

	CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT 8 August 2018
Title	Brent Cross Cricklewood (BXC) - Land Assembly
Report of	Deputy Chief Executive in consultation with the Chairman of the Asset, Regeneration and Growth Committee
Wards	Childs Hill, Golders Green and West Hendon
Status	Public
Enclosures	No
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Summary

On 27 November 2017, the Committee delegated authority to the Deputy Chief Executive, in consultation with the Chairman of the Assets Regeneration and Growth Committee, to exercise the Council's call options under the PDA and Co-Operation Agreement with the BXN Partners to acquire the sites to facilitate the BXS and Thameslink Station projects.

This report confirms the decision delegated to the Deputy Chief Executive as referred to above to exercise those call options to facilitate the Thameslink and Brent Cross South developments in line with the integrated development programme.

Decisions

The Deputy Chief Executive, in consultation with the Chairman of the Assets Regeneration and Growth Committee, confirms that the Council exercise the land call options in accordance with the Co-operation Agreement dated 3 March 2015 and the Share Purchase Agreement dated 3 March 2015 with the BXN Development Partners.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report to the Assets, Regeneration and Growth Committee on 18 June 2018 provided a progress update on the comprehensive regeneration of the Brent Cross Cricklewood area. The link to the report is attached below. <https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9480&Ver=4>
- 1.2 The Assets, Regeneration and Growth Committee delegated authority to the Deputy Chief Executive, in consultation with the Chairman of the Committee, to exercise the Council's call options under the PDA and Co-Operation Agreement with the Hammerson and Aberdeen Standard (BXN) Partners to acquire the sites to facilitate the Brent Cross South and Thameslink Station projects on 27 November 2017. The necessary enquires are being undertaken for these call options to be exercised.
- 1.3 The Council is now working with the BXC Development Partners to assemble the land so that the main works across the programme can commence in early 2019. Since the June update,
- All three CPOs (CPO1, CPO2 and CPO3) are now free from legal challenge.
 - the Council is working with all the BXC Development Partners and its advisors Eversheds and GL Hearn to develop the land strategy to ensure that the land is required to meet the development programme.
 - the Council has also issued the Housing Act 1985 Schedule 2 Ground 10A notices to council tenants within the Whitefield Estate this month. This is to ensure that it can gain vacant possession of the relevant council properties in a timely manner and that residents are kept fully informed throughout this whole process.
- 1.4 As reported to the Assets, Regeneration and Growth Committee in June 2018, both the Brent Cross South and Thameslink projects intend to start on site in 2019.
- 1.5 In order to facilitate the comprehensive regeneration of the BXC area, the Council has entered into contract to acquire the Brent Cross North Development Partners (Hammerson and Aberdeen Standard) land holdings in the Brent Cross South area as well as shares in the Cricklewood Regeneration Limited Company (CRL), that currently holds the option agreement over the Network Rail lands. These lands are known as the HCL Property and the Network Rail Land and are needed to deliver both the Thameslink Station and Brent Cross South developments. The acquisition of CRL is required by the end of August to enable the Council to enter into the new land transfer agreements with Network Rail in Autumn 2018.
- 1.6 These contractual arrangements are documented in the following legal agreements between the Council and Brent Cross North Development Partners:
- (i) a Co-operation Agreement dated 3 March 2015 with the counterparties to the Brent Cross North ("BXN") development (primarily the redevelopment of the Brent Cross Shopping Centre) including HCL and CRL ("Co-Operation Agreement");

(ii) a share purchase agreement dated 3 March 2015 with HCL and Hammerson UK Properties Limited granting the Council the ability to acquire the share capital of CRL ("Share Purchase Agreement").

- 1.7 The terms of the call options, including option price, were approved by Cabinet Resources Committee dated 16 January 2014 and Urgency Committee on 26 February 2015. The Delegated Powers Report authorising the Council entering into these documents is accessed using this link <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?Id=5698>

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. The details of the scheme are set out in previous reports to the Assets, Regeneration and Growth Committee.
- 2.2 This land is required to deliver the Thameslink and Brent Cross South developments which are due to commence in early 2019.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 There are no alternative options in this instance as the land is required for the BXC development.

4. POST DECISION IMPLEMENTATION

- 4.1 Once the decision has been approved, officers will service the necessary notices in accordance with the contractual arrangements with the BXN legal agreements and acquire the land.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The reports to the Assets, Regeneration and Growth Committee describe in detail the ways in which the regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 as updated. The reports relevant to this decision are included within the background documents.

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

- 5.2.1 The HCL land acquisitions and CRL will be funded from the land acquisition budget agreed by the Policy and Resources Committee in November 2017.
- 5.2.2 The current available scheme budget at Qtr 1 2018/19 is £37.482m split £25.5m in 2018/19 and £11.982m in 2019/20.

