



## Housing and Growth Committee

16 November 2022

<b>Title</b>	Large Panel System Block Analysis Strategic Outline Case
<b>Report of</b>	Chair of the Housing and Growth Committee
<b>Wards</b>	
<b>Status</b>	Public with accompanying exempt report : (i) Exempt from publication in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 on account that it contains information relating to the financial or business affairs of any particular person including the authority holding the information (ii) Exempt from publication in accordance with paragraph 5 of Schedule 12A of the Local Government Act 1972 - information in respect of which professional legal privilege could be maintained in legal proceedings.
<b>Urgent</b>	No
<b>Key</b>	Key
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Elliott Sweetman, Group Director of Operations and Property, Barnet Homes, <a href="mailto:Elliott.sweetman@barnethomes.org">Elliott.sweetman@barnethomes.org</a>  Derek Rust, Group Director of Growth and Development, Barnet Homes, <a href="mailto:derek.rust@barnethomes.org">derek.rust@barnethomes.org</a>  Susan Curran, Head of Housing and Regeneration, London Borough of Barnet, <a href="mailto:susan.curran@barnet.gov.uk">susan.curran@barnet.gov.uk</a>

### Summary

Following the Grenfell Tower fire, Barnet Homes undertook an analysis of its large panel system (LPS) blocks. This study identified several blocks that were in need of structural remedial works. This report will recommend a course of action for two estates which were identified as requiring remediation as a part of this study.

The study concludes that blocks on both estates require significant further capital investment to undertake structural strengthening work. Expert recommendations are for this work to be started in 2025 and 2026.

Barnet Homes will be undertaking an options appraisal to determine the best solution. This paper sets out those options together with the proposals to engage and consult tenants and leaseholders to explain the reasons why works are necessary and the options being considered.

By starting with a well-designed engagement process, the council aims to ensure residents' views feed in and fully inform the options appraisal and decision on which solution the Barnet Homes and the council ultimately proceed with.

### **Officers Recommendations**

**1. Note the issues with the Large Panel System blocks**

**2. Approve the options appraisal and resident engagement strategy**

**3. Note that the options appraisals work is budgeted for and included in the Housing Revenue Account Business Plan**

#### **1. Why this report is needed**

- 1.1 This report sets out the Strategic Business Case for an options appraisal and resident engagement strategy for two estates which contain Large Panel System (LPS) blocks.
- 1.2 This strategic outline case sets out the options under consideration for the next steps in how to rectify the issues with these blocks.

#### **2. Reasons for recommendations**

- 2.1 Blocks on these two estates were built adopting LPS methods of construction using concrete panels that were manufactured off-site.
- 2.2 These types of system were promoted in the 1960s as modern methods of construction that were less expensive and less labour intensive, thereby delivering multi-storey blocks in shorter timescales.
- 2.3 Following a gas explosion in a building of this type in the late 1960s, it was concluded that LPS construction was susceptible to disproportionate collapse. Consequently, guidance notes and recommendations for LPS construction were reviewed and enhanced in an effort to deal with these safety concerns.
- 2.4 The tragedy at Grenfell Tower served to spotlight the potential shortcomings of this type of construction and landlords were required to assess LPS blocks for structural stability. Extensive structural investigations of council LPS blocks were undertaken throughout 2018-2020.

- 2.5 This is a highly technical and lengthy process which requires access to a minimum of ten percent of properties within a block, identifying properties situated in specific locations within a block, negotiating to temporarily rehouse the residents, carrying out destructive testing to ascertain structural integrity and completing a range of structural “loading” calculations.
- 2.6 The results of the investigations for both blocks were relatively similar in that they determined that the required structural standards were not being met and recommended short term mitigation measures along with suggestions for medium term extensive structural strengthening improvements.
- 2.7 The recommendations of this report, if approved, will allow Barnet Homes to engage with these residents and make them aware of the proposals and they will be supported by the relevant officers.

### **3. Alternative options considered and ruled out**

#### **3.1 Do nothing**

An alternative option is to **do nothing**.

This would not resolve the issues already existing in the blocks. This option retains the LPS blocks as they are. This option is not considered to be viable due to the statutory health and safety obligations of the council as landlord and the associated health and safety risks.

#### **3.2 Move forward without consultation**

It would be possible to choose a course of action and progress this without consulting residents.

The council could choose to either undertake the remediation works or to demolish the blocks and to develop the sites. Either of these two options will have a significant impact on the existing residents as they will need to be decanted from their properties for 18 months.

Residents are likely to be dissatisfied if they are not provided with information on what is likely to happen with their blocks. They will also require support and guidance throughout the process. This would be difficult to provide without a consultation and engagement plan and period.

This option is therefore not considered to be a viable option and has been dismissed.

### **4. Post decision implementation**

- 4.1 Subject to approval of the SOC, Barnet Homes will continue to work with their consultants Instinctif on the draft engagement plan.
- 4.2 Consultation will commence with stakeholders keeping them informed and including them in the design process.
- 4.3 Further investigation and surveys will be undertaken to mitigate against risks of unknown elements in and around the site.
- 4.4 The target date for presenting the Outline Business Case to Housing & Growth Committee is Q1 2023/24, this will identify a preferred option for how to rectify the issues with the blocks.

