



Assets Regeneration and Growth Committee

13 June 2019

Title	Brent Cross Cricklewood Update Report
Report of	Councillor Richard Cornelius
Wards	Childs Hill, Golders Green and West Hendon
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A-C – Thameslink works
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Summary

This report provides a progress update on the comprehensive regeneration of the Brent Cross Cricklewood (BXC) area since the last Committee meeting on 25 March 2019. It seeks approval to procure Conway Aecom using the London Highways Alliance Contract (LoHac) to deliver the southern junctions. It also seeks in principle approval for the council to enter into a Direct Agreement with Homes England in connection with a Homes Building Fund loan facility between BXS JVLP and Homes England to fund infrastructure works to accelerate delivery within Brent Cross Cricklewood (BXC) and to give authority that the loan be secured against the council's land at BXC.

Officers Recommendations

That the Committee:

- 1) notes the progress update across the scheme since the last report to the committee on 25 March 2019
- 2) approves and authorises the Deputy Chief Executive to extend the scope of Conway Aecom's commission through the LoHAC framework to undertake the Southern Junctions Highways Works as explained in paragraphs 1.17 - 1.20 of this report;
- 3) approves the provision of its land within BXC as security for the Homes Building Fund Loan subject to Homes England entering into the Direct Agreement within the parameters explained in this report in paragraph 1.15.
- 4) notes that the aim of the Direct Agreement between Homes England and the council is to ensure that in the event of a breach of the loan agreement by BXS JVLP, the council retains influence over the future use of the land and delivery of the scheme.
- 5) approves in principle that the council enters into the Direct Agreement with Homes England to facilitate the Housing Building Fund Loan between BXS JVLP and Homes England to fund infrastructure and accelerate housing delivery; and delegates authority to the Chief Executive in consultation with the Chairman of this Committee to finalise the terms and enter into the Direct Agreement and (if necessary) the loan agreement with Homes England including any associated or ancillary documentation required in connection with the same.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report updates on progress since the last Committee meeting on 25 March 2019, with particular regard to the Revised Funding Agreement (RFA) with HM Government (HMG) to enable the Brent Cross Thameslink (BXT) project to be proceed. It also seeks approval to: extend the scope of Conway Aecom's commission through the LoHAC framework to undertake the Southern Junctions Highways Works as explained in paragraphs 1.17 -1.20 of this report; approve the provision of its land within BXC as security for the Homes Building Fund Loan subject to Homes England entering into the Direct Agreement within the parameters explained in this report in paragraph 1.15; and approve in principle that the council enters into the Direct Agreement with Homes England to facilitate the Housing Building Fund Loan between BXS JVLP and Homes England to fund infrastructure and accelerate housing delivery; and delegate authority to the Chief Executive in consultation with the Chairman of this Committee to finalise the terms and enter into the Direct Agreement and (if necessary) the loan agreement with Homes England including any associated or ancillary documentation required in connection with the same.

BXC Programme Wide Progress Update

- 1.2 The Committee is also asked to note the following programme wide progress update

- The council entered into the Grant Agreement with MHCLG on 10 April 2019. The agreement secures the Government investment of an additional £320m in the Brent Cross Thameslink project and critical infrastructure. It documents the approved Revised Funding Agreement (RFA) approved by the Chief Executive in consultation with the Chairman of the Policy and Resources Committee and having consulted members of the Assets, Regeneration and Growth and Policy and Resources Committees on 6 March 2019.
<http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7163>
- The terms of the RFA were reported to the P&R Committee on 20 February 2019, the link to that report is as follows:
<http://barnet.moderngov.co.uk/documents/s51244/Brent%20Cross%20Cricklewood%20Funding%20and%20Delivery%20Strategy%20Report.pdf>
- The council entered into the Strategic Infrastructure Charge Agreement (SIC) with BXS JVLP on 9 May 2019. The agreement enables the JV to borrow £23m from the council on a rolling basis at an interest rate of 7% for investment in site-wide infrastructure. Authority to enter into the agreement was as delegated by the Assets, Regeneration and Growth Committee on 17 September 2018 subject to agreement on the market rate and term length. As the Committee is aware, the principle of the SIC was incorporated into the BXS legal documentation signed on 11 July 2016 and the agreement of this facility is one of the conditions precedent for the BXS Project Agreement going unconditional.
<http://barnet.moderngov.co.uk/documents/s48493/Brent%20Cross%20Cricklewood%20Update%20Report.pdf>
- Following the decision to defer development of the shopping centre expansion, the Committee agreed a revised delivery strategy on 27 November 2018. In accordance with this strategy, the council has now varied the Brent Cross Property Development Agreement and Co-operation Agreement, CPO indemnity agreement and Grant Agreement and associated commercial documentation to make the required consequential changes to the legal documentation to enable the transfer of the delivery responsibility for core critical infrastructure items from BXN to the council or BXS in respect of the infrastructure works and land acquisitions. These works and land acquisitions are funded by the BXC Grant being provided by HMG as set out in the RFA. The key changes to the documentation are set out in the delegated powers report attached
<http://barnet.moderngov.co.uk/documents/s49849/Brent%20Cross%20Cricklewood%20Update%20Report.pdf>
- The required planning submissions to support the revised delivery strategy and construction sequencing were submitted to the Local Planning Authority on 12 April 2019. These include an application to re-phase items of critical Infrastructure to create two new sub-phases within Phase 1A (North): 'Phase 1A (North) (Infrastructure 1) and Phase 1A (North) (Infrastructure 2)'. The submission also updates the Indicative Construction Programme to re-sequence the northern and southern development in Phase 1. Associated applications to make non-material amendments to the conditions in the s73 Decision Notice and to update definitions have also been submitted.
- BXS Reserved Matters Planning Application for Plots 11 and 13 were recommended for approval by Planning Committee on 8 April and 4 March respectively.

