority services and investing where necessary
 - Ensuring sufficient funding is available for on-going transformation

Progress and Achievements

The ARR also sets out the progress and achievements of key regeneration and development schemes and summarises the underpinning work undertaken by the council's delivery units to support scheme delivery and policy and strategy development.

1.12 Brent Cross Cricklewood Growth Area

This growth will be underpinned by a new Brent Cross West railway station linking the new neighbourhood to central London in less than 15 minutes. The area will also be served by improved transport links including a new bus station. Uniting the areas north and south of the North Circular, the redevelopment of Brent Cross Cricklewood will provide a vibrant place to live and work and contribute to the long-term prosperity of the borough.

Progress

The Brent Cross schemes have progressed in 2019/20 as follows:

1.12.1 Brent Cross West

- Planning permission for the station approved in May 2020
- VolkerFitzpatrick Ltd was awarded the contract to deliver the new rail station and the reserved matters planning application has now been approved
- In December 2019, the new Train Operators' Compound was opened. It can accommodate up to 80 drivers, crew and presentation staff. In June, the south sidings were also completed. This is a key milestone in the delivery of the new wider station programme

1.12.2 Brent Cross South

Demolition works have been completed including demolishing the Rosa Freedman Centre and much of Claremont Industrial Estate in Claremont Way

- Work to deliver phase one of the Brent Cross South project began including the temporary open space, visitor centre and improvements to Claremont Way
- Two vacant premises on Claremont Way have been fixed up to provide a space for residents to view the plans for the area and discuss them with the developer

1.12.3 Brent Cross North

- Planning permission was granted to re-phase key infrastructure work from the Brent Cross North developers to Barnet Council and Brent Cross South to ensure the comprehensive redevelopment of the Brent Cross Cricklewood area remains on target.

1.12.4 Achievements

Last year's achievements include the following:

- Completed OJEU procurement and issued station contract to VolkerFitzpatrick
- Substantial completion of the Train Operators' Compound which is now occupied
- Commencement of infrastructure 1 southern junction works on Cricklewood Lane and Claremont Way
- Commencement of phase 1B South by Argent Related: Temporary open space.
- Submission of station reserved matters planning application followed by approval in May 2020
- New project website launched at TransformingBX.co.uk

1.13. Colindale Growth Area

Colindale is set to make the single largest contribution to housing (including affordable) to the borough over the next 10-15 years and one of the biggest in North London. Redevelopment is focused on three key routes: Colindale Avenue, Aerodrome Road and Grahame Park Way.

Progress

1.13.1 The following progress was achieved in 2019/20:

Continued development taking place in Colindale with at least 12,500 new homes identified between 2011 and 2030.

- By 2041, annual passenger demand is projected to more than double because of growth and development in the area
- Working with Transport for London (TfL), major re-development of the station planned to get underway by end of 2020 to improve access and capacity
- The enhanced station will be operational by spring 2022 Overall investment into the station re-development project of over £26 million
- Works at Montrose Playing Fields and Silkstream Park completed in March 2020.
- In July 2019, achieved planning consent for the re-development of the Colindale tube station and a residential-led mixed use development over the station, including 313 residential units and up to 860 sqm of flexible commercial and retail space
- Making of a Compulsory Purchase Order (CPO) for adjacent station development.
- Review of the planned junction improvements to Bunns Lane, Montrose / A5 and Colindale Avenue/A5, with a view to deliver a revised programme focused on improvements to pedestrian and cycle facilities
- Approval of the draft design masterplan for Colindale and Rushgrove Parks in the late summer 2019 with a two-month statutory consultation ending in January 2020

1.13.2 Achievements – Development

The following achievements occurred in 2019/20:

- Completion of improvement works at Montrose Playing Fields and Silkstream **Parks in March 2020**
- Proposal for the re-development of the Colindale tube station and over the station development greenlighted in July 2019
- Construction of bridge from Fairview into Montrose Playing Fields completed Autumn 2019
- Skills Action Plan sets out how residents (both existing and new) can access site and developer employment and training opportunities arising from the development.