- 5.2.3 The Selco site, which will accommodate the new waste transfer station, will be funded from the approved £70.516m Capital Budget for Thameslink as approved by September 2017 Policy & Resources Committee.
- 5.2.4 To date, £54.65m of the approved Capital Budget has been committed to external parties, of which £23.302m has been spent to the end of June 2018. The acquisition cost will be funded from the remaining budget of £15.866m. The delivery of the Thameslink works, including land acquisitions, is contained within the council's capital programme and partly funded by grant of £97m from the Ministry of Housing, Communities and Local Government (MHCLG). To date £33.6m has been received from MHCLG to fund project costs and land acquisitions. Following the completion of the GRIP4 and satisfaction of the conditions attached to the Grant Funding, it has been agreed that the Council will drawdown funding on a quarterly basis. The next invoice is currently being prepared.
- 5.2.5 In terms of ongoing maintenance and security costs, the units (2 Brent Terrace, Claremont Way and Selco) are currently let. Unit 2 is currently let to Jesus House Church and Selco currently operates out of the unit on Geron Way. These unit units will be occupied until end of 2018 and therefore maintenance and security costs should be minimal prior to commencement of Thameslink and Brent Cross South projects.

5.3 Social Value

- 5.3.1 The Brent Cross Cricklewood programme will secure wider social, economic and environmental benefits. This is set out in more detail within the relevant sections of the Committee reports included within the background section of this DPR.

5.4 Legal and Constitutional References

- 5.4.1 The Council's power to enter into various arrangements to progress the redevelopment of the Brent Cross Cricklewood scheme is contained in the general power of competence under Section 1 of Chapter 1 of the Localism Act 2011. 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's Constitution, Article 7.5 responsibility for function, states the functions of the Assets, Regeneration and Growth Committee, includes responsibility for regeneration schemes and asset management.
- 5.4.3 Council, Constitution, Article 10 Table A states that the Assets Regeneration and Growth Committee is responsible for authorising (1) all disposal and acquisition of land for over £500k and (2) any transaction which is a "less than best" transaction as the term is set out at s 123(2) of the Local Government Act 1972.
- 5.4.4 The Council has a range of powers to enter into the legal agreements envisaged by this report, including the general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 to do anything that individuals can do subject to any specific restrictions contained in legislation and Section 111 of the Local Government Act 1972 which provides that a local authority has power to do anything which is calculated to facilitate, or is conducive or is incidental to, the discharge of its functions.

5.4.5 Additionally, 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, subject to obtaining all appropriate consents and approvals.

5.4.6 Where land is being and 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 observe 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.

5.5 Risk Management

5.5.1 A risk register has been prepared and is regularly updated.

5.5.2 Key risks relate to security and maintenance costs. However, these costs should be minimal given that both units are occupied until end of 2018.

5.5.3 The Selco unit is income generating. This site will accommodate the relocated Hendon Waste Transfer Station. Vacant possession will be provided in January 2019 to meet the Thameslink construction programme.

5.5.4 In respect of Unit 2 Brent Terrace, this is occupied by Jesus House, who are currently trying to find alternative premises. The BXN Partners have also indicated that the premises could be used as a construction compound. Discussions are ongoing to facilitate this whilst ensuring that any compound does not prejudice the delivery of Brent Cross South and the Thameslink station.

5.6 Equalities and Diversity

5.6.1. This is set out in more detail within the relevant section of the Committee reports included within the background section of this DPR.

5.7 Consultation and Engagement

5.7.1 A detailed account of the communications approach as well as consultation and community engagement undertaken by the Council and its development partners is set out in detail within the relevant section of the Committee reports included within the background section of this DPR.

6 BACKGROUND PAPERS

6.5.1 Delegated Powers Report to execute the commercial agreements in respect of the Brent Cross Principal Development Agreement (and associated documents), CPO Indemnity Agreement, Co-Operation Agreement and CRL Share Purchase Agreement in accordance with the terms approved by Cabinet Resources Committee dated 16 January 2014 and Urgency Committee on 26 February 2015
<https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?Id=5698>

- 6.5.2 Assets, Regeneration and Growth Committee, 24 April 2017, Brent Cross Cricklewood Update Report
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8641&Ver=4>
- 6.5.3 Assets, Regeneration and Growth Committee, 27th November 2017, Brent Cross Cricklewood Update Report,
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9435&Ver=4>
- 6.5.4 Assets, Regeneration and Growth Committee, 12th March 2018, Brent Cross Cricklewood Update Report,
<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9083&Ver=4>
- 6.5.5 Assets, Regeneration and Growth Committee, 14th June 2018, Brent Cross Cricklewood Update Report
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9480&Ver=4>

Chairman: Cllr Dan Thomas
Has been consulted

Signed (via email)

7 August 2018

Date

Chief Officer: Cath Shaw, Deputy Chief Executive
Decision maker having taken into account the views of the Chairman

Signed

Date 8 August 2018