- Plot 11 will provide 352 residential units, flexible retail, ground floor Neighbourhood Police Unit, basement and undercroft car parking, cycle parking, refuse storage and plant to be provided within two buildings with heights ranging from 8 to 13 storeys. The decision notice was issued on 11 April 2019.
- Plot 13 will provide 348 residential units, flexible retail units, a cinema, and a community facility along with basement car parking, cycle parking, refuse storage and plant to be provided within two buildings with heights ranging from 8 to 16 storeys. The decision notice was issued on 18 March 2019.
- The council is continuing to assemble the land required so that the BXS site preparatory works can commence. Vacant possession of the Claremont Industrial Estate is now achieved and BXS is now providing the required on-site security. A drop-in planning application for the demolition of Claremont Industrial Estate was submitted to the LPA and validated 11 April 2019. First demolitions are anticipated over the summer.
- BXS is continuing negotiations with Homes England to secure funding for use in delivering both physical and social infrastructure to accelerate development as set out in paragraph 1.11-1.15 of this report.
- The LBB commissioning team are reviewing resourcing requirements across the BXC programme to ensure that the teams have the required resources in place to meet the programme, particularly in respect of the Integrated programme management office, communications and revised delivery programme.

Brent Cross North

- 1.3 As the Committee will appreciate the current retail market remains challenging. Whilst there is no update on starting on site, BXN are continuing to work with the council and Argent Related. An update on BXN and next steps will be provided to the Committee in September.

Brent Cross South

- 1.4 As outlined above, Argent Related are working with the council to create the platform to enable BXS infrastructure works to commence in Autumn this year, and first plot development in early 2020, and are securing the necessary planning and highway approvals; assembling the land alongside procuring the required infrastructure contracts.
- 1.5 BAM Nuttall was recently selected as the preferred infrastructure contractor for BXS. The infrastructure framework contract includes new and improved parks and public spaces; streets and roads; and services, drainage and utilities in preparation for the construction of the new homes, workspace and retail and leisure. BAM Nuttall was chosen by BXS based on the quality of its team, its experience, innovation, approach to long-term partnering as well the respect it has for the local community; which are important for long-term regeneration schemes. Vattenfall's new Energy Solutions business in the UK has also been appointed as the preferred partner to deliver the new district heating network serving BXS using a mix of low carbon plant. This will include the UK's largest installation of heat pumps and will set a new standard for high-quality, future-proofed, low carbon infrastructure.

- 1.6 The council and Argent Related are currently updating the project legal documentation to take account of the revised delivery strategy and scheme development in respect of the Thameslink works. It is anticipated that the required variations will be completed over the Summer in accordance with the delegations provided by this Committee on 27 November 2018.
- 1.7 It is also now appropriate to review and update the existing BXS Business Plan approved in July 2017 and the existing Phase Proposal within the context of the revised delivery strategy and current market conditions so that any required changes can be considered by the Committee in the Autumn. In terms of the legal documentation, it is anticipated that the Project Unconditional date will be achieved in September 2019 with the Phase Unconditional Date in December 2019 subject to meeting the required conditions precedent.

BXS Community Fund

- 1.8 BXS has launched a £25,000 community fund to support local initiatives which aim to celebrate or improve the local area. Offering grants of up to £3,000, the BXS Community Fund opened for applications on 20 May and will select its first round of recipients in early July. The Fund is looking to support ideas from community groups located in the regeneration area and also within the wards of West Hendon, Golders Green and Childs Hill. It is hoped both charities and local residents will apply for the grants.
- 1.9 The fund's themes reflect the ambition for the new town centre to be an inclusive, people-first place which strives to be healthy and sustainable, supporting projects that:
- i) Build community networks
 - ii) Promote personal wellbeing
 - iii) Celebrate BXS as a community / neighbourhood
- 1.10 BXS have procured Semble, an independent organisation to manage the grant and fund process. A Question and Answer Workshop for potential applicants was held on Thursday 30 May. Further information can be found using the attached link: <https://brentcrosssouth>

Homes Building Fund

- 1.11 As reported to the Committee in November last year, Argent Related on behalf of BXS JVLP has been in discussions with Homes England for some time to agree a £125m loan facility from the Homes Building Fund (HBF) to be used to fund site wide infrastructure, phase incubation costs and site delivery to accelerate delivery of place and homes within BXS Mega Phase A. Mega Phase A comprises the land within LBB / BXS ownership and control following CPO 1,2 and 3, and is due to deliver circa 4,058 homes, office, retail and leisure, hotel rooms, student homes and community and educational facilities.
- 1.12 The HBF funding will help accelerate the delivery of homes and will create a better place more quickly by bringing forward the delivery of the High Street connecting into the new station, public parks and schools. It will enable BXS to make progress through unfavourable market conditions as well as responding quickly to more favourable market conditions when they arise, as well as improving viability. It will also help bring subsequent phases forward earlier by enabling paralleled delivery (polycentric development) in different areas of BXS, where the varied locations and content support different products and target markets, and release capital for further land acquisitions in the east and south of the site (for clarity it is not intended that the facility itself would be used for land acquisitions).