## **5. Implications of decision**

### **Corporate Priorities and Performance**

- 5.1 The council is committed to ensuring that housing in the borough meets the needs of residents, is sustainable and that new developments are brought forward in partnership with residents.
- 5.2 Work has begun on the development of a new Corporate Plan. This will set out a strategic vision for the Borough, building a cohesive narrative for the transformation journey Barnet is on, and for where we aim to be in in 2026. The emerging themes for the Corporate Plan, which are subject to further engagement and approval, are:
  - A council that cares for people
  - A council that cares for our places
  - A council that cares for the planet
- 5.3 Under the People priority, it aims to be family friendly, tackle inequality, and support health and independence. Under the Place priority, it aims to ensure safe, attractive neighbourhoods, quality homes, sustainable growth, and thriving town centres and a fun place to visit. The Planet priority will focus on the borough's journey to net zero, the local environment, and green spaces.
- 5.4 The council is also currently reviewing the Housing Strategy, The Homelessness and Rough Sleeping Strategy, The Housing Allocations Scheme and the Tenancy Strategy. The strategy for the LPS blocks within the Strategic Outline Case will take these emerging policies and strategies into account.
- 5.5 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
  - 5.5.1 Any requirements for future project funding to take forward the remediation works or redevelopment of the restates will be identified in the Outline Business Case and subject to future approval from Housing & Growth Committee and Policy & Resources Committee.

- 5.5.2 Barnet Homes have appointed Instinctif Partners to undertake an initial engagement plan. They are also appointed to assist with the engagement with residents. They were appointed in accordance with Barnet Homes procurement rules.
- 5.5.3 Any further appointments will be tendered in compliance with UK public procurement legislation and the Barnet Group's contract procedure rules. Appointments will be made within the project budget and will not exceed it without further approval being sought.
- 5.5.4 If necessary, a bid request for additional funding will be presented to the Policy & Resources Committee for approval.
- 5.5.5 Barnet Homes have established teams with the required experience to deliver this project. Barnet Homes manages the existing estate on behalf of London Borough of Barnet. They have successfully engaged with residents and leaseholders before, during and after works are completed.
- 5.5.6 Barnet Homes will manage the project in accordance with the LBB project management toolkit, which has been adopted for the delivery of this scheme. It incorporates monitoring and controls to ensure the project is delivered effectively and that budgets and programme are maintained and reported through the appropriate channels.

## **5.6 Social Value**

- 5.6.1 Ensuring the utility of existing assets and estates, supporting local needs by helping to provide suitable and safe accommodation for residents.
- 5.6.2 Engaging with residents to ensure they are safe and supported through the decision process.
- 5.6.3 Involving residents with the decision process to ensure that they are empowered and involved in the decisions that will be made.

## **5.7 Legal and Constitutional References**

- 5.7.1 Council Constitution Article 7.5 states that the remit of the Housing and Growth Committee includes responsibility for regeneration strategy and oversight of major regeneration schemes, asset management, employment strategy business support and engagement.
- 5.7.2 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.
- 5.7.3 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 notices where such contracts are not drawn down from a compliant framework. The Council's procurement rules must also be followed.

## 5.8 Insight

5.8.1 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining wellbeing in the community.

## 5.9 Risk Management

5.9.1 The main business and service risks associated with the potential scope for this project are noted below.

Risk	Controls and mitigations in place	Impact	Likelihood	Risk Score
<b>Consultation</b>				
There is a risk that existing residents, local councillors and other stakeholders not supporting the scheme	<ul style="list-style-type: none"> <li>• Early engagement with residents is to take place</li> <li>• Instinctif have been appointed as communication consultants</li> <li>• In addition, consider the appointment of an Independent Tenant and Leaseholder Advisor (ITLA)</li> <li>• Clear concise information should be circulated to residents and stakeholders</li> </ul>	4	3	12
<b>Financial</b>				
There is a risk that a budget for the remediation works cannot be obtained	<ul style="list-style-type: none"> <li>• Early cost estimates sought</li> <li>• Alternative options are being explored</li> </ul>	3	4	12
There is a risk that if redevelopment is progressed, the costs may exceed the expected budget	<ul style="list-style-type: none"> <li>• Modelling will be undertaken on an on-going basis to take account of changes such as market values, development and construction costs</li> <li>• Alternative funding options are also being explored.</li> </ul>	4	3	12
<b>Delivery</b>				
There is a risk that of delay to project delivery	<ul style="list-style-type: none"> <li>• Timely instructions from Barnet Council</li> <li>• Regular project monitoring and reporting</li> <li>• Regular monitoring of the market conditions</li> <li>• Request contractor's programme as part of invitation to tender</li> <li>• Compare programme to BCIS benchmarks of similar projects</li> <li>• Ensure regular programme reporting is requested and monitored</li> </ul>	4	3	12

There is a risk that remediation works do not begin before the deadline for works	<ul style="list-style-type: none"> <li>• Early engagement with the market and soft-market testing</li> <li>• Use of frameworks</li> <li>• Careful monitoring of the programme</li> </ul>	3	2	6
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## 5.10 Equalities and Diversity

5.10.1 Under the Equality Act 2010, 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 or belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.10.2 The Council is committed to improving the quality of life for all, and wider participation in the economic, educational, cultural, social, and community life in the Borough.

