



Assets Regeneration and Growth Committee 12 December 2016

Comment of the second second	
Title	Brent Cross Cricklewood Update Report
Report of	Commissioning Director, Growth and Development
Wards	Childs Hill, Golders Green and West Hendon
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix 1 - Plan: Brent Cross Cricklewood Appendix 2 - Residential Relocation Strategy
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Summary

This report provides a progress update since the last Committee on 5 September 2016 on key areas of activity across the Brent Cross Cricklewood programme. It seeks the required approvals to enter into contract with the preferred residential provider for the Part 1 Whitefield Estate residents and undertake the necessary steps to appropriate land within Council ownership for planning purposes. It also proposes amendments to the governance of the exercise of the Council's decisions as a shareholder of the Brent Cross South joint venture

Recommendations

That the Committee

- 1) Note the content of this report.
- 2) Agree that the shareholder board previously proposed will only act in an

advisory capacity.

- 3) Delegate authority to the Chief Executive to finalise and enter into the legal documentation between the Council, the Brent Cross North Partners and Catalyst in accordance with the parameters set by the Property Development Agreement and the approved Residential Relocation Strategy for the rehousing of the Whitefield Estate residents included in the area of CPO1.
- 4) Delegate authority to the Chief Executive to consider whether to appropriate to planning purposes Council-owned land within the red line planning application boundary for the scheme (attached – Appendix 1) which is held by the Council for other purposes and, if he considers it appropriate to do so, to effect the appropriation of such land to planning purposes subject to complying with the statutory procedures for such appropriation and obtaining any necessary consents.

1. WHY THIS REPORT IS NEEDED

1.1 This report provides a progress update on the comprehensive regeneration of the Brent Cross Cricklewood area since the last Committee meeting on 5 September 2016 and seeks the required approvals to ensure that the project momentum is maintained.

Background

- 1.2 As the Committee is aware, Hammerson UK and Standard Life Ltd (the Brent Cross North Partners/HSL) will deliver the redevelopment of the shopping centre at Brent Cross and the land around it, together with the northern elements of the infrastructure required to support the comprehensive regeneration proposals. The Council with Argent Related will deliver the southern parts of the Brent Cross Cricklewood Regeneration masterplan, including the southern elements of the infrastructure and the land to be redeveloped in connection with the station improvements. The Council is leading on the delivery of the new Thameslink Station within the regeneration area, working together with public sector partners. The Council is committed to steering and supporting the delivery of community engagement activities across the regeneration programme.
- 1.3 A summary of the key decisions relating to the regeneration scheme is set out in Section 6 of this report.
- 1.4 A progress update since the last Committee on 5 September is set out below and Members are referred to earlier reports for further context.

Brent Cross North

1.5 The Committee will recall that the variations to the Brent Cross Property Development Agreement and Co-operation Agreement documentation alongside the CPO Indemnity Agreement were completed on 11 July 2016 in parallel with the Brent Cross South documentation.

- 1.6 Earlier this year, the Committee will recall receiving a presentation from the Brent Cross North Development Partners demonstrating the significance of the scheme which would result in Brent Cross Shopping Centre becoming one of the top shopping and leisure destinations in the UK.
- 1.7 The Brent Cross North Partners are continuing to progress the detailed design of the shopping centre and it is anticipated that a reserved matters application will be submitted to the Local Planning Authority in late Spring 2017. The Brent Cross North Partners recently held face to face briefings with Ward Councillors and local politicians and GLA members. Public exhibitions were held within the shopping centre and at Hendon Leisure Centre to showcase the emerging design proposals. Council Members were informed of these events via the monthly members briefing.
- 1.8 The Brent Cross North Partners have also just submitted planning applications to move infrastructure works from Phase 1A (North) to Phase 1B (South). These works include road infrastructure within Brent Cross South as well as the improvements to Clitterhouse Playing Fields and Claremont Park. These infrastructure works are integral to the Brent Cross South (BXS) development, and by transferring delivery of these works to the BXS Joint Venture Partnership (JVLP) means that these works will be coordinated to best fit the phasing and delivery of the Brent Cross South masterplan as reported earlier to the Committee on 30 November 2015 as part of the change in delivery strategy and variations to the legal documentation.
- 1.9 The transfer will enable the improvements to Claremont Park and Clitterhouse Playing Fields to be delivered sequentially so to avoid closure of both parks at the same time. Whilst this means that the improvements to the Clitterhouse Playing Fields and Claremont Park will be delivered later than originally planned, the transfer will have a positive impact to the area and local residents as an area of temporary open space will be delivered very early in the development programme, prior to the proposed closure of Clarefield Park. The provision of the temporary open space, together with the proposed new delivery timetable for the improvements to Claremont Park and Clitterhouse Playing Fields, will ensure that residents have continued access to as much open space as possible throughout construction works.
- 1.10 These applications are anticipated to be reported to the Planning Committee in the New Year.
- 1.11 Running parallel to the emerging detailed design work are the highway and infrastructure workstreams, which includes progressing the approval in principle infrastructure designs for approval by the Highways Authorities (LBB, TfL and Highway England) and negotiating the required Infrastructure Agreements to enable the Brent Cross North Partners to undertake the necessary works to the public highway and ensure the delivery of the significant road infrastructure improvements. In this regard, the Brent Cross North Partners together with the Council and Argent Related (through the BXC Integrated Programme Management office) are beginning to review the