1.13.3 Achievements - Employment and Skills

Colindale Gardens; Peel Centre

- Number of Apprentices: 1
- Number of Graduates: 1
- Number of work experience placements: 3
- Redrow Homes Scholarship Fund in partnership with MDX University
- Funder Member Patron of Unitas Youth Zone, in partnership with OnSide and the London Borough of Barnet, to provide a safe environment for young people Beaufort Park
- Number of local employees (Local workforce): 24%

- Number of work experience placements: 1

1.14 **Mill Hill East Growth Area**

Transformation is well underway of the former RAF Inglis Barracks in Mill Hill and council's waste depot to provide new affordable and private homes. Located on the edge of Mill Hill's conservation area, Millbrook Park is an exemplary Public Private Partnership creating a high-quality new suburb at the heart of NW7

1.14.1 **Progress**

The following progress was achieved in 2019/20:

- Delivery of district energy centre
- All development phases under construction.
- 737 housing completions to date
- TfL opened the new Step Free Access (lift) scheme in Feb/Mar 2020

1.14.2 **Achievements**

The following achievements were recorded in 2019/20:

- Completion of Permanent Energy Centre
- Completion of Millbrook Plaza
- Employment and Skills Action Plan sets out how residents (both existing and new) can access site and developer employment and training opportunities arising from the development: Barratt London achieved 2 Apprenticeships
- Both Durkan and EcoWorld are currently working to support construction training initiatives
- Notting Hill Genesis Construction Training Initiative 5-year plan under development

1.15 **Grahame Park – Priority Estate within Colindale Growth Area**

Plans are well underway to create a more outward looking neighborhood with new mixed tenure homes, community facilities with accessible road, pedestrian and cycling networks.

1.15.1 **Progress**

The following progress was achieved in 2019/20

- To date 685 new homes have been built, of which 386 are affordable
- In October 2019, Notting Hill Genesis submitted a fresh planning application which achieved consent in March 2020 for a development consisting of 2,088 new homes, new community facilities, a new park, open spaces and the re-alignment of Lanacre Avenue (renamed Bristol Avenue) to provide new transport links.

1.15.2 **Achievements**

2019/20 achievements include:

- Full planning consent achieved March 2020 for the phased redevelopment of plots 10-12 of Grahame Park involving up to 2,088 residential units and up to 5,950sq.m of flexible non-residential floorspace
- Agreement of a new S106 Planning Agreement to facilitate the construction of a wide range of vital community facilities including childcare, community, health and an improved park
- Employment and Skills Action Plan sets out how residents (both existing and new) can access site and developer employment and training opportunities arising from the development

Achievements for the new planning application agreed:

- £100,000 towards the refurbishment of the Library, which will provide both Employment and Skills and Community Investment programmes for the next 10 years
- £611,000 towards supporting Site and Community Employment and Skills
- 35 Apprenticeships
- 59 progressions into employment
- 85 work experience placements

1.16 **Dollis Valley - Priority Estate**

Regeneration existing sub-standard properties built in the late 1960's and early 1970's are being replaced with new high quality homes all linked by a network of green spaces in a new garden suburb.

1.16.1 **Progress**

Progress highlights for 2019/20 include the following;

- To date 271 new homes have been built, of which 113 are affordable.
- Extensive consultation on the draft masterplan for the Barnet and King George V Playing Fields has been undertaken
- The council has enacted Compulsory Purchase Order powers to enable assembly of land and property for development

1.16.2 **Achievements**

Achievement in 2019/20 include:

- Delivery of two new public spaces, namely the Eastern and Western Entrance Squares which are equipped with play space
- In January 2020, commenced demolition of 166 properties to enable next phase of development
- Employment and Skills Action Plan sets out how residents (both existing and new) can access site and developer employment and training opportunities arising from the development

1.17 **West Hendon Priority Estate**

With the ambition to create a thriving new neighbourhood, redevelopment is underway to replace existing homes with over 2,000 high-quality homes with underground car parking provision– surrounded by improved public space and transport links, thriving shops and businesses, a community centre and a new primary school.

1.17.1 **Progress**

Progress made in 2019/20 includes:

- 1,254 sqm of commercial floorspace has been created to date, including the community hub
- Construction started in September 2019 on the next phase of development which will deliver 611 units (418 private and 193 affordable)
- The new Cool Oak Lane pedestrian and cycle bridge will complete at the end of Summer 2020 and provide an improved link between the West Hendon development and the area to the west of the development

1.17.2 **Achievements**

Last year's achievements include:

- Secured a Compulsory Purchase Order (CPO3) without modifications on 17 September 2019, to secure the delivery of phases 5 & 6
- A community celebration day took place on 7 September 2019, celebrating the community which has grown since the start of the development. A range of events took place throughout the day, including family fun activities, live music and refreshments
- Continued improvements to the new public square with additional commercial units let, one of which has been let to an existing business on West Hendon Broadway
- Creation of a new landscaped play area for children
- Completed demolition of 155 properties to commence phase 4 construction
- Employment and Skills Action Plan sets out how residents (both existing and new) can access site and developer employment and training opportunities arising from the development

1.18 Granville Road - Infill Estate

The estate includes large areas of under-utilised and unstructured land. Planned regeneration aims to realise the potential to deliver additional new homes in these spaces, generating investment to improve the estate environment.