5.10.3 The project team will take a proportionate approach to equalities and this will be refined in the Outline Business Case and an EqIA will be completed. If a proposal / decision has no, or only limited, impact on equality, the duty will be commensurately limited. In all cases the decision maker should consider which groups with protected characteristics are likely to be affected, whether this is a large or small group and the level of impact; nil, minimal or significant.

## 5.11 Corporate Parenting

5.11.1 No Corporate parenting issues or conflicts have been identified.

## 5.12 Consultation and Engagement

5.12.1 Consultation and engagement with residents and local stakeholders will be of paramount importance and the project aims to be inclusive and transparent.

5.12.2 Instinctif Partners have been appointed to assist with the consultation with residents on both estates.

5.12.3 Early engagement with the residents of both estates is central to the proposals for the areas. Instinctif have provided the following proposed steps for engagement.

5.12.4 Following Housing and Growth committee and the approval of this SOC, Barnet Homes will meet with ward councillors to discuss the detail of the draft community engagement programme, seek input and suggestions, and tailor the programme accordingly

- 5.12.5 We will share how we describe the various potential options with ward councillors for input/suggestions on amendments and also with the Barnet Homes Residents Board, the impartial voice of residents
- 5.12.6 It is known that similar projects and consultations have been undertaken in other London Boroughs including Haringey and Southwark. Barnet Homes will use established connections with these boroughs to consult on lessons learnt by other boroughs.
- 5.12.7 We will also hold a workshop for our team members who work on the ground on the estates to consider their day-to-day expertise on challenges faced to the buildings and their experience of working on the ground day to day with the community
- 5.12.8 Prior to any wider engagement with the wider public, we will communicate with residents living in the affected blocks
- 5.12.9 If participation levels from residents living in the affected blocks are low, we will look to reach out to these residents through a door-to-door outreach.
- 5.12.11 Early-stage thematic workshops: whatever the agreed way forwards is for these blocks there will undoubtedly be impacts and implications for the wider community living in the estate. We, therefore, propose to also engage residents from the wider estate and local stakeholders on the challenges and seek feedback (following initial engagement with those residents living in the two blocks). We are mindful that the local community knows the area the best and we are very keen to hear their views at an early stage on potential opportunities and how to ensure the way forward benefits the community.
- 5.12.12 To maximise participation, we will hold workshops at different times of day and days of the week which will be well promoted.
- 5.12.13 Once residents living in the affected blocks are briefed, we will launch a dedicated website for reference throughout the engagement.
- 5.12.14 An Independent Tenant Advisor will be considered if redevelopment is the preferred option. This will ensure that residents have access to someone who represents their interests and who can provide them with impartial advice during the consultation process and beyond.
- 5.12.15 We also propose an exhibition/drop in style event for the whole community which would take place after we have carefully considered feedback direct engagement with residents living in the two blocks and considered the broad feedback from thematic workshops open to the wider community.
- 5.10.16 If following the above activity, participation levels are low we will look to conduct a door-to-door survey of the entire estate asking all residents their views on the challenges and potential way forwards.

### **5.13 Environmental Impact**

- 5.13.1 The environmental impact of the project will be considered in further detail at OBC stage. The two courses of action of remediation or redevelopment both fit within the council's sustainability strategy.



- 5.13.2 The aspiration of Barnet's emerging Sustainability Strategy is to build new social housing and to increase existing housing stock to a minimum EPC of 'B' adopting sustainable methods. All new build commissions are planned for net zero carbon emissions by 2025, with this achieved by 2030.
- 5.13.3 The new Sustainability Strategy identifies that 58% of emissions within Barnet come from stationary energy sources, namely buildings, two-thirds of which relate to residential buildings. With an average EPC rating of 'D', the retrofitting of the existing housing stock will be the key challenge in the borough.
- 5.13.4 Sustainable development for new housing in Barnet is guided by the National Planning Policy Framework (NPPF) and the new London Plan 2021, alongside the Councils existing Local Plan and emerging draft Local Plan.
- 5.13.5 These principles and policies are further supported by building regulations that collectively set the ground rules for energy efficiency.
- 5.13.6 Barnet Homes closely monitors the evolving building regulations, in particular, the emerging Future Homes Standard and will update its Employer's Requirements accordingly to address, Part L (conservation of fuel and power) and F (ventilation), Part O (overheating) and Part S (electric car charging points). These changes are set to reduce carbon emissions of 75-80% compared to the current regulations.

## **6. Background papers**

Policy and Resources Committee, 19 February 2020, Business Planning 2020-25 and Budget Management 20/21:

<https://barnet.moderngov.co.uk/documents/s57965/Business%20Planning%20Medium%20Term%20Financial%20Strategy%202020-25%20Budget%20Management%20201920%20and%20Budget%20fo.pdf>