



Assets Regeneration and Growth Committee

16 September 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 1 – Invitation to Tender evaluation criteria
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Summary

This report provides a progress update on the comprehensive regeneration of the Brent Cross Cricklewood (BXC) programme since the last Committee meeting on 13 June 2019. It provides an update on progress of the Brent Cross South (BXS) Business Plan and Phase Proposal alongside the proposed Homes England Loan Facility. It also provides an update on the Brent Cross Thameslink (BXT) delivery progress, most notably that the evaluation is underway for the OJEU procurement for the Station Platforms and Pedestrian/Station Access Bridge, and the final recommendation will be reported to the Policy and Resources Committee on 3 October 2019.

Officers Recommendations

That the Committee:

- 1) notes the progress update across the scheme since the last report to the committee on 13 June 2019.
- 2) Notes that Argent Related have agreed terms to acquire the vacant Toys R Us site and delegates to the Assistant Director – Estates to provide the necessary approvals on behalf of the council as freeholder to assign the lease and complete this transaction (paragraph 1.35).
- 3) Confirms the appointment of DP9 as planning advisors (paragraph 1.17); New Steer as CPO advisors (paragraph 1.36); the extension of Conway Aecom scope of works to include the temporary access road (paragraph 1.13) and to procure the A-Site document management system for use across the programme (paragraph 5.1.15) and delegates to the Deputy Chief Executive to agree the terms of those appointments and any other appointments as necessary within the agreed budget forecast to meet the current delivery programme for the Phase 1AN infrastructure.
- 4) Notes that the West London Orbital Design Integration Study has now concluded and has identified two possible options for developing an interchange arrangement for the WLO within the Brent Cross West Station; and approves that a further £50k is allocated from existing project budgets to undertake the necessary additional design works to confirm feasibility and identify a single option which could be incorporated within the GRIP5 station detailed design stage once the contractor is on board (paragraphs 1.42-1.45).

1. WHY THIS REPORT IS NEEDED

1.1 This report updates on progress since the last Committee meeting on 13 June 2019 <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CIId=696&MIId=9928&Ver=4>

1.2 At the last meeting the Committee approved:

- 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 that report;
- the provision of its land within BXC as security for the Home Building Fund Loan subject to Homes England entering into the Direct Agreement within the parameters explained in that report in paragraph 1.15; and approved in principle that the council enters into the

Direct Agreement with Homes England to facilitate the Home 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 with Homes England including any associated or ancillary documentation required in connection with the same.

BXC Programme Wide Progress Update

1.3 The Committee is asked to note the following programme wide progress update;

- There is no news on the future redevelopment of the Shopping Centre.
- The Infrastructure Re-phasing application and update to the Indicative Construction Programme (planning reference 19/2070/CON) was approved by Planning Committee on 24 June 2019 and granted on the 19 July following the complete of a Deed of Variation to the Section 106 legal agreement. This approval allows items of critical infrastructure within the first phase to be delivered to enable the council and Brent Cross South to proceed ahead of the Brent Cross North development. The judicial review period has now expired and the permission is free from challenge.
- 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 providing the required on-site security. A drop-in planning application for site clearance and the demolition of buildings within Claremont Industrial Estate and the demolition of the Rosa Freedman Centre (planning reference 19/1922/FUL) was submitted to the LPA and approved on 21 June. First demolitions are anticipated in September 2019. Argent Related has also agreed terms to acquire the Toys R Us site. Committee approval is sought to delegate to the Deputy Chief Executive to provide the necessary approvals on behalf of the council as freeholder to assign the lease and complete this transaction.
- The updated BXS Business Plan is being updated and any changes will be reported to this Committee on 26 November 2019 (paragraph 1.6).
- 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 the June report. Homes England Project Executive have in principle approved the Homes Building Fund Loan Facility between BXS JVLP and HE subject to final approval by the Board on 12 September 2019. Heads of Terms are agreed and Loan Facility Agreement (LFA) is being drafted for completion in October 2019 subject to MHCLG and HMT approval (paragraph 1.9). The council is in direct discussions with HE regarding the Direct Agreement, which will be completed in parallel with the LFA.
- BXS are preparing a revised Phase Proposal to reflect scheme development, the revised BXC delivery strategy and Homes England funding. CBRE have been instructed to advise the council in accordance with the Project Agreement. An update will be provided to the Committee on 26 November 2019.