1.18.1 Progress

Progress made in 2019/20 includes:

- Development started on-site in July 2019 following planning consent obtained August 2016 for 132 new homes, including demolition of 26 flats, existing garages and other ancillary buildings.
- There has been ongoing construction on the site since start on site
- A 'Meet the contractors even' was held for residents

1.18.2 Achievements

In 2019/20 achievements include:

- All land was appropriated
- Start on-site and significant progress in clearing the site (i.e. demolition) for development
- Acquisition of 1A Mortimor Close to enable land to be included in the development of the estate
- In June 2019, council approval of an Improvement Plan for Childs Hill Park with £210,000 s106 contributions from Granville Road estate development

1.19 Upper and Lower Fosters - Infill Estate

This presents an exciting development opportunity in a town centre setting to create additional housing and an improved public realm. Plans are in place to optimise the use of the currently underused land to develop 217 additional homes and includes the demolition of the existing sheltered housing (Cheshir House), to be replaced by new Extra Care accommodation designed to help older people live independently

1.19.1 Progress

Progress in 2019/20 includes the following:

- Planning consent in October 2019 follows an extensive two-year programme of 'co design' in which residents were involved in the development of the plans
- Successfully re-housed the majority of all the residents of Cheshir House to make way for demolition of the building

1.19.2 Achievements

Last year's achievements include:

- Submission of the planning application in June 2019 with consent obtained in October 2019
- Potential third-party funding arrangement identified and approved by council in January 2020
- Potential grant funding from the GLA secured for 2020/21 (subject to Full Business Case approval)

1.20 Development Pipeline – Infill Sites

The council owns surplus land and buildings across the borough that could be used to provide more housing and has embarked on a programme of developing these sites itself. By building mixed tenure housing on smaller council owned sites across the borough, the aim is to maximise the use of the existing land assets and increase the housing supply to provide housing choices that meet the needs and aspirations of Barnet residents.

1.20.1 Progress

The following has been delivered in 2019/20

- 99 general needs homes for affordable rent across 12 sites including:
- 30 homes at Burnt Oak Registry office
- 14 homes at Basing Way garages
- 13 homes at Elmshurst Crescent
- 10 homes at Adamson Court
- 6 homes at Salcombe Gardens

1.20.2 Achievements

Achievements reached in 2019/20 include:

- Planning consent achieved for all 21 sites. Basing Way Open Space, the final scheme of this programme, achieved in April 2020
- Progress on site, particularly the larger schemes at Prospect Ring, Sheaveshill Court, Burnt Oak Registry Office and The Croft. These schemes alone will deliver almost half the programme at 147 homes

1.21 Town Centres

Barnet's Growth Strategy sets a target of delivering up to 30,000 homes by 2030. Much of this growth will be focused in Barnet's town centres—where development can be accommodated more sustainably, and it will bring greater benefit to Barnet's communities by strengthening the local economy.

1.21.1 With changes in shopping habits and the wider economy, many of our high streets are struggling with vacant shops, and this issue is being exacerbated by the economic impacts of COVID-19. We recognise that Town Centres need to:

- Become more diversified
- Transform into economic centres
- Become social and community hubs
- Deliver affordable workspace and spaces for market traders in Barnet's town centres.

1.21.2 Progress

The following has been delivered in 2019/20

- Edgware Growth Area SPD - Working collaboratively, we have been developing a planning framework that will guide ambitious change and investment in Edgware town centre.
- Finchley Central town square - Work commenced on a new town square following adoption of the Finchley Central Town Centre Strategy by Committee in 2017
- West Hendon mural and identity - The team is developing a large-scale mural celebrating the area's history and the connection between the town centre and the Welsh Harp Reservoir
- Cricklewood public realm and community infrastructure - Working with the local Town Team and other key stakeholders, the team is exploring options for improving public realm and providing new community infrastructure in the town centre
- North Finchley revitalisation - Work continues with development partners to bring forward ambitious proposals to revitalise North Finchley Town Centre.
- Town Team engagement - Work has continued with groups of businesses and residents that come together as Town Teams in Chipping Barnet, Cricklewood and Edgware