- 1.13 The loan facility agreement is expected to be directly between BXS JVLP and Homes England. Negotiations between HE and AR on behalf of BXS are continuing. As part of those negotiations, it has been requested that the council's land holdings within the BXC regeneration area are used as security to the loan facility. The council's in principle approval is required so that the terms of the facility can be concluded to allow the required governance and internal approvals within both HE and BXS JVLP to be sought. This facility will then require MHCLG and Treasury approval. Parties are aiming for this facility, subject to approval, to be in place by the end of July.
- 1.14 It is market norm for infrastructure loans to be secured against land (but in this case, the land is owned by the council and not by the developer (i.e. BXS JVLP)). The provision of council land as security enables a beneficial finance interest rate to be agreed by Homes England with BXS JVLP. This in turn is projected to result in a higher residual land value payable to the council on the drawdown of its land. However, this approach increases the risk to the council's ability to deliver BXC in line with the council's Procurement and Delivery Strategy approved July 2014 (<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4>) and its investment in the project, should BXS JVLP default on the loan facility. In order to mitigate this risk, council officers have been working with HE to put in place a Direct Agreement to ensure that, in the event of default, enables both parties to work together to agree a revised delivery strategy that will maintain housing delivery as opposed to allowing HE to simply sell the council's land to realise the value of its debt.
- 1.15 The parameters of the Direct Agreement are as follows:
- the council will grant security to HE over an appropriate land interest
 - the council will retain influence over the future delivery of the scheme
 - The council will agree with HE:
 - a) the extent to which HE has influence over approving changes within the project (namely approval of business plan/and any phase proposal) as a term of the facility agreement or, the extent to which it would wish its interests to be represented by the Council as (a) landowner and (b) JV partner.
 - b) the extent to which HE will monitor project progress and achievement of milestones to be a term of the facility agreement. In this regard, there has been discussions between the council and HMG as to how this relates to the wider monitoring of the BXC grant agreement going forward.
 - Recognising that both HE and the council are public sector organisations, with a shared interest in delivering a timely, high quality scheme in the event that a default occurs, HE will not – for a period to be agreed - take enforcement action pursuant to its security documentation and recognises that the council requires an opportunity to work through the resolution processes set out in the BXS legal project documentation.
 - In the event the default cannot be remedied/resolved, HE agrees to work with the council to try to rescue the position and secure delivery of the project and agree a revised delivery strategy to ensure that the project proceeds and the development is built out having regard to the requirements of the project as set out in council's

Procurement and Delivery Strategy approved July 2014 and the costs incurred by both parties at the time of default.

On the basis that the loan facility is provided by Homes England to accelerate housing delivery and there is a commitment to work with the council to ensure that the project is delivered in the event of default through a contractual agreement, the Committee is asked to approve in principle that the council provides its land as security subject to Homes England entering into the Direct Agreement based on the parameters explained above in this report in paragraph 1.14 and delegate authority to the Chief Executive in consultation with the Chairman of this Committee to finalise the terms and enter into the Direct Agreement with Homes England including any associated or ancillary documentation required in connection with the same.

Revised Delivery Strategy and Critical Infrastructure

a) Relocation of the Part 1 Whitefield Estate

- 1.16 As part of the revised delivery strategy the council has agreed to take on delivery of the relocation of the Part 1 Whitefield Estate, working with L&Q. It is anticipated that the existing contracts between BXN and L&Q will be novated to the council in Autumn this year. The council will take on the BXN's obligations as funder using the monies allocated within the critical grant funding provided by HMG. The council is already working closely with BXN and L&Q. L&Q have completed their soil investigations on Plots 53 and 54, the location for the new replacement homes for residents living on the Whitefield Estate (Part 1). The construction works are due to commence in early 2020, following the serving of a site notice on L&Q later this year. L&Q will be undertaking meeting with these residents throughout the year. In this regard, a Whitefield Estate Residents Steering Group Meeting was held on the 16 April, where the representatives from Re/LBB, Argent Related, L&Q and Barnet Homes were in attendance and provided updates on the scheme.

b) Southern Junctions

- 1.17 Following the approval of the revised Brent Cross Cricklewood funding strategy and the revised delivery strategy with BXN and BXS, the council has taken responsibility for delivery of the transport improvements at the Cricklewood Lane Southern Junctions (Cricklewood Broadway/Cricklewood Lane/Chichele Road and Cricklewood Lane/Claremont Road/Lichfield Road. The council is already delivering the Geron Way junction improvement on the A5 as part of the Thameslink works.
- 1.18 The Southern Junction works are the first works in Phase 1AN Infrastructure 1. Any delay to beginning these works will have a knock-on impact on the delivery of the new Brent Cross West Thameslink Station, and Brent Cross South development.
- 1.19 Given the synergies, it is now proposed that all highway works are programme managed from within BXC Regeneration Highways team to ensure that all highway works are properly co-ordinated within the BXC programme. In order to ensure delivery of these junctions on time and to budget, the BXC Commissioning team has engaged a highways delivery specialist to lead the management of this scope. The required land acquisitions will continue to be negotiated by the council's existing CPO team.

