

	<p>Assets, Regeneration & Growth Committee</p> <p>8 September 2014</p>
<p>Title</p>	<p>Brent Cross Cricklewood – Project Update and Approval to Undertake Preparatory Work Relating to Land Acquisition</p>
<p>Report of</p>	<p>Enterprise and Regeneration Lead Commissioner</p>
<p>Wards</p>	<p>Childs Hill, Golders Green and West Hendon</p>
<p>Status</p>	<p>Public</p>
<p>Enclosures</p>	<p>Appendix 1: Plan of land and interests in respect which may be affected by the Brent Cross Cricklewood project</p>
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<p>Summary</p>
<p>This report provides an update to the Committee on progress on the Brent Cross Cricklewood regeneration scheme and seeks authority for a formal land referencing exercise to be carried out to identify all those with interests in the land shown on the plan at Appendix 1; and authority to allow the appropriate Chief Officers to negotiate and complete private treaty acquisitions of land and interests in the area shown on the plan at Appendix 1</p>

<p>Recommendations</p>
<p>1. That the Committee approve the following:</p> <p>a) That the appropriate Chief Officers be authorised to negotiate and enter into agreements to acquire by private treaty the land and interests in the areas shown on the plan at Appendix 1 and to approve and enter into agreements and undertakings with the owners and/or occupiers of the land in the said areas so as to facilitate its acquisition.</p>

b) That the appropriate Chief Officers be authorised to arrange for a land referencing exercise (including the service of statutory requisitions) to be undertaken to identify all parties with interests in the land shown edged red and shaded pink and shaded blue on the plan at Appendix 1

1. WHY THIS REPORT IS NEEDED

- 1.1 This report seeks to update the Assets, Regeneration and Growth Committee on the significant progress and milestones which have now been reached on the Brent Cross Cricklewood project, and to seek the Committee's approval to enter into negotiations and conclude agreements by private treaty with owners whose land or interests are required for the delivery of the project. Approval is also sought to undertake a land referencing exercise to identify all parties with interests in the land and with whom private treaty negotiations should be conducted. The early acquisition of properties will facilitate the delivery of the early stages of the comprehensive regeneration of Brent Cross Cricklewood. The extent of these early stages (including the land and interests likely to be needed for the delivery of significant infrastructure which will support the regeneration of the wider Brent Cross Cricklewood scheme) is shown edged red and shaded pink and shaded blue on the plan at Appendix 1.
- 1.2 Hammerson UK and Standard Life Ltd (the Development Partners) will deliver the redevelopment of the shopping centre at Brent Cross and the land around it, together with the infrastructure required to support the comprehensive regeneration proposals. The Council will take the lead on the south side to deliver with a new development partner those parts of the Brent Cross Cricklewood Regeneration masterplan which are to the south of the North Circular, including the land to be redeveloped in connection with the station improvements.
- 1.3 In order to deliver the comprehensive regeneration of the area, it is possible that the Council will need to use its compulsory purchase powers. The exercise of CPO powers should be considered as a tool of last resort after reasonable attempts have been made to acquire land and interests by private treaty. The preparatory work for which approval is sought in this Report is therefore also required to be in advance of any CPO, should it be necessary at a later date to seek the Committee's to use CPO powers. The Committee should note that a further report or reports will need to be brought back to the Committee seeking authority before any CPO is made and promoted.

2. UPDATE

- 2.1 On 23 July 2014, following the completion of the Section 106 agreement, the Section 73 planning permission for the wider Brent Cross Cricklewood scheme (which amended the phasing of the original planning permission and made consequential changes) was granted. As such, planning permission is now in place to take forward the scheme. The period for judicial review concludes on 3 September 2014. The Development Partners are now focusing on discharging the relevant conditions and preparing the necessary

reserved matters applications in respect of the shopping centre and critical infrastructure to be provided.