1.21.3 Achievements

Last year's achievements include:

Integrated town centre strategies

- Golders Green Town Centre Strategy adopted in January 2020 is now ready to move forward to the delivery phase
- Commenced development of Chipping Barnet Community Plan, to create a community-led vision

Town Team Engagement

- A Barnet Town Centre Forum was established to support other community groups to improve their town centres and develop new Town Teams in seven main town centres
- A proposal to Round 3 of the Mayor's Good Growth Fund, secured £50,000 in development funding to support the delivery of the new public realm in Finchley Central town centre

Brent Cross Cricklewood

- Employment and Skills Steering Group established 2019/20
- Input from a range of partners including Barnet & Southgate College, Middlesex University, the Federation of Small Businesses, West London Business and others.
- Jointly working to maximise opportunities for residents and businesses.
- Opportunities created include: Over 5,000 construction jobs created
- 20,000 new employment opportunities upon completion

1.22 Challenges

1.22.1 The report also provides an update on some of the external challenges that schemes faced last year and continue to face in 2020/2021.

COVID-19

- 1.22.2 Since March 2020, COVID-19 has presented a significant challenge, affecting residents' lives and business operations, and causing far reaching implications to the economy and service delivery. The Regeneration Service is working towards a new "business and usual" as there will be longer-term changes required in the way organisations navigate the transition from emergency response to rebooted, renewed and resilient operational activity.
- 1.22.3 Regeneration activities over the early months of the pandemic, particularly between April, May and June, prompted temporary site closures, the development and rollout of new health and safety procedures, and a slowdown in on-site delivery. The knock-on effect has been programme and service delivery delays and implications for council and external agency budgets, expenditure and income in the short, medium and long-term.
- 1.22.4 The wider implications of COVID-19 continue to be assessed for the impacts on our core activities including construction on our development sites, estate regeneration and policy and strategy development.
- 1.22.5 COVID-19 construction risk registers have been established by all services engaged in development delivery to monitor, assess, measure and mitigate risks and issues as they are identified. Construction was interrupted on most development sites, but not all, for a period of two to six weeks. All development sites have now re-opened and have put in place a range of health and safety measures that provide for social distancing, suitable Personal Protection Equipment (PPE) use, adequate infection control and robust monitoring of measures and compliance.

Brexit Preparedness

- 1.22.6 Whilst uncertainty relating to Brexit for most of 2019/20 has been present in both the construction sector and housing market, the transitional arrangements in place have enabled these sectors to continue delivering new homes. The council's refreshed medium and long term financial strategy assumes neither a positive or negative impact on the council's spending as a result of Brexit. All London councils received £0.315m over the 2018-19 and 2019-20 financial years to support with Brexit preparedness and the council has not relied on EU grants and therefore has not had to develop an exit strategy for EU funding streams.
- 1.22.7 The council's approach has therefore been to monitor all developments and guidance on Brexit and keep updated on impacts to provide targeted responses if and where issues were identified. The UK left the European Union on 31 January 2020.

1.23 Regeneration Scheme Challenges

Challenges are an ongoing feature of regeneration schemes which by their very nature are schemes that are not market driven and which require a range of interventions and initiatives to trigger and kickstart growth. The ARR summarises challenges on all and this report highlights some in more detail below.

- 1.23.1 **Brent Cross Cricklewood** – This scheme is large, complex and involves many partners, residential, business and organisational stakeholders, activities and factors, many of

which are external, interrelated and interdependent. Below is a summary of some of the challenges faced by the scheme in 2019/20 and more recently due to Covid-19:

- Engagement from Network Rail and the railway industry to ensure that the required railway possessions are secured to deliver the major track slews required to build the station. Currently progress is good and all have agreed to a Memorandum of Understanding that delivers the programme, however there remains risk around securing these possessions
- Cost escalation from Network Rail and TOC compound contractors have put the delivery budget under pressure. A recovery plan has been developed to achieve efficiencies across the programme which is being monitored and reported against to BXC Governance Board and BXC Government Assurance Board. Covid-19 has added further pressures that are being assessed.
- Stopping up objections have impacted the delivery of plots 53 and 54 which may have a knock-on impact on some BXS plots. It also reduces the time available to use a temporary access ramp which will alleviate transport impacts on existing roads. Applications have been made to the Secretary of State to resolve the objections and the team are continuing to work with objectors to resolve matters. The programme may be delayed up to 9 months as a result.
- BXN shopping centre development remains in a state of deferral. BXN developers are working on an updated delivery strategy which we expect to see details of in the coming months. This may introduce some additional interfaces and planning challenges on the scheme.
- Covid-19 has introduced a number of challenges to the scheme. Firstly the impact on construction sites on the Thameslink and Brent Cross South which were both stood down temporarily to assess safety and implement measures. As a result of social distancing, efficiency of delivery has been impacted leading to increase in costs and programme slippage in some instances, although no major milestones have currently been impacted.
- There are also a large number of additional risks across the programme that are currently being assessed, including impacts on the supply chain, labour markets, risk of a second wave / lockdown, and the wider impact on the residential, commercial, and retail markets that may impact the development approach. These are being assessed on an ongoing basis as the situation develops.

1.23.2 Colindale - Some of the pre-Covid-19 challenges faced in the year included securing sufficient funding to deliver the aspirations for the parks. This has been an ongoing priority with the focus now on prioritising Colindale and Rushgrove Parks and completing Montrose and Silkstream parks. Delivering a cohesive Colindale Avenue across major sites including Redrow and Colindale tube station to differing timescales whilst managing the public realm and highway aspirations is requiring innovative partnership working, planning and management. Since the pandemic, the major emphasis has been to support and encourage the build out of TfL Colindale development which is at risk of not being funded as scheduled. With development partners re-programming and prioritising investment decisions, the risk that funding opportunities to unlock development and public realm initiatives are delayed or lost.

1.23.3 Dollis Valley - Pre Covid-19 challenges include delays over the hand-over of phase pending agreement on the leasehold to freehold requests from the development partner. This also led to delays to the making of the stopping up order which would transfer the land needed for planning and development purposes. This could not be progressed until

the leasehold or freehold matter was resolved. As a result of the pandemic, challenges arose regarding payment deferrals. All developers involved in major developments have had to assess their financial positions at a strategic level. This affected Dollis Valley where large payments have been re-scheduled to align with the introduction of new development sub phases. Payments will now be realigned with proposals to amend the Regeneration Agreement for the scheme.

1.23.4 **West Hendon** – Before the pandemic the focus of the scheme was on managing the accelerated decanting of Marsh Drive, a complex process of acquiring properties and moving secure and non-secure tenants out in preparation for future development of the phase. The aspiration to achieve an earlier than required decant in negotiation with the developer and securing added value for the council and the developer was complicated further by the need for emergency gas works to aging non-compliant gas boilers on the estate. Since the pandemic, the developer has had to restrict expenditure whilst awaiting strategic financial decisions to become clear. This has halted the developer's decision to undertake advance acquisitions of private treaty properties. The focus is now only on those properties where there is a statutory responsibility to purchase properties that have vested. The development partner has also made payment deferral request and submitted and received approval for s106 amendments altering the payment timescale to fall in line with the build out delays to the programme caused by the pandemic. Programme delays have also delayed when highway works on West Hendon Broadway will occur, consequently enabling later expenditure for this programme of works. Cost recovery of private treaty agreements has slowed down and delays to phase 4 and potential delays to future phases 5 and 6 are likely.

1.23.5 **Upper and Lower Fosters** - Prior to Covid-19, the scheme was facing issues with decanting and contact marketing had been a challenge. Scheme financial viability with the appointed contractor was, and remains a challenge. During the pandemic, tendering has been a challenge and checking supplier status and adherence to procurement good practice. Construction and logistics has been problematic, particularly assessing the capacity of utility companies and other construction requirements.

2. REASONS FOR RECOMMENDATION

2.1 The decision to produce an annual progress report was agreed by Cabinet and Resources Committee in February 2012.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 The alternative is not to provide a report, or to provide reports at different intervals throughout the year. An annual report was recommended following an external review of the Council's Regeneration Service. In addition, Members have asked for progress updates. This reporting mechanism forms a key part of the response to that requirement. This report also provides an accessible way of keeping partners and the local residential and business communities informed of existing regeneration commitments and future plans.

4. POST DECISION IMPLEMENTATION

4.1 Future content updates of the ARR will be progressed in line with the Growth Strategy.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The activities outlined in the Growth and Regeneration Programme, contribute to the vision and strategy set out in the Council's Corporate Plan 2015-2025. It recognises that Barnet has the largest population of any London borough with an estimated 393,000 residents in 2015 and that this is expected to grow by a further 19% over the next 25 years.