emerging construction programmes, with a particular focus on ensuring that the construction traffic across the programme is managed in a co-ordinated and effective manner. The Transport Advisory Group comprising the Development Partners, TfL, LB Brent, LB Camden as well as LB Barnet has now been re-established in accordance with the S73 permission and the monthly Programme Communications Group, which includes TfL and LBB Highways, is starting to consider how traffic management proposals will be effectively communicated to the local residents and businesses as well as the wider community. Further updates on construction and traffic management will be provided to the Committee as the strategy develops.

- 1.12 In respect of the relocation of the residents within the CPO1 area of the Whitefield Estate, the Brent Cross North Partners are now in final contractual negotiations with Catalyst (the selected preferred RP) and both parties intend to enter into a conditional contract in February next year. This contract is being progressed in line with the provisions and obligations set out in the Property Development Agreement (PDA) and principles established in the Residential Relocation Strategy which was approved (by way of discharging a planning condition attached to the S73 permission) by the Local Planning Authority on 3 December 2015 and the completed Section 106 Agreement was attached to the S73 permission. The Residential Relocation Strategy is attached at appendix 2.
- 1.13 The Council will be required to be party to this agreement given the provisions and obligations contained within the PDA, which includes the requirement for the Council to grant a long leasehold interest to the Residential Provider in respect of the relocation sites on Brent Terrace upon completion of the relocation units. Consequently, the Committee's approval is sought to authorise the Chief Executive to approve the terms of the agreement and enter into contact in accordance with the parameters set by the Property Development Agreement and the approved Residential Relocation Strategy.
- 1.14 In relation to programme, the Brent Cross North Partners anticipate undertaking early construction work late 2017/18, with an anticipated main construction start date for the Phase 1a Infrastructure and Phase 1b Shopping Centre works in mid-2018, with a target completion date September 2022. The longer construction programme follows a detailed review of the extent of works proposed by the Brent Cross North Partners and reflects the complexity and scale of the infrastructure improvements and shopping centre extension.

Brent Cross South

- 1.15 As the Committee will recall, the south side legal documentation (which includes the Project Agreement, Limited Partnership Agreement, Shareholder Agreement and associated documentation was completed on 11 July 2016, and the Brent Cross South Joint Venture Limited Partnership (JVLP) formally created.
- 1.16 The BXS JVLP is currently updating the BXS Business Plan approved by the Committee at the 17 March 2016 meeting. Argent Related are in discussions

with the Council's Commissioning teams and undertaking consultations with the local community, specialised groups and key stakeholders to inform the update. It is anticipated that the updated Business Plan will be submitted to LB Barnet (acting as Shareholder) for approval early next year. Following submission, the Business Plan will be presented to the next Assets, Regeneration and Growth Committee in March 2017 for formal consideration and agreement.

- 1.17 A second round of engagement with the local community is planned to take place in December 2016 / January 2017. This will include the second edition of the BXS Positive Dialogue Newsletter and consultations with the local specialist groups and key stakeholders included holding a series of targeted focus groups on topics such as sports, leisure, youth, older people and later living. The objective of these discussions is to inform the masterplanning process and to help shape the emerging identity for Brent Cross South. Further engagement with the dedicated Community Liaison Groups is planned to take place on 12, 13 and 15 December 2016, which will be followed up with public exhibitions early in the New Year.
- 1.18 The first phase proposal, which will follow the principles established by the updated Business Plan, is anticipated to be submitted to the Council (acting as Shareholder) in late Spring next year for approval. This proposal will form the basis of the reserved matters planning application submissions in line with the S73 planning application.
- JVLP is also in the process of selecting the preferred Registered Provider (RP) for those residents falling within the CPO2 area (Part 2 Whitefield Estate). A representative scoring panel (comprising LB Barnet and Argent Related) has met with the three shortlisted bidders and each bidding RP was invited to present directly to residents on Wednesday 16 November 2016. All residents of CPO2 were invited to this event and were asked to submit their feedback on the selection of a new landlord via a scorecard and this will feed into the evaluation process. The CPO2 Residents Steering Group was briefed on this proposed process for the RP on 1 November 2016. It is anticipated that the preferred RP will be selected shortly. Finalising the Shared Equity Offer has been identified as a top priority and will be reviewed jointly with the RP once the RP Partner is confirmed. This is in keeping with prior communications to the residents and CPO2 Resident Steering Group members.
- 1.20 In respect of the governance arrangements for Brent Cross South, the JVLP Board has been established and meets monthly. The Council's Directors are Cath Shaw, Interim Deputy Chief Executive and Commissioning Director, Growth and Development, Anisa Darr Director of Resources and Stephen McDonald Director of Place at Re.
- 1.21 The Committee will recall that the Council previously approved the establishment of a LBB Shareholder Board to ensure that decisions were taken in a timely manner to ensure that project momentum is maintained.