- 2.2 The Property Development Agreement and Co-operation Agreement (and an associated suite of documents) between the Development Partners and the Council, which deals with the delivery of the redevelopment and regeneration of the shopping centre and the land around it, and the delivery of the infrastructure needed for that and for the regeneration of the land to the south of the North Circular (“the Critical Infrastructure”), has been agreed by the parties and is in the process of being completed.
- 2.3 A CPO Indemnity Agreement, under which the Development Partners will provide the Council with an indemnity in respect of the costs of promoting any CPO in respect of the redevelopment at and around the shopping centre and the Critical Infrastructure, and the compensation payable to third parties whose land and interests are acquired pursuant to any CPO, has been agreed and will be completed prior to progressing any CPO process.
- 2.4 The procurement process being run by the Council to select a developer partner for the area to the south of the North Circular has commenced and the initial formal expressions of interest received have revealed significant interest from a number of well-known and substantial developers in the market. The Council intends to shortlist between three and five developers in early October 2014 and select the preferred development partner in March 2015. The selection will be reported to Committee for approval.
- 2.5 The Council is also continuing discussions with Network Rail and HM Treasury to bring forward the station proposals to support the regeneration proposals. It is anticipated that the confirmed funding strategy alongside proposed station design will be reported to Committee in March 2015.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The comprehensive regeneration of Brent Cross Cricklewood is a long-standing objective of the Council and a key regeneration priority of the Mayor of London. At 151 Ha, it is one of the largest regeneration schemes in Europe. The London Plan identifies it as an Opportunity Area with an indicative employment capacity target of 20,000 jobs and a minimum new homes target of 10,000 homes. The Council’s Core Strategy reinforces the significant comprehensive regeneration opportunity, which includes a new town centre, major new and improved transport and community facilities, and other infrastructure and public areas.
- 3.2 The area is significantly constrained by the existing road network and rail infrastructure, which creates a poor environment for those who live and work there. Nevertheless, given its location at the connection between the M1 and A406, the regeneration area has the potential to be a major and attractive gateway into London. The potential accessibility of the area is further enhanced by its connection with the A5 and A41, and its close proximity to the

Northern Line at Brent Cross station, the Midland mainline, and Brent Cross bus station.

- 3.3 One of the reasons why the area has not been redeveloped to date is the need for substantial infrastructure to be provided to realise the area's potential. The comprehensive redevelopment and improvement of the Brent Cross Shopping Centre and other major development in the area provides the opportunity for the infrastructure to be funded and delivered, for the benefit of Brent Cross Cricklewood as a whole. In particular, in addition to major improvements to existing roads and public transport and social infrastructure, the proposals will create strong and attractive linkages between the communities to the north and south of the North Circular.
- 3.4 The development of this strategic gateway site will create a new town centre and residential quarter, uniting the areas north and south of the A406 North Circular, providing an attractive and vibrant place to live and work. It will contribute to the future prosperity of the Borough. The development to the north of the North Circular alone is expected to create 3,000 construction jobs, and an additional 4,000 permanent jobs over the next five to seven years. It will provide around 91,500 sqm (net) of additional retail and commercial floorspace.
- 3.5 Brent Cross Cricklewood is a key element of the Council's regeneration and housing programme and will provide over 7,540 new homes over the next 20 years, including affordable homes and replacement homes for the Whitefield Estate. The scheme will also provide new and improved educational and health facilities for the community, and improved open space and recreational facilities for the community to enjoy and use.
- 3.6 The new Thameslink Station alongside the major highways and junction improvements (including those to junctions on the M1, A5, A406 (the North Circular), A407 and A41) will vastly improve the accessibility of the area and will help realise the regeneration of the area to its full potential. To address the existing barriers to accessibility between the communities to the north and south of the North Circular, as part of the first stage of development a series of bridges will be delivered including the Living Bridge (a new pedestrian and cycle bridge over the North Circular adjacent to Claremont Avenue and Market Square); the Templehof Bridge (replacing the existing Templehof Bridge over the North Circular); the A406/M1 Junction Pedestrian and Cycle Bridge – a new shared pedestrian and cycle bridge over the A406 adjacent to this improved junction; changes to the Staples Corner Pedestrian Bridge; 9 road bridges across the improved and diverted River Brent, and a further two bridges for the use of pedestrians and cyclists only.
- 3.7 The regeneration of Brent Cross Cricklewood will be a major component of achieving the Council's priority objectives in its Corporate Plan 2013-2016, including to 'maintain the right environment for a strong diverse local economy', with the strategic objective under this priority being to sustain Barnet by 'promoting growth, development and success across the borough'.

3.8 The scheme also supports the achievement of the objectives set out in 'One Barnet - A Sustainable Community Strategy for Barnet 2010–2020', including:

"Sharing opportunities for success' and 'choice and responsibility', where the proposals will provide high quality homes. The Scheme itself will offer more choice by providing a number of different housing options such as shared equity, shared ownership and private homes for sale to residents and those in the wider community".