- 1.20 The council has already appointed Conway Aecom to undertake the Geron Way highways work package utilising the existing London Highways Alliance Contract (LoHAC) framework contract and to review of the Southern Junctions highways design and carry out the necessary surveys to progress the delivery of these junctions and provide an updated cost estimate. Given the efficiencies in using a single contract to undertake the highway works within proximity on the A5, the Committee's approval is sought to extend the scope of Conway Aecom's commission to include the southern junctions.

Thameslink Work Packages

a) Train Operating Company (TOC) Compound

- 1.21 As reported to the last Committee, the council have entered into contract with the council's framework contractor Graham's to deliver the TOC compound and fuel farm. Construction started later than planned but is now progressing well. An accelerated programme has been put in place to meet railway systems dependency dates. The piling works for the new TOC building have been completed and the required drainage attenuation tanks for compound area have been delivered to site and excavations commenced. The TOC building is due to be complete in September 2019.

b) Rail Systems and Sidings

- 1.22 As previously reported to the Committee, Policy & Resources Committee on the 11 December 2018 and Full Council on the 18 December 2018 approved that the council enter into Part 1 of the Implementation Agreement to commence site preparations and construction of the Rail Systems and Sidings to bring into use the newly constructed railway sidings by the end of the year as well as required track slews to make way for the new station platforms. Part 2 was subsequently commissioned on 11 April 2019, following the approval of the RFA by HMG.
- 1.23 The works are progressing well as shown on photographs attached at Appendix A-C. Work is being undertaken on the railway most weekends. As reported to the Committee in March, the critical planned works for the Easter track possession were achieved. These comprised the installation of multiple sets of points and plain line track panels, completion of initial signalling commissioning stages and piling for Overhead Line Electricity (OLE) gantries during the 72-hour weekend closure.
- 1.24 Further works were undertaken over the May bank holiday weekend. These included works civils works (25 x OLE piles, 4 trial holes and 50% of the driver's walkway work was completed). Another key milestone was reached during this possession with the first portal boom installed (support that holds the overhead lines). No incidents were reported, and all works completed to programme). In the recent considerate contractor audit, the construction scored 9 for safety, which is exceptional (the scores are ranked 1-9). This is the highest level of achievement above the minimum standard, and indicates that the project is acting at the forefront of industry in this regard.
- 1.25 There have been some changes to milestone dates within the programme, namely the commissioning of the south sidings to Jan 2020 but none affect the station opening date of May 2022. Financial Performance and Contracts Committee will receive more detailed

reports on the performance of the Thameslink delivery contract. The council is awaiting the formal programme update on 17 June.

c) Station Platforms and Station / Pedestrian Access bridge.

- 1.26 The council / Re teams selected three contractors to proceed to the Invitation to Tender stage in April being Volker Fitzpatrick, Vinci Construction and Buckingham Group. A supplier site visit for the three shortlisted ITT bidders took place on 25 April 2019. The deadline for initial tender submissions to be received by the council is 7 June 2019. Tender reviews will commence on 10 June 2019 in advance of negotiations over the course of the summer for contract award by this Committee in September. An oral update will be provided at the meeting.

d) Waste Transfer Station

- 1.27 As reported to the Committee in March, vacant possession of the Selco building was secured in February. Grahams, the council's framework contractor, started the demolitions on 2nd April 2019. The demolition of the existing Selco building superstructure is now completed, and the existing concrete slab removed and is now being processed on site with a crusher for re-use in piling mat. The contract negotiations with Grahams for the enabling and main contract works are ongoing. The enabling works contract is being finalised and will be entered in April 2019 and the main works in September to maintain programme. The detail design is now being concluded. Regular meetings have been held with both NLWA & London Energy Limited as well as the Council waste teams to review detail. The final design will be issued shortly for council and NLWA/LEL approval.