5.1.2 The Council's Corporate Plan also sets out how residents will see a responsible approach to regeneration, with new homes built and job opportunities created. The London Borough of Barnet's Housing Needs Assessment (HNA) has indicated that the borough has a requirement for an additional 27,000 dwellings over the next 15 years and the GLA has set LBB a target of 28,000 dwellings by 2030.

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

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

5.2.1 The council's development partners (developers) currently underwrite a substantial amount of the council's costs in order to bring the regeneration schemes to fruition. The Principal Development Agreements and Regeneration Agreements allow the council to recover its costs at certain stages of the regeneration projects.

5.2.2 The Council have funded through the Housing Revenue Account (HRA) Advance Acquisition costs to enable vacant possession and phased development at Dollis Valley and Brent Cross estates and is funding preliminary costs needed to bring forward infill developments at Upper and Lower Fosters estate and development pipeline schemes.

5.2.3 On each scheme, the Council's costs are budgeted and recorded on a monthly basis, and are invoiced either monthly (Brent Cross Cricklewood), quarterly or towards the end of each financial year, depending on the terms of the agreement with the development partner. It is the responsibility of Regional Enterprise (Re) and LBB to manage the project budgets and the reclaim of costs on behalf of the Council.

5.2.4 The implications in relation to funding the regeneration programme have been included in the Council's Capital Programme.

5.2.5 A number of schemes have either been or are fully or partially funded from Government Grants, for example, Upper and Lower Fosters and Brent Cross Cricklewood.

Performance and Value for Money

5.2.6 The Council and its development partners have obligations within the respective Principal Development Agreements to maintain a transparent and open book approach to the management and monitoring of each development. The Council has the right to access management accounts and other relevant documentation to ensure that information being provided in connection with financial matters is accurate and accords with 'Value for Money' criteria.

Property

5.2.7 The Principal Development Agreements for each of the estate regeneration schemes commit the council, subject to certain pre-conditions, to the phased disposal of all land and property owned by the council within the area for redevelopment to its respective developer partners, as and when certain pre-conditions and processes are satisfied, and subject to appropriate consent from the Secretary of State (where necessary). In general, the land is disposed of without taking cash receipt but in consideration of the development partner's obligations to redevelop the estate. Where the land/property has been specifically acquired by the council to enable the regeneration schemes to proceed (for example, properties acquired because of hardship, or pursuant to Compulsory Purchase Orders), then all costs incurred by the council in these acquisitions (including the cost of acquisition itself) will be reimbursed as project costs. If the regeneration schemes yield profits above agreed thresholds, the council will generally receive a share of the eventual profits known as overage where this forms part of a development agreement

Procurement

5.2.8 The Growth and Regeneration Programme is now delivered in part for the council by Re (Regional Enterprise Ltd). However, The Public Contracts Regulations 2015 and the council's procurement procedures and processes are adhered to. Development schemes are also delivered by the Barnet Group.

5.2.9 Where Re are managing the procurement of the build contract, there will be adherence to Barnet Council's Contract Procedure Rules. Upon the successful appointment of a preferred contractor Re will project manage the delivery of the schemes.

Procurement, Staffing, IT and Sustainability

5.2.10 There are no issues to report around Staffing, IT and Sustainability.

5.3 Social Value

5.3.1 The next 5 years represents a great opportunity for Barnet residents and businesses, with the borough set to benefit from a growing economy and local investment in regeneration. This is an essential part of the council's strategy for the delivery of growth, housing, and responsible regeneration indispensable for the borough; revitalising communities, providing new homes and jobs, and delivered in a manner that protects the things residents love. In taking forward the proposals due regard will be paid to the Social Value Act. The Social Value Act will be a useful tool in ensuring that our activities are embedded in prevention and early intervention. We will seek to look for added value that providers can bring in delivering our services, such as where apprenticeships are provided.

5.3.2 Some residents will need extra help to take advantage of the opportunities that growth will bring, so Re, Barnet Council, and Barnet Homes are providing targeted help for those that need it, and commissioning a range of partnership services to help residents into

work. The council want everyone in Barnet to have access to a good job and good housing, or a better job and better housing, so that the borough remains a place where people want to live and work. In this way, the purpose of the Regeneration Programme is to provide Social Value for residents. The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, 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.