3.9 In addition, it will further the strategic objectives in the Council's Housing Strategy 2010-2025 which include:

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

3.10 The land which may be need to be acquired to facilitate the delivery of the project is shown on the plan at Appendix 1. Those commercial owners and occupiers, including tenants in the shopping centre, who are affected have been or are being contacted by the Development Partners and/or the Council, and in most cases discussions have taken place regarding the acquisition of the relevant land and rights. It is envisaged that offers will have been made to all owners and occupiers to acquire their interests by private treaty before any report is brought back to Committee to seek authority for the use of CPO powers..

3.11 With regards to the residents of the housing on the Whitefield Estate and the Rosa Freedman Centre, discussions have been held or are planned with all residents regarding their needs and alternative accommodation. The residents of the Rosa Freedman Centre will be re-located within the Borough, and the Development Partners are procuring a registered provider to secure the successful relocation of the Council's tenants. Those residents who have exercised their right to buy their properties will be contacted by the Development Partners and the Council in due course.

3.12 In relation to the Thameslink Station, the Development Partners and the Council are in discussions with Network Rail and freight operating companies regarding the acquisition of the relevant land and rights. It is envisaged that offers will have been made to all owners and occupiers to acquire their interests by private treaty any report is brought back to Committee to seek authority for the use of CPO powers.

4. ALTERNATIVE OPTIONS

- 4.1 If the Council decides not to progress private treaty with owners, then the project will be delayed indefinitely because the Council and Development Partners will not have the necessary interest to deliver the scheme.

5. POST-DECISION IMPLEMENTATION

- 5.1 A specialist land referencing company (TerraQuest) will continue to seek to identify all parties with interests in the area likely to be required to facilitate the delivery of the project. This will ensure that private treaty negotiations can commence or continue as appropriate with affected parties, and will also ensure that identified parties will all be served with the appropriate notices and be involved in any potential CPO process if they so wish. In the event that a CPO is progressed at a later date, all parties with interests in the land will appear in a detailed schedule which, together with the CPO plan, forms a CPO.

6. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

- 6.1 The regeneration of Brent Cross Cricklewood supports the Corporate Plan 2013-2016 priority '*To maintain the right environment for a strong diverse local economy*', and the strategic objective under this priority to sustain Barnet by '*promoting growth, development and success across the borough*'.
- 6.2 The Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the Borough and maintaining Barnet as a successful London suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross Cricklewood is one of Barnet's priority regeneration areas, and will provide approximately 7,500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor, linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.
- 6.3 The first phase of the Brent Cross Cricklewood project includes the redevelopment of the shopping centre, creation of major new infrastructure, improved links to the existing tube station, and delivery of around 2,461 new homes over the next 8-10 years. This will create an estimated 3,000 construction jobs, and 4,000 permanent jobs. The Thameslink Station is important to the success of the regeneration scheme in both place-making as well as viability terms. However, at present the scheme does not benefit from the delivery of the station until the later phases. Bringing the station forward in the delivery programme will increase the attractiveness of Brent Cross

Cricklewood area as a place to live, shop and work and thereby improve the viability of Brent Cross Cricklewood South and will also increase the pace of delivery of new homes.

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

- 6.4 There are two main elements of costs associated with any potential CPO process – the costs of preparing and promoting the CPO itself, and the compensation and consideration to be paid to those whose land and interests are acquired.
- 6.5 In terms of the costs for resourcing the private treaty acquisitions, this will require input from internal and external resources covering various disciplines, including senior officers, legal input, surveying and valuation expertise. In respect of these acquisitions which fall in Northern part of the scheme, the Development Partners will meet all of these costs through the CPO Indemnity agreement. The indemnity is backed by security, so the Council is fully protected.
- 6.6 With regards to the Southern part of the scheme, the Council will recover its acquisitions costs from the Brent Cross South Developer.
- 6.7 However, at this point in time, the Council is only undertaking a land referencing exercise, and these costs will be directly covered by the development partners. The Council has already appointed 'Terraquest' and they will commence work from mid-September.

Legal and Constitutional References

- 6.8 The Council's Constitution, Responsibility for Functions, Annex A states the terms of reference of Assets, Regeneration and Growth Committee which includes: to develop and oversee a Regeneration Strategy; Develop strategies which maximise the financial opportunities of growth; oversee major regeneration schemes including those of key social housing estates; and all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

6.9 Risk Management

The key risks for this stage of work can be summarised as follows:

- 6.10 The CPO Indemnity Agreement is due to be signed shortly after the Commercial Agreements have been exchanged. The council will not be incurring any costs associated with any potential CPO process until the agreement has been exchanged.
- 6.11 Affected parties failing to be identified in any potential CPO – a specialist land referencing firm, TerraQuest, have been appointed to undertake the land referencing exercise to mitigate against this risk. Also, the discussions being held by the Council and the Development Partners with those affected when

seeking to acquire their land and interests are helpful in checking the parties with interests in the area.