Network and Depot Change

a) Depot Change

- 1.28 The relocation of the Train Operating Company (TOC) facilities to make way for the new sidings required an amendment to the current depot lease arrangements for both East Midland Trains (EMT) and Govia Thameslink Railway (GTR). The Depot Change process has been undertaken and both GTR and EMT have accepted their respective Depot Changes. These Depot Changes have now been approved by the ORR and the new (Supplemental) leases can be put in place between Network Rail and the GTR and EMT.

b) Network Change

- 1.29 The Network Change required for the project has been split into two separate but related proposals – sidings and station. The Network Change for the sidings has been accepted by all parties apart from GTR. EMT have given their verbal acceptance and we await their formal letter. GTR's remaining issues to be closed out relate to the operation of the new sidings and new crossing, and confirmation that the acoustic attenuation approved under planning for counteracting new railway generated sound is acceptable to GTR. Network Rail has proposed conditional acceptance terms for GTR so that the Network Change can be formally closed out and is awaiting a response from GTR.
- 1.30 EMT are the sole objector to Network Change in relation to the station. Their concerns relate to the perceived loss of capacity on the slow lines part of the Network when a certain calling

pattern for trains is used to supply the station with a service. Network Rail do not agree with this and has requested specific information from EMT to justify this claim, which is due by 31 May 2019. Failure to agree a way forward for this issue in the next week will result in Network Rail proceeding with the Industry Access Dispute process with an adjudication likely to take place in Autumn 2019 and a decision shortly afterwards. Discussions with both DfT and EMT continue in order to resolve their issues. An oral update will be given at the meeting.

West London Orbital Study

- 1.31 As the Committee is aware, the council has commissioned the design integration study in respect of the West Orbital route. An inception meeting was held in 24 April 2019. The study is scheduled to complete on 28 June 2019.
- 1.32 The study is essentially looking at identifying design integration options for future interchange between the Brent Cross West Station which is at an advanced stage of planning and design (GRIP stage 4) and the potential future West London Orbital station or platforms if these come forward in the future. The WLP is currently at an initial outline stage of feasibility (GRIP 1 -2).
- 1.33 The location being considered for the platforms and interchange is west of the Brent Cross west station between the existing Down Hendon line and the boundary fence adjacent to the car park on Geron Way. Details will become available as the study progresses. As the Study will conclude at the end of June it will be circulated to this Committee in July before being reported to the next Committee in September. Officers will also discuss its findings with members of the public who have an interest in the proposals.
- 1.34 The technical study will conclude ahead of submission of the reserved matters application for the station so that its findings can be referred to within the submission. It is expected that passive provision can be incorporated with the detailed design stage once the contractor is on board and progresses the GRIP 5 design.

PB Donoghue

- 1.35 The council is exploring ways to enable the early relocation of the PB Donoghue operations from the BXC area and is in the process of securing a meeting with the GLA planning and waste teams. An update will be circulated to Committee members and local campaign groups as soon as there is progress to share, and also reported to the next Committee.

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 update reports to this Committee.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 In respect of the HE loan; the alternative is for HE/BXS JVLP to explore other forms of security or to progress based on an unsecured loan. The current option is preferred as it ensures that the scheme will be delivered, and the proposed framework enables both

investors in the scheme to determine the strategy at the time that a default occurs, taking into account market factors. The Direct Agreement will need to address deadlock.

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

5.1.1 The regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2024 which states our three outcomes for the borough focus on place, people and communities:

- A pleasant, well maintained borough that we protect and invest in
- Our residents live happy, healthy, independent lives with the most vulnerable protected
- Safe and strong communities where people get along well.

Under a pleasant, well maintained borough that we protect and invest in, the priorities are:

- ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents
- investing in community facilities to support a growing population, such as schools and leisure centers
- responsible delivery of our major regeneration schemes to create better places to live and work, whilst protecting and enhancing the borough.

5.1.2 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.

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

Budget Monitoring

5.2.1 The council has put in place procedures to ensure the effective monitoring of the financial performance of the BXC Programme. The BXC Governance Board comprising senior officers of the council, including the Chief Executive and the Director of Finance, receives a detailed report each month setting out the financial performance of the BXC Programme. This report includes a breakdown of the performance against the approved budgets and

details of the individual Officers responsible for managing the budgets included within the BXC Programme.

Land Acquisitions

- 5.2.2 The approved budget for land acquisition to facilitate the BXC programme is £63.13m. Spend to end of March 2019 is £46.93m. The spend profile is currently being updated to reflect the revised delivery programme

Thameslink Station

- 5.2.3 The current approved budget in the capital programme is £365m following confirmation of the HMG grant funding agreement. The GLA has also provided a grant of £2.9m to support the BXC Programme.
- 5.2.4 Actual spend to date is £56.5m. The total contractual commitments at the end of May 2019 is £248.3m. The Council has submitted drawdown requests totalling £111m, of which £97m has been paid to date. The current request submitted in March for £14.241m is currently being processed.

Critical Infrastructure

- 5.2.5 The current approved budget in the capital programme is £55m following confirmation of the HMG grant funding agreement. This programme for the delivery of the critical infrastructure is being developed and spend profile updated to reflect programme.

Brent Cross North/London

- 5.2.6 The Brent Cross Principal Development Agreement confirms that the BXN Partners are obliged to pay the Council's (and their consultants) costs in connection with this project – this covers a range of costs, including land acquisitions, fees, highway works.

Brent Cross South

- 5.2.7 As previously reported, the council has agreed to provide funding of £23m to the council's Joint Venture Limited Partnership with Argent Related (the JVLP) to provide infrastructure to facilitate the development of the southern area. The facility has now been entered and £14.029m drawn down by BXS JVLP. The remainder for the facility will be drawn down within this financial year.