- 1.22 The establishment of a separate Brent Cross decision making Board has been reviewed by the Council's Governance team and HB Public Law, and it is no longer considered necessary for that group to sit in a decision making capacity given the frequency of the Assets, Regeneration and Growth Committee, and also that the Committee can, if it wishes, authorise an express delegation on a particular matter to a senior officer if a decision can be anticipated between scheduled meetings. It is also noted that any urgent decisions required between meetings could be dealt with either by a special Assets, Regeneration and Growth Committee or an Urgency Committee.
- 1.23 It is currently envisaged that any required delegations to officers will be to the Chief Executive in order to maintain a separation of functions between the activities of the Council and the JVLP board.
- 1.24 It is proposed that the Shareholder Board Group comprising the Members identified in the November 2015 ARG report should still meet, but in a more informal member working group capacity to review and comment on the Brent Cross South Business Plan and the emerging proposals for the first phase, which will then be formally considered by the Committee for approval, as well as monitoring progress.

Thameslink Station

- 1.25 The Council is continuing to work with the GLA, HM Treasury, DCLG, Network Rail and the Department for Transport to deliver the new Thameslink Station and associated infrastructure within the regeneration area. As the Committee is aware, the Full Regeneration Business Case was reviewed by the Department of Communities and Local Government Finance Sub-Committee on 25 February 2016, following which the Chancellor again reconfirmed the funding commitment in the Budget Statement on 16 March 2016.
- 1.26 Under the proposals, the Council will receive a grant of £97m from the Treasury, and will borrow the remaining funds required to build the station. This borrowing will be repaid by ring-fencing the local share (i.e. the 30% currently retained by the Council and the 20% currently retained by the Greater London Authority) of business rate growth delivered by the expansion of the shopping centre. The grant agreement and funding letter with DCLG and GLA have now been finalised and are expected to be signed prior to the 12 December ARG meeting.
- 1.27 To support the business case and the delivery of the station phase, the Council entered into a Design Services Agreement (DSA) with Network Rail in July 2015 to take forward a feasibility study on the options for the station design in accordance with Network Rail's GRIP (Guide to Rail Investment Process) to develop a single option selection (known as GRIP 3).
- 1.28 The Design Services Agreement to take forward the approval in principle design work (GRIP 4) is continuing to be negotiated with Network Rail. It was originally anticipated to be concluded by the end of September 2016 but this has been delayed to enable further discussions on the scope and

development of the procurement strategy. To avoid unnecessary delay to the project, the Council has varied the existing DSA to enable the necessary environmental survey work to progress in advance of the completing the GRIP 4 Design Services Agreement. The ecology survey is now complete and the topographical survey is underway and due to be completed in January 2017. It is anticipated that the DSA will be finalised in January and will be completed by the end of February 2017. This will not delay the overall programme.

- 1.29 The Council is also reviewing the Station Brief to inform the GRIP 4 design work in close consultation with Argent Related to ensure that the station and associated infrastructure is fully integrated with the Brent Cross South proposals and that the regeneration and placemaking objectives are maximised. This Brief will be reviewed by key stakeholders, including Network Rail and GTR, the current Train Operating Company and will subsequently be reported to the Committee meeting in next March. The Station Brief alongside the accompanying Planning Strategy will form part of the Station Strategy documentation that will clearly define the scope of the Station project, interfaces including roles and responsibilities and how the project will be delivered and managed across the programme
- 1.30 Whilst the S73 Permission has granted consent for the Thameslink Station development, including a rail freight facility and waste transfer facility, a number of changes will be required in order to facilitate the delivery of the Thameslink Station and associated facilities at an earlier stage. A series of planning applications are currently being prepared and it is envisaged that these will be submitted from March 2017 onwards. The planning applications will be subject to public consultation in the New Year as detailed below.
- 1.31 Communications with residents about the station and the wider development is on-going. The December edition of the Council's residents' magazine Barnet First, including a two-page spread, was delivered to over 140,000 homes in the Borough.
- 1.32 Ahead of wider consultation events that will be held in January, local residents and community groups will be reminded of the vision and plans for the station, waste and freight facilities in December through dedicated Community Liaison Groups that have been set up to assist with the flow of communication between developers and residents.
- 1.33 A detailed plan for further consultation events is being developed.

Station Naming Process

1.34 Though discussions with the Department of Transport and Network Rail, it has been established that there is not a formal process for naming new train stations. Consequently, the Council together with its public sector partners and Argent Related have developed a robust process based on engagement with Network Rail and the experience of the Argent Related, who will be leading the process on behalf of the Council.