- 6.12 There is a risk that owners and occupiers will seek sums in excess of those budgeted for in relation to the Council's and Development Partners' attempts at acquiring land and interests by agreement. This risk has been mitigated through valuations and appropriate budgets having been set, and in the case of the land at and around the shopping centre and that needed for the Critical Infrastructure, an uncapped indemnity has been provided to the Council by the Development Partners through the CPO Indemnity Agreement.

Equalities and Diversity

- 6.13 The 2010 Equality Act which outlines the provisions of the Public Sector Equality Duty (PSED), requires all Local Authorities to pay due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
 - Advance equality of opportunity between people from different groups;
 - Foster good relations between people from different groups;
- 6.14 This places a legal obligation on the Council to pay due regard to equalities in an appropriate and proportionate manner and to take account of how the Council's decisions might impact on different groups across the borough including those identified in equality legislation as protected characteristics, namely: Age, disability, gender, gender reassignment, marriage, civil partnership, pregnancy and maternity, sexual orientation and religion or belief.
- 6.15 Equality and diversity issues are a mandatory consideration in the decision-making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals put to committees have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.
- 6.16 The Development Proposals support achievement of the council's Strategic Equalities Objective which sets out *our commitment that citizens will be treated equally, with understanding and respect; have equal opportunities with other citizens and receive quality services provided to Best Value principles*. The development proposals will reflect the council's aim that all residents are able to share in the benefits and take advantage of the opportunities of economic growth in the borough.
- 6.17 The council intends that the development proposals will have a positive impact on all groups identified in the 2010 Equality Act and other vulnerable groups in the borough because it is designed to share the benefits of growth with all Barbet citizens and promote inclusion and community engagement and participation.
- 6.18 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.

- 6.19 The development proposals for the Brent Cross Cricklewood scheme will make a significant contribution to the provision of additional, high quality affordable housing units in the Borough as well as providing employment through the creation of a new town centre with leisure, health and educational facilities. The delivery of the Thameslink Station will enhance public transport provision and improve accessibility and provide greater choice for all. It should be emphasised that a fully integrated and accessible town centre will be created as part of these proposals.
- 6.20 An Equalities Impact analysis was carried out in respect of the Outline Planning Application granted in 2010, which took fully into account the demographic makeup of the regeneration area and addressed the impact on the protected characteristics. This anticipated a significant positive impact from the regeneration proposals. This will be updated to assist the council in meeting the requirements of the Public Sector Equalities Duty.
- 6.21 The projected increase in the borough's population and changes in the demographic profile will be key factors in reflecting the aspirations and contributions of current residents.
- 6.22 The Census data of 2011 (as updated by the GLA population projections 2014) shows how Barnet is growing and changing. There has been a significant increase in the diversity of growth in the borough population and growth in older and younger generations has been particularly rapid. The over 65 population is forecast to grow by 10.4% in the next 5 years and 24% in the next decade.
- 6.23 Barnet is a racially diverse and multi faith borough and proud of community cohesion. Over a third of Barnet's citizens come from a rich diversity of black and minority ethnic groups. Christianity remains the biggest religious group (41.2%) and Barnet is home to the UK's largest Jewish community. Other significant groups are no religion (16.0%), Muslim (10.3%) and Hindu communities (6.2%).
- 6.24 Our reputation for excellent schools and green spaces makes us a popular destination for young families. These demographic changes present challenges both in the demand for services and the way we commission, deliver and continuously improve our services.
- 6.25 Barnet is a relatively affluent borough with significant pockets of deprivation and we have been successful in attracting regeneration funding to those areas in 7 major regeneration schemes. Our growth and economic strategies will reflect the importance that everyone benefits from regeneration and growth, job creation, reinvigorating communities and improved quality of life. This includes the protected characteristics outlined in the 2010 Equality Act as well as citizens and other groups in Barnet who can experience disadvantage, for example carers, lone parents and low income families, people with particular

disabilities including mental health and learning difficulties, unemployed people.

- 6.26 Brent Cross Cricklewood is an opportunity to extend Barnet's success as a desirable and attractive suburb, by creating a new urban village for London which sets the tone for future evolution of the borough more widely and emphasises the need to create a place that makes residents, workers and visitors feel good – inviting people to meet and spend time in the spaces, and to walk or cycle.
- 6.27 Importantly, the requirements highlight that Brent Cross Cricklewood will be place for people of all ages, with housing mix that reflects different life stages, a range of housing tenures, and public spaces which are accessible to all. It emphasises that promoting health and wellbeing and reducing dependency will be ingrained in the place.

