



Ministry of Housing,
Communities &
Local Government

Ministry of Housing, Communities & Local
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Sent via email

Dear Ms Shaw

Brent Cross: Commitment of Funding in 2018/19 and Future Funding Strategy

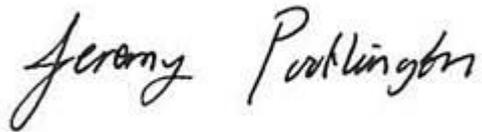
I am writing in connection with the proposed future financing of the new Brent Cross Cricklewood Thameslink Station (BXT) and Infrastructure works following deferral of the expansion of the shopping centre at Brent Cross North by private developer Hammersons, which I understand has led to a funding gap in the scheme. MHCLG remains committed to delivery of the scheme, and in particular the 7,500 new homes to be delivered at Brent Cross South. Our commitment is demonstrated by the £97m grant which has been agreed, and the agreement in place allowing retention of the growth in local business rates by the London Borough of Barnet (the Council) within the zone identified at Appendix 1 of the HM Government Grant Letter (17 January 2017), also known as Brent Cross North.

I have been made aware of the steps the Council has taken to maintain progress in the face of challenge and am pleased to see the ongoing work between MHCLG, the Council and others to find a viable solution. I acknowledge that Government has been kept updated on progress and costs through the Government Assurance Board and that costs have been properly incurred to date. As such, MHCLG is satisfied that the Council is progressing the project in accordance with the terms of the Funding Agreement dated 17 January 2017. I acknowledge that the Council need certainty in order to continue with this project. However, the terms of our grant funding are standard and we cannot agree to exclude the right for the Secretary of State to exercise any rights to clawback in the event the terms of funding are not met. Any payment of grant does not operate as a waiver of any of the conditions in the funding agreement.

I can however, reaffirm that MHCLG appreciates the challenges faced by LBB and officials are committed to continuing to work with the Council to find a solution which will enable the Council to progress the project as foreseen and enter into the Implementation Agreement with Network Rail for the Rail Systems and Sidings contract. This will support the Council to deliver the new station and critical infrastructure at Brent Cross Thameslink (BXT) and secure the delivery of 7,500 new homes at Brent Cross South. I understand that the Implementation Agreement for Brent Cross South will now contain two work schedules: Schedule 1A – Site Set up and Schedule 1B main works to the railway and I am grateful to the Council and Network Rail for enabling this.

I understand that the Council's preferred funding option for the overall delivery of BXT and therefore the housing delivery is for Government to forward fund, through grant, BXT in return for the ringfenced local share of business rate growth. Officials from MHCLG are working with you to progress this, in particular making sure that the Accounting Officer has an up-to-date understanding of the value-for-money of the Exchequer funding, the level of risk and the contributions from all parties, including the private sector developer.

I would like to assure you that we are determined to explore viable funding mechanisms to fill the £270m funding gap. We look forward to continuing to work together with the LBB to achieve our shared vision for the success of the Brent Cross Cricklewood Regeneration project, including the Station as an integral part of the development.

A handwritten signature in black ink that reads "Jeremy Pocklington". The signature is written in a cursive, flowing style.

Jeremy Pocklington

Director General, Housing & Building Safety
Ministry of Housing, Communities and Local Government