- 1.35 The process, which will begin with detailed research into the history of the area, will include consultation with local residents and a wide range of stakeholders before being reported to the Committee to establish a shortlist of names.
- 1.36 The Council will review the shortlist and select a preferred name. It is expected that this stage will be completed by August 2017. Once a preferred name has been selected the Council will engage with key external stakeholders, including the Department for Transport, Network Rail and the train operating company for final approval of the name. It is anticipated that a final decision on the name will be confirmed by October 2017.

Network Change

- 1.37 As the Committee is aware, the Council is working closely with Network Rail with regards to the delivery of the Thameslink Station on a number of key workstreams. Network Rail are taking the lead as the project sponsor for the regulatory processes that must be followed when a material change is proposed to the operation of the rail network, such as providing the Thameslink Station and the Midland Mainline Bridge. This process is referred to as 'Network Change'.
- 1.38 On 1st July, Network Rail sent the 'Clause 5.1 Pre-Notice of Intended Scope' to stakeholders, including rail operating companies which sets out the intended stages and timetable for implementing the Network Change proposals. The Council is currently issuing formal responses to the queries received. Meetings are currently being arranged with the Train and Freight Operators to update them on the process.
- 1.39 The next formal consultation is scheduled for mid-2017 which incorporates the changes to the non-operational railway boundaries.

Procurement

1.40 The Thameslink project team is currently developing the procurement options for delivery of the Thameslink work packages together with the Council's legal and procurement advisors and it is anticipated that this will be reported to the next Committee meeting for Members consideration.

BXC Project Governance

- 1.41 The Committee will recall that a Gateway Audit for the BXC project was undertaken in January 2014 and recommendations subsequently incorporated into the programme. Given the considerable progress of the programme over the last two years, it is now considered timely to undertake a further audit to ensure that the correct project governance and controls are in place. This view is shared by the Council's public sector partners.
- 1.42 The Brent Cross Cricklewood integrated project management and Council Assurance teams are currently preparing the scope of the audit. It is

anticipated that this audit will be undertaken in April next year. Further details will be reported to the Committee next March.

BXC CPO and Land Appropriation

CPO1 AND CPO2

1.43 In respect of CPO1 and CPO2, the Committee will recall that the CPO Inquiry formally closed in July this year and the Council is awaiting the Secretary of State decision. The Council's advisor, GL Hearn is continuing to negotiate with owners within the CPO areas to acquire the necessary land and rights needed for the Brent Cross North and South schemes.

CPO3

- 1.44 The Committee will recall authorising the making of the CPO Order to assemble the land required to develop the station and associated infrastructure work packages on 5 September 2016 (known as CPO3).
- 1.45 The CPO Order was subsequently made on 7 September and the 28 day objection period expired on 13th October 2016. Objections have been received from those with a property interest in the area as well as from those within the local community. The Council and its advisor GL Hearn are continuing to address these objections and seeking to negotiate by private treaty to acquire the land and interests required to deliver the Thameslink Station.
- 1.46 The Council is currently awaiting a CPO Inquiry Date. It is anticipated that the Inquiry will be held in late Spring 2017. In this regard, the Council has requested that a Pre Inquiry Meeting be held.

Land Appropriation

- 1.47 In order to deliver the regeneration of the Brent Cross Cricklewood area, the Council will need to dispose of land within its freehold ownership to the developers. As the Committee is aware, parts of the Council's land are subject to restrictions/covenants which could prevent the intended development and use of the land. The Council will, in conjunction with the CPO process, need to consider appropriating those parcels of land that have historically been held for other purposes to planning purposes prior to the commencement of development. Once they are duly appropriated to planning purposes section 203 of the Housing and Planning Act 2016 will operate to override any private rights or covenants that might otherwise impede the implementation of the consented development. Compensation may become payable to those whose rights are so overridden.
- 1.48 In order to appropriate the land to planning purposes to enable s 203 to take effect, the Chief Executive will need to be satisfied that the Council could have compulsorily acquired the land under section 226 of the Town and Country Planning Act 1990 and therefore that appropriating the land for planning

- purposes will contribute to the achievement of the environmental, social and economic well-being of the area.
- 1.49 Consequently the Committee is asked to delegate authority to the Chief Executive to consider whether to appropriate to planning purposes Councilowned land within the red line planning application boundary for the scheme (attached Appendix 1) which is held by the Council for other purposes and, if he considers it appropriate to do so, to effect the appropriation of such land to planning purposes subject to complying with the statutory procedures for such appropriation and obtaining any necessary consents. Any decisions to appropriate particular parcels of land will be the subject of a delegated powers report at the relevant time identifying the land in question and evidencing compliance with the statutory requirements.

2. REASONS FOR RECOMMENDATIONS

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.

- 2.5 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.
- 2.6 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.
- 2.7 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'.
- 2.8 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".

- 2.9 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. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Alternative options have been considered and these options are summarised in previous reports.