Consultation and Engagement

- 6.28 Extensive consultation has and will continue to be undertaken with key stakeholders and the community to ensure that the Brent Cross Cricklewood scheme reflects local needs including the needs of those with protected characteristics, as well as securing the future of North London's only regional shopping centre.
- 6.29 There has also been consultation and engagement with local stakeholders and the community during the planning process, and the CPO process (should a CPO be necessary) is designed to allow parties an opportunity to make representations and, if desired, attend a public inquiry and state their cases.

7. BACKGROUND PAPERS

- 7.1 Cabinet, 26 April 2004 (Decision Item 8) – approved the adoption of the Cricklewood, Brent Cross and West Hendon Development Framework as Supplementary Planning Guidance.
- 7.2 Cabinet, 29 March 2005 (Decision Item 6) – agreed to enter into a Collaboration Agreement with the development partnership (Cricklewood Regeneration Limited, Hammerson and Standard Life). <http://barnet.moderngov.co.uk/Data/Cabinet/200503291900/Agenda/Document%204.pdf>

- 7.3 Cabinet, 5 December 2005 (Decision Item 7) – approved, amongst other matters, that 1) the Eastern Lands Addendum be adopted as Supplementary Planning Guidance; and 2) the Eastern Lands Supplementary Guidance is incorporated into the Cricklewood, Brent Cross and West Hendon Development Framework.
<http://barnet.moderngov.co.uk/Data/Cabinet/200512051900/Agenda/Document%204.pdf>
- 7.4 Cabinet Resources Committee, 25 March 2008 (Decision Item 16) – approved the outline terms so far agreed with the Brent Cross partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel's advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement and the Principal Development Agreements be reported to a future meeting of the Cabinet for approval.
<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/200803251900/Agenda/Document%2015.pdf>
- 7.5 Cabinet, 21 October 2009 (Decision Item 7) – approved the terms and conditions of entering into the Development Framework Agreement and the Principal Development Agreements, subject to approval of the Brookfield Europe and Hammerson Guarantor companies by the Director of Finance and the Leader of the Council, and the approval of the appropriate land transaction and financial arrangements by the Secretary of State. The approval was also subject to agreement of the plans, the historic costs and the form of the legal documents.
<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=120&MeetingId=306&DF=21%2f10%2f2009&Ver=2>
- 7.6 Cabinet Resources Committee, 19 October 2010 (Decision Item 5) – approved the changes to the terms and conditions of the Development Framework Agreement and the two Principal Development Agreements regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)
<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/201010191900/Agenda/Document%203.pdf>

- 7.7 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.
<http://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=8369&ISATT=1#search=%22Brent%20Cross%20%22>
- 7.8 Cabinet Resources Committee, 16 January 2014 (Decision Item 6) - approved the changes to the terms of the Brent Cross Principal Development Agreement (as considered and approved by CRC in October 2010) and the terms for the Co-operation Agreement as set out in Section 9 of this report; authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Principal Development Agreement and Co-operation Agreement; approved commencement of market testing through the issue of a Prior Information Notice to inform the delivery strategy for the Brent Cross Cricklewood South area; and approve that the Council enter into negotiations with landowners to acquire land required in advance of any Compulsory Purchase Order, subject to approval of the bid for capital funding by Cabinet on 25 February 2014; and approved that the Council continue the design and development work to develop the business case and funding strategy for delivery of the Thameslink Station, subject to approval of the capital funding bid by Cabinet on 25 February 2014; and delegate authority to the Strategic Director for Growth and Environment to procure the necessary advice and consultants to progress the Brent Cross project workstreams and deal with the related contractual issues and arrangements.
<http://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=12505&ISATT=1#search=%22Brent%20Cross%20%22>
- 7.9 Assets, Regeneration and Growth Committee dated 9 July 2014 approved the procurement of a partner for the Brent Cross Cricklewood South development through an OJEU Negotiated route in accordance with the Brent Cross South Procurement and Delivery Strategy, and approved the Council's requirements for the Brent Cross Cricklewood South opportunity; and noted procurement timetable and that to meet this timetable an additional meeting would be needed to approve the selection of a preferred partner, which would be called in accordance with statutory requirements and the Council's constitution.
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4>