- 5.3.3 The regeneration programme is transforming mono tenure estates into mixed tenure neighbourhoods with new modern fit for purpose homes for residents of social and affordable rent, shared ownership and owner occupiers.
- 5.3.4 An increased number of better quality community facilities are being provided through the programme, including: GP surgeries, pharmacies, nurseries, libraries, community centres, religious centres, and a minimum of 10 schools.
- 5.3.5 The report in appendix 1 provides more information on the net benefits the regeneration and development are bringing the Benefits Realisation measures for the programme. These are a range of indicators that are monitored to show how the Growth and Regeneration Programme is improving outcomes for Barnet.

5.4 Legal and Constitutional References

- 5.4.1 Brent Cross South, Dollis Valley, Grahame Park, Granville Road and West Hendon regeneration schemes are underpinned by Development Agreements. Each of these Development Agreements are long term, legally binding agreements, under which, all parties, usually made up of the Council, a Private Sector Limited Company and a Registered Provider as well as any Special Purpose Vehicles, or subsidiaries of the development partners, required for the delivery of the schemes, have obligations and responsibilities which in the event they are not fulfilled, could give rise to legal liabilities.

- 5.4.2 The Development Agreements themselves typically provide for certain amendments / changes to be agreed between the parties without the requirement to vary the Development Agreement itself. Any such changes will usually be detailed in delegated powers reports.
- 5.4.3 The council plays a key role in the land assembly for its regeneration schemes and in the process, is required to follow relevant statutory processes for the disposal, appropriation and acquisition arrangements.
- 5.4.4 Millbrook Park is administered through the Inglis consortium of which Barnet Council is a partner. The arrangements of the consortium have been agreed at committee.
- 5.4.5 The nature and extent of development within Colindale is controlled through the Colindale Area Action Plan, which has been incorporated into the Barnet Local Plan 2012. Developments are undertaken by private developers without development agreements with the council.
- 5.4.6 Regional Enterprise (Re) is responsible for supporting the Council in meeting its obligations under the Development Agreements.
- 5.4.7 Legal and constitutional arrangements between Barnet Council and Regional Enterprises are laid out within the Joint Venture contract.
- 5.4.8 In accordance with the Council Constitution, Article 7, Housing and Growth Committee has responsibility for regeneration strategy, overseeing major regeneration scheme and, asset management.

5.5 Risk Management

- 5.5.1 Risks and issues are monitored across the programme as well as at project level. Programme risk and issue registers are in place for all the regeneration, town centre schemes and Barnet Group schemes. To manage risks during the pandemic, Covid-19 risk registers have been set up to manage risks at project and programme levels. Risks are scored and escalated where high after mitigations are in place. External risks are captured and managed through close monitoring with development partners and raised at project or partnership board level where required. This is also mentioned in discussed in paragraphs 1.4 and under challenges in paragraph 1.21 sub sections.
- 5.5.2 The viability of each of the physical regeneration projects is substantially dependent on the performance of the housing market over the lifetime of the developments. Delays to the delivery of the schemes could result in reduced resident satisfaction levels. To help mitigate this, continual monitoring of the local housing market and housing delivery takes place with the development partners. Economic sensitivity measures review mechanisms have been included in the Development Agreements.
- 5.5.3 In 2001 the Department for Transport, Local Government and the Regions issued guidance to local authorities on meeting 'decent homes' standards. The council was advised that, based on the known data, the homes on the priority regeneration estates would fail to meet the required standards. In response to the need to address problems around heating, condensation and general structural repairs, as well as the

modernisation requirements for the homes on these estates, the council decided to embark on the programmes to regenerate these estates to provide well designed, high quality and efficient homes. If the estate regeneration schemes do not complete, the council will be required to bring the remaining properties up to Decent Homes Standard.