4. POST DECISION IMPLEMENTATION

4.1 The Council and its advisors will continue to progress all work streams to ensure delivery of the Brent Cross regeneration proposals as outlined in this report and approved by the Assets, Regeneration and Growth Committee.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.2 The regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 which states that the Council will work with local, regional and national partners to strive to ensure that Barnet is a place:
 - of opportunity, where people can further their quality of life
 - where people are helped to help themselves, recognising that prevention is better than cure
 - where responsibility is shared, fairly
 - where services are delivered efficiently to get value for money for the taxpayer.
- 5.1.3 The scheme to transform Brent Cross Cricklewood will play a major role in delivering future 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.
- 5.1.4 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.

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

Brent Cross North

- 5.2.1 The Brent Cross Principal Development Agreement executed on 3 March 2015 and subsequently amended on 11 July 2016 confirms that the Brent Cross North Partners (HSL) are obliged to pay the Council's (and their consultants) costs in connection with this project.
- 5.2.2 In relation to CPO 1, 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. 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 the northern part of the scheme, the HSL will meet all of these costs through the CPO Indemnity Agreement (CPOIA) executed on 3 March 2015 and subsequently varied on 11 July 2016 to reflect that the Council is leading on all residential elements south side as approved by the Committee on 30 November 2015. The indemnity is backed by security, so the Council is fully protected.

Brent Cross South and Thameslink

- 5.2.3 In relation to the land required to deliver the first phase south side development, capital funding was approved on 4 March 2014. This funding will be later recouped from the anticipated capital receipts of the south side scheme.
- 5.2.4 The Project Agreement and corporate documentation between Argent Related and the Council, which deals with the delivery of the redevelopment and regeneration of the land to the south of the North Circular is now completed. A CPO Indemnity Agreement, under which the Argent Related provide the Council with an indemnity in respect of the costs of promoting the CPO and the compensation payable to third parties in respect of whose land and interests within CPO2 has been completed, and the CPO Indemnity Agreement for CPO3 is being finalised.
- 5.2.5 The delivery of the Station, Midland Mainline Bridge and waste and freight facilities, including land acquisitions, will be funded by public sector initially from the existing Council capital budgets (as approved by the Assets, Regeneration and Growth Committee on 17 March 2016 and Policy and Resources Committees on 17 May 2016 and 28 June 2016) and also HM Government grant funding and public sector borrowing.
- 5.2.6 The Grant Agreement and Funding Letter with DCLG and GLA are being

finalised and due to be signed shortly.

5.2.7 In terms of the costs of pursuing the CPO, this will require input from internal and external resource covering various disciplines, including senior officers, legal input, surveying and valuation expertise, planning input, input from the preferred developer when selected, technical input from engineers and consultants, and the cost of witnesses at the public inquiry. There will also be costs associated with the organisation and holding of the public inquiry. This is being met by the existing Thameslink Station and land acquisitions budget as approved by the Committee on 17 March 2016 and Policy and Resources Committee on 28 June 2016. The current budget for the Thameslink project, as approved on 28th June, is £16.650m. In addition, Policy & Resources Committee agreed, on 17th May 2016, an increase to the capital financing requirement, to enable borrowing to provide initial finance for Brent Cross Cricklewood. Ultimately, the CPO3 acquisition costs will be financed from either Argent Related, if appropriate, or the £97m grant referred to above.

5.3 Social Value

5.3.1 As indicated in sections within this report, the Brent Cross Cricklewood programme will secure wider social, economic and environmental benefits.

5.4 Legal and Constitutional References

- 5.4.1 The Council has a general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 and this empowers the Council to enter into joint venture arrangements for the development of the south side of the Brent Cross Cricklewood regeneration scheme. Section 1 of the Localism Act 2011 provides local authorities with a broad power to do anything that individuals can do subject to any specific restrictions contained in legislation.
- 5.4.2 The Council has the power to acquire and dispose of land in accordance with Sections 120 to 123(2A) of the Local Government Act 1972, and subject to obtaining all appropriate consents and approvals. Where land has been appropriated for planning purposes, any disposal of land appropriated for such purposes is effected in reliance on Section 233 Town and Country Planning Act 1990. On any disposal of property the Council is required to have regard to the requirements of s123(2) of the LGA 1972 and Section 233 Town and Country Planning Act 1990 to ensure that any disposal is not for a consideration less than the best that can reasonably be obtained. Any land held for the purposes of part 2 of the Housing Act 1985 can be disposed of under section 32 of that Act either in reliance on a general or express consent of the Consent of the Secretary of State.
- 5.4.3 Council Constitution Management of Asset, Property and Land Rules provide the governance structure within which the Council may acquire, lease, act as landlord, licence, develop appropriate change of use of, or dispose of assets within its Asset portfolio.
- 5.4.4 The procurement of a partner and other advisers for the south side of the