Social Value

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

5.3 Legal and Constitutional References

- 5.3.1 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.

5.3.2 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.

5.3.3 The council has a range of powers to enter into the legal agreements referred to in this report. The general power of competence under paragraph 1 of Section 1 of Chapter 1 of the Localism Act 2011 enables it to do anything that individuals can do subject to any specific restrictions contained in legislation and the 'incidental power' in 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. If Homes England's security is to be by way of a legal charge, then the power to grant this is not prevented by section 13 Local Government Act 2003 as the monies are borrowed by BXS JVLP (and not by the Council). The Council will rely on section 1 of the Localism Act 2011 to enter into the Direct Agreement, grant the legal charge and (if necessary) enter into the loan agreement with Homes England. There is no need for the Council to form a company under section 4 Localism Act 2011 where its purpose for entering into the arrangements with Homes England is to achieve the comprehensive regeneration of 'Mega Phase A' (and thereafter the wider scheme) as opposed to being a commercial one.

5.4 Risk Management

5.4.1 Risk management has been applied across all levels of the programme. As reported to Committee in September, owners and mitigation plans are identified and risks are measured against impact and likelihood to give an overall rating. High rating risks are escalated and reported through the defined reporting procedure with top risks reported to BXC Governance Board. Currently the key risks and mitigations are summarised below:

5.4.2 Programme and funding – There is a risk that BXN does not progress or that planning dates are not achieved across the programme. This risk has been significantly mitigated through the Revised Funding Agreement with Government. The Grant Agreement requires that the BXC project is monitored to milestones. In this regard, the Agreement allows these to be updated through the monthly meeting of the Governance Assurance Board, chaired by the council's Deputy Chief Executive, to reflect scheme development and market conditions and other external factors.

5.4.3 Station Delivery Date – there is the risk that the May 2022 station opening date cannot be achieved. This would result in additional costs due to programme prolongation as the earliest viable opening date would be December 2022 due to restrictions on timetable changes. This could be later depending on other works on the railway. Railway possessions are already being booked. To mitigate this risk there are project and programme review boards in place that regularly monitor and challenge deliverables at all levels. Specific project risks are identified and managed at the work package level with clear owners and mitigation plans for each. Any risk that results in an impact on a key milestone is reviewed by the programme team and BXC governance board taking into consideration time and cost implications alongside impacts on BXS given the interdependencies and criticality of delivery of the station on the BXS programme.

5.4.4 Network Change – it is necessary to resolve outstanding issues with the EMT so confirm

Network Change. This is required by January 2020 so to enable the commissioning of the south sidings. As reported in paragraph above, this risk is being actively managed and an update will be provided to the Committee in September.

- 5.4.5 Train Operating Timetable - The BXT team have, for some time, been facilitating a regular meeting with Train Operators (EMT and GTR), the DfT, and NR. This Board (Rail Operation Assurance Board) deals with all rail industry issues and interfaces. One of the headline areas of interest is the new rail timetable to accommodate the planned stopping pattern at the new station. The industry has a complex and lengthy process for securing future timetables which takes into account competing bids for access. NR and the DfT have both confirmed that everything that can be done at this stage has been done to secure the desired stopping pattern, and NR have published a letter outlining the timetable of events leading up to the publication of the new timetable. There are risks associated with this process, notably around the uncertainty of the GTR franchise, and the publication later this year of the "Williams Review" which will make recommendations on the future structure of the industry. The Board will be monitoring developments closely.
- 5.4.6 Thameslink delivery costs – as with all major programmes there is the risk that costs will increase during programme delivery. The council/Currie and Brown have undertaken an independent review of the Network Rail cost estimates. BXT/Currie and Brown endorsed the Target Cost Estimate between NR/Amey in respect of the Rail Systems and Sidings works as required before the council commissioned Schedule 2 works of the NR Implementation Contract signed on 21 December 2018. The contract between the Council and NR is an Emerging Cost contract. As indicated in previous reports, all emerging cost contracts entered into will require strong contract management to ensure all costs incurred are reasonable. As part of the signed IA the council has open book access to all of Network Rail's financial information relating to invoiced costs incurred on the programme. This extends to Network Rail contractors where an emerging cost contract is in place. As referred to in the report to ARG in November 2018, the council also has the right (subject to notice and personal safety) to access the site and attend meetings. In this regard, there are regular senior level meetings between Network Rail and the council/Re delivery to review the costs each month. Similarly, there is an on-site presence by the Council/Re delivery team to be monitoring programme and work achieved, particularly during track possessions.
- 5.4.7 The most important control mechanism for the council is to employ experienced staff who will provide diligent review and challenge of the NR cost base and reject any costs which are not reasonably and properly incurred. The council's Client and Re Thameslink delivery team comprises professionals used to working on the railway within Network Rail and are experienced in delivering large railway projects. The challenge to NR will need to operate at several levels, including:
- a. A full-time site presence that stays abreast of issues that arise on site, and monitors the detail and impact of any events, or failure to meet programme milestones, quality standards etc. The site team/person will also systematically log these events/issues and share this information with NR.
 - b. Whilst it will always be difficult to isolate costs associated with NR/Contractor failure, from genuine cost, it is important that NR are discouraged from passing on contractor valuations without themselves challenging whether a deduction should be made to take account of notified failures.