- 5.5.4 The council's development partners are currently responsible for a substantial proportion of council costs in delivering the regeneration schemes. These costs include, but are not limited to, the costs of making and implementing Compulsory Purchase Orders, statutory Home Loss and Disturbance Payments to secure tenants required to move, qualifying staff costs, resident independent advisors and cost consultancy advice. The Principal Development Agreements set out the framework for these costs being recovered. It is the responsibility of Regional Enterprise (Re) to manage the reclaim of these costs on behalf of the council, however if the developer defaults on these payments or the projects do not proceed to stages specified within the Principal Development Agreements, then the council may not be able to recover all the costs incurred. To mitigate this risk, budgets are reviewed and forecasted monthly and agreed with the Development Partners in advance of expenditure wherever possible.
- 5.5.5 The council also has obligations under the Principal Development Agreements and Regeneration Agreements. If the council fails to fulfil these obligations for each scheme, it may be liable for damages and other financial liabilities given the investment in the regeneration schemes by the Council's development partners. It is the responsibility of Regional Enterprise (Re) to support the Council in meeting its obligations under the Development Agreements.
- 5.5.6 There is a risk that the delivery of physical and socio-economic regeneration could be endangered due to restrictions in the availability of third party funding. This could lead to reputational issues for the council and resident dissatisfaction. To mitigate the risk, the council and Regional Enterprise (Re) will maintain close working relationships with development partners, the Greater London Authority and other government bodies to ensure a flexible approach to future problems that may threaten individual projects. The council and Regional Enterprise (Re) will keep residents well informed through appropriate communications and will work with development partners to undertake continual value engineering of development proposals. The council also works closely with partners to reduce risks related to securing planning approvals.
- 5.5.7 Where the grant funding is secured to support the delivery of schemes, for example Brent Cross Cricklewood, this funding needs to be spent in line with the conditions of grant agreements. Failure to meet the conditions may risk in funding being clawed back.

5.6 Equalities and Diversity

- 5.6.1 Under the Equality Act 2010 ("the Act"), the Council and organisations working on their behalf, have a legal 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 'protected characteristics' are age, gender, ethnic origins and race, disability, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation. The 'protected characteristics' also include marriage and

civil partnership, with regard to eliminating discrimination.

5.6.2 Barnet is committed to building strong, cohesive, healthy, resilient, successful and safe communities where people from all different backgrounds get on well together. As outlined in the Corporate Plan the Council is committed to improving the quality of life and wider participation for all those who live work and study in Barnet in the economic, educational, cultural, health, social and community life in the borough through regeneration in the borough's regeneration areas and schemes.

5.6.3 The Growth Strategy also sets out the council's approach to support jobs, skills and growth. It includes measure to support businesses and residents who are looking for work or have low level skills.

5.6.4 The development of Town Centre Strategies supports Barnet's aspiration to support vibrant and viable town centres in the borough. Integral to this is the need to respect the diversity of our town centres, their different requirements, and the different needs and preferences of those who use them.

5.6.5 Work is ongoing in partnership with the public health team, to understand the health challenges faced by communities in Barnet and identify the health priorities when designing places.

5.7 Corporate Parenting

5.7.1 Not applicable

5.8 Consultation and Engagement

5.8.1 Consultation and engagement are a fundamental part of the Growth and Regeneration programme activities. Each regeneration scheme have its own stakeholder engagement plan as part of Project Initiation Documents (PIDs).

5.9 Insight

5.9.1 The Council's Housing Strategy and Growth Strategy both identify the need for new mixed tenure housing and new affordable homes. This is supported by a comprehensive evidence base, including a Housing Needs Assessment and a study of affordability carried out by the Council's insight team.

6. BACKGROUND PAPERS

6.1 13 June 2019, Assets, Regeneration and Growth Committee, Annual Regeneration Report

<https://barnet.moderngov.co.uk/documents/g9928/Printed%20minutes%2013th-Jun-2019%2019.00%20Housing%20and%20Growth%20Committee.pdf?T=1>

Minutes, Item 10.

The Committee unanimously **RESOLVED** the following:

That Assets Regeneration and Growth Committee resolves to

1. Note the report.
2. Give the Deputy Chief Executive delegated authority to make any non-material changes to the attached Annual Regeneration Report.

- 6.2 12th March 2018, Assets, Regeneration and Growth Committee, Annual Regeneration Report
<https://barnet.moderngov.co.uk/documents/s45481/Annual%20Regeneration%20Report.pdf>
Minutes, Item 15:

RESOLVED TO:

1. The Committee received the report with the Chairman commending and thanking Officers for this report.
2. It was moved by Councillor Zinkin and seconded by the Chairman that:

The Deputy Chief Executive be given delegated authority to make any non -material changes to the report.

6.3 Housing and Growth 27th January 2020 – Growth Strategy;

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9931&Ver=4>

6.4 Policy and Resources 6th January 2020 – Barnet’s Local Plan Preferred Approach (Reg 18 stage):

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=10084&Ver=4>

6.5 Environment Committee 20th January 2020 – Draft Barnet Long Term Transport Strategy:

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=9909&Ver=4>