- scheme will be carried out in accordance with the relevant European Union procurement regulations and public sector procurement principles.
- 5.4.5 The Public Services (Social Value) Act 2012 requires the Council to consider whether it can achieve an improvement to the economic, social and environmental well-being of an area as part of the procurement of these services. If so, the social value objectives identified must be written into the procurement process. All of this must be achieved with regard to value for money and in a way that is compliant with existing public procurement law. "Social value" objectives can include the creation of employment, apprenticeship and training opportunities for local people, trading opportunities for local businesses and the third sector; and the promotion of equality and diversity through contract delivery.
- 5.4.6 Section 111 of the Local Government Act 1972 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.
- 5.4.7 Council Constitution, Responsibility for Functions states inter alia that only the full Council will exercise the following functions All policy matters and new proposals relating to significant partnerships with external agencies and local authority companies.
- 5.4.8 The public sector equality duty referred to in Section 5 also required consultation to ensure the Council complies with its duties under the Equality Act 2010.
- 5.4.9 In order to deliver the regeneration of the Brent Cross Cricklewood area, the Council will need to dispose of land within its freehold ownership to the developers. The Council will, in conjunction with the CPO process, need to consider appropriating those parcels of land that have historically been held for other purposes to planning purposes prior to the commencement of development. Once they are duly appropriated to planning purposes section 203 of the Housing and Planning Act 2016 will operate to override any private rights or covenants that might otherwise impede the implementation of the consented development. Compensation may become payable to those whose rights are so overridden.
- 5.4.10 In order to appropriate the land to planning purposes to enable s 203 of the Housing and Planning Act 2016 to take effect, the Chief Executive will need to be satisfied that the Council could have compulsorily acquired the land under section 226 of the Town & Country planning Act 1990 and therefore that appropriating the land for planning purposes will contribute to the achievement of the environmental, social and economic well-being of the area.
- 5.4.11 The appropriation will potentially result in the over-riding of covenants, easements and other third party rights, and that therefore there is likely to be an interference with the rights and human rights of those affected. Compensation may become payable to those whose rights are so overridden.

The Chief Executive will need to take into account these factors in deciding whether or not to proceed with the appropriation.

5.5 Risk Management

5.5.1 The key risks are summarised in the 11th July 2016 report.

5.6 Equalities and Diversity

- 5.6.1 As reported in successive meetings, the Development Proposals support achievement of the council's Strategic Equalities Objective.
- 5.6.2 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.

5.7 Consultation and Engagement

BXC Programme

- 5.7.1 The Council is working closely with development partners from the north and the south side to develop and implement a coordinated communications strategy and stakeholder engagement approach across the whole programme.
- 5.7.2 Joint monthly communications meetings are now in place and attended by the Council, Brent Cross North Development Partners and Argent Related (including their advisors Tavistock and Soundings) as well as TfL and Highways England. The meetings are used as a key mechanism to jointly plan and coordinate public engagement and communication to: eliminate unnecessary duplication; share information; and develop a shared understanding of what other are doing.
- 5.7.3 A programme wide communications, engagement and consultation forward plan is being developed as a tool to assist all partners share information and plan events. It will aim to provide a 3 6 month forward look of all planned and upcoming communications and engagement activities across the whole programme to enable better coordination and joined up working.
- 5.7.4 PEP the Resident Independent Advisor continues to hold monthly resident surgeries on the Whitefield Estate.

Brent Cross North

5.7.5 The Brent Cross North Development Partners have circulated letters to the

CPO1 residents on the Whitefield Estate providing an update on the procurement of Catalyst as the selected Registered Provider for this part of the scheme. The Brent Cross Development partners are in final contract negotiations.

5.7.6 Public exhibitions and detailed stakeholder engagement was carried out by the Brent Cross North Partners in November ahead of the planning applications being submitted in the New Year. The exhibitions were well publicised in the local and national press.

Brent Cross South

- 5.7.7 As reported to the Committee on 11th July 2016, Argent Related appointed Soundings to advise on communications and community engagement.
- 5.7.8 Since July, Soundings has set up three community liaison groups to act as consultation forums for the Development Partners to engage with residents on the wider Brent Cross Cricklewood proposals. The three community liaison groups are Cricklewood / Childs Hill, Golders Green and Dollis Hill.
- 5.7.9 The second round of Community Liaison Group meeting will be held in December 2016 starting with the Cricklewood meeting on Monday 12 December, Golder Green on Tuesday 13 December and Dollis Hill on Thursday 15 December.
- 5.7.10 Argent Related and Soundings are in the process of confirming a full programme of community engagement events that will take place in February and March 2017.
- 5.7.11 GL Hearn is producing a community engagement plan in support of the Thameslink Programme and they will ensure that the communication activities are coordinated with the Brent Cross South programme. Representatives from the Thameslink team will attend the second round of the Community Liaison Groups in December to update residents on the vision for the station. Public exhibitions will be held in Jan/Feb to engage residents and businesses with the detailed planning applications that will be submitted in March.