- c. Attendance at key NR meetings. This is in addition to the role set out in (a), targeting any issues which may not have been picked up by the site-based teams, but for the same purpose as (1).
- d. A strong commercial challenge that scrutinises and interrogates any unexpected costs which emerge during the pre-invoice (valuation) process and repeats this when the main invoices are submitted.

5.4.8 The Council is in control of the TOC, waste, highways and station programmes. It is the rail systems and sidings through Network Rail that carry the greater risk. The council has put in place an experienced team to ensure robust cost management processes are in place across the programme and ensure early warning signs of any divergence from the AFC are identified and mitigation plans put in place, and escalated if necessary, to manage the outturn cost. DfT are in a position to influence if necessary given DfT's relationship with NR. BXT costs will be reported to and monitored regularly by the Council as well as the Government Assurance Board, who will review and agree any contingency plan.

5.4.9 Homes Building Fund - It is market norm for infrastructure loans to be secured against land (but in this case, the land is owned by the Council and not by the developer (i.e. BXS JVLP)). However, this approach increases the risk to the council's delivery control and its investment in BXC should BXS JVLP default on the loan facility. In order to mitigate this risk, Senior Officers have been working with Homes England to put in place a framework that, in the event of default, enables both parties to work together to agree a revised delivery strategy that will continue to achieve housing delivery as well as recovering investment to date. This framework will be documented through a contractual Direct Agreement between the council and Homes England.

5.4.10 Resourcing – the project is now in the delivery stage. In addition, the council has taken on additional delivery items through the revised delivery strategy. There is a need to review resourcing across the programme to ensure that it is properly supported. This is being mitigated by LBB commissioning team who are reviewing resourcing requirements to meet the BXC programme to ensure that the teams have the required resources, particularly in respect of the Integrated programme management Office, communications and stakeholder engagement and revised delivery responsibilities taken on by the council.

5.4.11 Residential – There is a risk that further delays to the BXN development will lead to uncertainty for residents and business owners who are being affected by the development either through relocation or disruption from construction activities. This is being mitigated by the council taking on delivery responsibility for Part 1 Whitefield Estate relocation and the novation of the existing contracts. In addition, the council regularly communicate with resident steering groups as well as residents to keep affected parties up to date with the latest programme dates.

5.4.12 Economic – There is a risk that the prevailing economic position for the traditional retail sector will continue. This could result in reduced demand for retail space and administration to existing retailers. To mitigate this both BXN and BXS development partners are exploring/reviewing diversification of offer within BXC. Wider macro-economic shocks may also impact the residential and office markets in London.

5.4.13 Planning – There is a risk that the BXN Partners do not meet the timescales established in the s73 Permission. This risk is being mitigated through the planning applications submitted

as part of the revised delivery strategy.

5.5 Equalities and Diversity

5.5.1 As previously reported, the Development Proposals support achievement of the council's Strategic Equalities Objective.

5.5.2 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.

5.6 Corporate Parenting

5.6.1 None in the context of this report.

5.7 Consultation and Engagement

BXC Programme wide

5.7.1 The council is continuing to work closely with development partners and their contractors to coordinate the overarching Brent Cross Cricklewood communications delivery.

5.7.2 LBB's communications channels continue to feature progress reports and significant programme milestones. This includes regular features in the council's magazine *Barnet First*, on the council's website and e-newsletters.

5.7.3 The BXC regeneration team met with residents from Brent Terrace to discuss plans and will continue to meet monthly. The IPMO is coordinating the action plan for concerns and issues raised by residents that fall within the BXC area that require a council service response.

Brent Cross London

5.7.4 A letter was issued to neighbouring residents by London and Quadrant to set out plans to complete exploratory surveys of plots 53 and 54 opposite Brent Terrace which began in January. This also included detail of removing ungraded hardcore and replanting trees and shrubs which had been removed.

5.7.5 The council regeneration team is working with L&Q to develop a stakeholder engagement strategy and action plan.

Brent Cross South

5.7.6 Press notices were issued to mark Argent Related's appointment of Vattenfall to lead the energy strategy for Brent Cross South and BAM Nuttall to undertake highways and public realm work across the development.

5.7.7 Letters were issued to residents highlighting additional tree works, removal of fly tipped

waste around Claremont industrial estate and also notifications of planning applications for the redesign of Claremont Park and demolition of the vacated industrial estate.

- 5.7.8 A press notice was issued to encourage local groups and residents to submit bids to a community projects fund set up by Argent Related which will be administered by Semble with an independent assessment panel to agree the awards. A Q&A session was held at the Crown Hotel in Cricklewood on 30 May with bids to be submitted before the end of June.

Brent Cross Thameslink

- 5.7.9 A 3D model of station was commissioned and built to show the station in detail which was well received. Time lapse cameras have been installed to capture the changes across the BXT site as the development moves forward. Aerial photography and ground level site photography has been commissioned to create a stock library of images for use as the project progresses.

Brent Cross West Station

- 5.7.10 A series of public exhibitions have been held ahead of the submission of the final station RMA application, compliant with the Planning Act. Two events were held at the Claremont School and Clayton Crown Hotel with over hundred people attending and filling in detailed feedback forms. In addition, the consultation has been mirrored online on the Engage Barnet portal with over 40 submissions to date. The consultation closes on 1 June and a full Statement of Community Involvement will be prepared for submission alongside the final application. The Reserved Matters Application for the station will be submitted in summer 2019 and a member briefing will take place and other statutory stakeholders invited to comment.
- 5.7.11 Two further engagements have taken place with the Consultative Access Forum (CAF), led by the BXT programme, on the issue of accessibility of the new station in particular the issue of Level Access (platform to train). The BXT team presented a technical report into the issue which has established at vertical alignment is possible but further work is required to establish the feasibility of horizontal level access (or the gap between train and platform). At this meeting on 24 April at Hendon Town Hall, the CAF expressed their broad support of the approach and their desire for level access to be achieved.
- 5.7.12 A further meeting with the CAF was held on 8 May at London Bridge Station which gave members of the CAF to see and experience a successful level- access approach in action, and also to give their formal input to stage two of the feasibility study being carried out on behalf of the BXT programme by AECOM.
- 5.7.13 BXT will re-engage with CAF prior to submission of the planning application later in the summer in order to present them with the final design of the platforms.

Waste Transfer Station

- 5.7.14 Hoardings have been erected to surround the site during construction. They will be dressed the BXC branding and key messages to help convey the benefits that the scheme will deliver.

Programme wide

- 5.7.15 All sites are now registered with the Considerate Constructors Scheme (CCS) which sets out key communications objectives for each contractor. The first visit by CCS was on 9 April to the sidings development and has made some recommendations on how to project can improve external stakeholder relations, protect the local environment and be a good neighbour. There will be further visits to the waste transfer station site and station build once it begins.
- 5.7.16 Work is into its sixth month on site with approximately one-third of the piles installed for the sidings rail system, the foundations prepared for the replacement driver accommodation block and the waste site cleared of its previous building ready for construction of the new one. Letters have been issued on a project by project basis to all neighbours which covered works up until the end of May. A newsletter update covering the next two months on all BXT projects is about to be issued.
- 5.7.17 A further 'drop-in' residents interface meeting is being scheduled for early June, to update residents on the next two months of upcoming works.
- 5.7.18 A project newsletter has been prepared which will be distributed to nearby residents informing them of key upcoming project milestones, the type of works which will be taking place and their impact on them, as well as how they can benefit and be involved in the project.

Rail Freight Facility

- 5.7.19 DB Cargo, operators of the Rail Freight Facility, are required to provide an integrated communication plan as part of their implementation agreement. After a hiatus of public engagement, DB Cargo is beginning to re-engage with residents on proposal for the redesign of the bund to be erected close to the Railway Cottages and their construction programme.

6 BACKGROUND PAPERS

- 6.1 Assets, Regeneration and Growth Committee, 27th November 2018, Brent Cross Cricklewood Update Report
<http://committeepapers.barnet.gov.uk/documents/s49849/Brent%20Cross%20Cricklewood%20Update%20Report.pdf>
- 6.2 Policy and Resources Committee 11 December 2018 Brent Cross Funding
<https://barnet.moderngov.co.uk/documents/g9460/Public%20reports%20pack%2011th-Dec-2018%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=10>
- 6.3 Full Council 18 December 2018 Brent Cross Cricklewood Update Report
<https://barnet.moderngov.co.uk/documents/g9454/Public%20reports%20pack%2018th-Dec-2018%2019.00%20Council.pdf?T=10>
- 6.4 Policy and Resources Committee 20 February 2019 Brent Cross Funding
<http://barnet.moderngov.co.uk/documents/s51244/Brent%20Cross%20Cricklewood%20Funding%20and%20Delivery%20Strategy%20Report.pdf>

- 6.5 Chief Officer Decision, Brent Cross Cricklewood Funding and Delivery Strategy, 6 March 2019
<http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7163>
- 6.6 Assets, Regeneration and Growth Committee, 25 March 2019, Brent Cross Cricklewood Update Report
<http://barnet.moderngov.co.uk/documents/s51730/Brent%20Cross%20Cricklewood%20Update%20Report.pdf>

APPENDIX A – Waste Transfer Station



Demolition of Selco building commenced on 2nd of April and is now complete



Clearing out the fly tipping



Clearing out the fly tipping nearly complete



Jersey barriers placed across the entrance gate



Heras segregation zone on A2 Dominion land

APPENDIX B – Rail Sidings & Systems



Civil gangs digging in PCC bases for location cabinets CD925 A, B & C



UTX Chambers being installed for lighting Column on Drivers Walkways



Operatives installing fabric reinforcement to REB (railway equipment base)



Drainage Run D in South Sidings

APPENDIX C – ToC Compound



Site Operatives carrying out CAT Scanning to ToC Building footprint



Piling matt installation commenced on 3rd of April for ToC Building



Drainage installation



Excavation complete in readiness for attenuation tank 1 installation



Plinth in readiness for modular ToC building