6 BACKGROUND PAPERS

- 6.1 Cabinet, 26 April 2004 (Decision Item 8) approved the adoption of the Cricklewood, Brent Cross and West Hendon Development Framework as Supplementary Planning Guidance.
- 6.2 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/CeListDocuments.aspx?CommitteeId=120&Me
 etingId=265&DF=29%2f03%2f2005&Ver=2

- 6.2.1 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/CeListDocuments.aspx?CommitteeId=120&MeetingId=272&DF=05%2f12%2f2005&Ver=2
- 6.3 Cabinet Resources Committee, 25 March 2008 (Decision Item 16) approved the outline terms so far agreed with the Brent Cross North 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 Property Development Agreements be reported to a future meeting of the Cabinet for approval.

http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/20 0803251900/Agenda/Document%2015.pdf

6.4 Cabinet, 21 October 2009 (Decision Item 7) – approved the terms and conditions of entering into the Development Framework Agreement and the Property 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?CommitteeId=120&MeetingId=306&DF=21%2f10%2f2009&Ver=2

6.5 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 Property Development Agreements regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)

 $\frac{http://barnet.moderngov.co.uk/CeListDocuments.aspx?CommitteeId=151\&MeetingId=446\&DF=19\%2f10\%2f2010\&Ver=2$

6.6 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/ieListDocuments.aspx?Cld=151&Mld=6759&Ver=4

- 6.7 Cabinet Resources Committee, 16 January 2014 (Decision Item 6) - approved the changes to the terms of the Brent Cross Property 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 Property 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 with the related contractual issues and arrangements. deal http://barnet.moderngov.co.uk/ieListDocuments.aspx?Cld=151&Mld=7702&V
- 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?Cld=696&Mld=7960&Ver=4
- 6.9 Assets, Regeneration and Growth Committee dated 8 September 2014 approved 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 and 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.

http://barnet.moderngov.co.uk/documents/s17302/Brent%20Cross%20Cricklewood%20-%20Report.pdf

6.10 Assets, Regeneration and Growth Committee dated 15 December 2014 noted progress on the Brent Cross Cricklewood project.

http://barnet.moderngov.co.uk/documents/s19845/BXC%20update%20-%20Publish.pdf

6.11 Urgency Committee, 26 February 2015 (Decision Item 1)

https://barnetintranet.moderngov.co.uk/documents/s21721/Annex%201%20Report%20to%20Urgency%20Committee%2026%20February%202015.pdf

6.12 Full Council dated 3 March 2015 approved the appointment of Argent and Related Companies PLC (Bidder Z) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme; the selection of Gateway Barnet consortium comprising Far East Consortium, Countryside Properties and Notting Hill Housing Trust (Bidder Y) as the Council's reserve development partner for the Brent Cross Cricklewood South Scheme; authorise Officers to work up the Business Plan, Project Agreement and documentation necessary to form the joint venture for consideration and approval by Assets, Regeneration and Growth Committee prior to formally entering into the joint venture contract and authorised the Commissioning Director (Growth and Development) to determine the exact structure of the joint venture arrangement.

http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack% 2003rd-Mar-2015%2019.30%20Council.pdf?T=10

Full Council dated 3 March 2015 approved that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land shaded pink on the plan at Appendix 1 and pursuant to section 13 of the Local Government (Misc Provisions) Act 1976 to acquire new rights in respect of the land shaded blue on the said plan to deliver (CPO1); That the appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation and take all action needed to pursue the CPO and secure its confirmation; That the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and acquire title to and/or take possession of the land; That the appropriate Chief Officers be authorised to carry out the necessary procedures under Part 11 of the Housing Act 1985 and to use Ground 10A to obtain vacant possession of Council owned dwellings that are occupied by secure tenants in the area shown shaded pink on the plan at Appendix 1; that the appropriate Chief Officers be authorised to approve the service of Initial and Final Demolition Notices as required pursuant to the Housing Act 2004 to suspend the right to buy on properties due for demolition which are situated on the Whitefield Estate but fall within the Brent Cross North Development and on the Rosa Freedman Centre; and that the appropriate Chief Officers be authorised to

take all necessary steps to re-house secure tenants from the Sheltered Housing Units at Rosa Freeman and to pay statutory home loss and disturbance to those tenants.

http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack% 2003rd-Mar-2015%2019.30%20Council.pdf?T=10

Full Council on 3 March 2015 approved that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land to deliver the first south side phase (known as CPO2) shaded pink on the plan at Appendix 1; That the appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation and take all action needed to pursue the CPO and secure its confirmation; That the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and acquire title to and/or take possession of the land: That the appropriate Chief Officers be authorised to carry out the necessary procedures under Part 11 of the Housing Act 1985 and to use Ground 10A to obtain vacant possession of Council owned dwellings that are occupied by secure tenants in the area shown shaded pink on the plan at Appendix 1 and that the appropriate Chief Officers be authorised to approve the service of Initial and Final Demolition Notices as required pursuant to the Housing Act 2004 to suspend the right to buy on properties due for demolition which are situated on the Whitefield Estate but fall within the Brent Cross South Development..

http://barnet.moderngov.co.uk/ieListDocuments.aspx?Cld=162&MID=7819#Al 11444

6.15 Assets, Regeneration and Growth Committee dated 1 June 2015 noted progress on the Brent Cross Cricklewood project; A) approved the terms for the draft Collaboration Agreement between the Council and Argent and Related Companies as set out in the Exempt Report: B) authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Collaboration Agreement; Confirmed as a matter of principle, that the Council is prepared to use its compulsory purchase powers pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) to acquire the land edged red on the plan at Appendices A & B; noted that a) the appropriate Chief Officers are commencing negotiations to acquire by private treaty the land and interests in the areas required to deliver the Thameslink Station as shown on the plan at Appendices A & B 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; and that the appropriate Chief Officers are undertaking the work needed to prepare for a possible Compulsory Purchase Order (CPO) together with the associated documentation and, if necessary, will bring a further report back to the Committee seeking authority to make a CPO in respect of the land shown on the plan at Appendix C.

http://barnet.moderngov.co.uk/documents/s23463/Brent%20Cross%20Criclewood%20Station%20Project%20Update%20-%20REPORT.pdf

Assets, Regeneration and Growth Committee dated 30 November 2015 approved the terms for the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement and authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and any required subsequent changes in the associated commercial documentation; noted progress on land acquisitions within the CPO red line boundary and that the CPO Inquiry for Brent Cross Cricklewood CPO1 and Brent Cross Cricklewood CPO 2 is scheduled for 17 May - 17 June 2016; approved the Brent Cross South Joint Venture Structure that will inform the Project Agreement and documentation necessary to form the Brent Joint Venture; noted the establishment of the Shadow Joint Venture Board and gave approval for the terms of reference for Shadow Shareholder Board for the Brent Cross South Joint Venture to be drawn up including a process for appointing Members for agreement at the next practicable meeting of the Council; and noted progress on the Thameslink Station project, in particular the station design and funding strategy.

http://barnet.moderngov.co.uk/documents/s27725/Brent%20Cross%20Cricklewood%20Project%20update.pdf

6.17 Council 1 March 2016 noted the report of Assets, Regeneration and Growth Committee on 30 November 2015 as attached at Appendix 1 which approved the Joint Venture Structure and authorised the establishment of a Shadow Shareholder Board for the Brent Cross South Joint Venture, and that its terms of reference and membership to be drawn up for Council approval; noted the Brent Cross South Joint Venture Structure at Appendix 3 attached to the

report of the Assets, Regeneration and Growth Committee on 30 November approved by the Committee on 30 November 2015; agreed the terms of reference for the Shadow Shareholder Board for the Brent South Joint Venture as outlined in paragraph 2.15; agreed that the composition and Membership of the Shadow Shareholder Board be agreed, as per paragraphs 2.13 and 2.14 of the report; noted the decisions outlined in Appendix 2 which will be required by the Shadow Shareholder Board as detailed in the Project Agreement and Shareholder and associated documentation necessary to form the Brent Cross South Joint Venture; and noted that the Project Agreement, Shareholder Agreement and associated documentation will be reported to Assets, Regeneration and Growth Committee on 17 March 2016 for approval and that that report will recommend that the Chief Executive be authorised in consultation with the Leader to finalise the documentation.

http://barnet.moderngov.co.uk/documents/s29974/Report%20to%20Council%20Report%20-

%20Report%20of%20Assets%20Regeneration%20adn%20Growth%20Committee%20-%20Brent%20Cross%20Cricklew.pdf

On 5 September 2016, Assets, Regeneration and Growth Committee 6.18 approved the following recommendation: that a compulsory purchase order (CPO) be made pursuant to the powers in section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) for the acquisition of the land to deliver the first south side phase (known as CPO2) shaded pink on the plan at Appendix 1; That the appropriate Chief Officers be authorised to settle the final form and content of the CPO and associated documentation and take all action needed to pursue the CPO and secure its confirmation; That the appropriate Chief Officers be authorised, following the confirmation of the CPO, to implement the CPO powers and acquire title to and/or take possession of the land; that the appropriate Chief Officers to initiate or take part in any arbitration or proceedings before the Upper Tribunal (Lands Chamber) or the Courts in order to resolve any disputes as to compensation or other payments payable for any interests in the Order Land or arising from the making or confirmation of the CPO or securing possession of any part of the Order Land or title to any part of the Order Land.

http://barnet.moderngov.co.uk/documents/b27857/SUPPLEMENTARY%20REPORT%20-

%20AGENDA%20ITEM%2014%20Brent%20Cross%20Cricklewood%20Compulsory%20Purchase%20Order%20No.%203%20and.pdf?T=9