- The council is progressing the critical infrastructure workstreams to deliver the highway improvements to the junctions of Claremont Road / Cricklewood Lane and Cricklewood Lane / A5 Edgware Road (known as the Southern Junctions), as well as the part 1 of the Whitefield Estate replacement homes which will be built on Plots 53 and 54 on Brent Terrace. In this regard, Committee approval is sought for the appointment of DP9 as planning advisors (paragraph 1.17), New Steer Limited on CPO matters (paragraph 1.36) and to delegate to the Deputy Chief Executive to agree the terms of those appointments and other appointments as necessary to meet the current delivery programme. In this regard, the council has extended Conway Aecom scope of works has been extended to include a temporary access road to Brent Terrace (paragraph 1.13).
- The Growth and Resources Directorate and BXC Regeneration team have reviewed resourcing requirements across the BXC programme to ensure that the teams have the required document control system and resources in place to meet the programme, particularly in respect of the Integrated programme management office, communications and revised delivery programme.
- The BXT project has now fully entered the construction and delivery phase. The Train Operating Company Building is scheduled for completion in September. The Rail Systems and Sidings works are well underway, and the commissioning of the south sidings in January remains on schedule. In relation to the Waste Transfer Station. The former Selco building has been demolished and the site subject to significant remediation. However, the sub structure early works have been delayed due unforeseen ground conditions uncovered under the building following demolition. A revised programme is being prepared for review with key stakeholders. An update will be provided to the Policy and Resources Committee on 3 October 2019 (paragraphs 1.21-1.23)
- The negotiation phase of the OJEU procurement for the Station Contract has now closed. Evaluation is underway and will be reported to the Policy and Resources Committee on 3 October 2019. The BXT budget is currently being reviewed to take account of the contract awards on both the station and waste. A detailed budget and risk management report is being prepared for the Policy and Resources Committee on 3 October 2019 (paragraphs 1.24-1.30).
- The West London Orbital Design Integration Study has now concluded and has identified two possible options for developing an interchange arrangement for the WLO within the Brent Cross West Station; and approves that a further £50k is provided to undertake the necessary additional further design works to confirm feasibility and identify a single option which could be incorporated within the GRIP5 station detailed design stage once the contractor is on board (paragraphs 1.42-1.45) should this option be pursued.

Brent Cross North

- 1.4 As the Committee will appreciate the current retail market remains challenging. There has been no update on the planned start date for BXN. Nevertheless, BXN are continuing to work with and support the council and Argent Related to deliver BXC.

Brent Cross South

- 1.5 The council and Argent Related are continuing to create the platform to enable a start on site this year, commencing with infrastructure works. Utility disconnections are underway and parts of the site are now hoarded up. The demolition of the Rosa Freedman Centre and the Claremont Industrial Estate are due to begin this month. Infrastructure works will commence in 2020 followed by first plot development in early 2021. This is later than planned due in part to the implementation of Plan B, time taken to progress the Homes England Homes Building Fund Loan Facility and current market conditions.
- 1.6 As reported to the last Committee, it is now appropriate to review and update the BXS Business Plan approved in July 2017 alongside the existing Phase Proposal to reflect the revised delivery strategy and consequential changes of the deferral by BXN, scheme development in relation to the station and critical and strategic infrastructure delivery and the proposed HE finance alongside current market conditions.
- 1.7 The BXS Business Plan is currently being drafted and the changes are anticipated to be reported to this Committee for approval on 26 November 2019. A revised Phase Proposal is being developed in parallel by the BXS JVLP. The council has instructed its strategic property advisor to review the BXS financial model and advise on the future council's land contribution and best consideration in accordance with the Project Agreement. A summary of this process is set out in the report to this Committee in March 2016. <https://barnet.moderngov.co.uk/documents/g8312/Public%20reports%20pack%2017th-Mar-2016%2019.00%20Assets%20Regeneration%20and%20Growth%20Committee.pdf?T=10>
- 1.8 The BXS legal project documentation between the council and Argent Related is also being updated to reflect scheme development and the revised BXC finance and delivery. It is anticipated that the variation will be completed by the end of October in accordance with the delegations provided by this Committee on 27 November 2018.

Homes Building Fund

- 1.9 As reported to the last Committee, Argent Related on behalf of BXS JVLP has been in discussions with Homes England (HE) to agree a loan facility from the Homes Building Fund (HBF).
- 1.10 BXS and HE have now agreed heads of terms for the facility totalling £148m. This will be used to fund site wide infrastructure, land, 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. The facility will also be used to repay the funding provided by the council through the Strategic Infrastructure Charge to fund early enabling and demolition works.
- 1.11 Homes England's Project Executive approved the loan facility on 28 August 2019 and the facility is scheduled to be reported to their Board on 12 September. Subject to HE Board approval, the facility will be referred to MHCLG and HMT for final approval. The detailed drafting of the LFA is now underway. The council and its legal advisors are currently

negotiating the Direct Agreement with HE within the parameters approved by this Committee on 13 June 2019. The Direct Agreement provides a framework by which HE and the council can agree between them to bring about the successful delivery of the project in the event of a substantial default by BXS JVLP of the LFA. The Committee delegated authority to the Chief Executive in consultation with the Chairman of this Committee to finalise the terms and enter into the Direct Agreement. All parties are working to having all approvals and legal documentation in place by the end of October. An update will be provided to the next Committee.

Revised Delivery Strategy and Critical Infrastructure

a) Relocation of the Part 1 Whitefield Estate

- 1.12 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 shortly so that construction works can commence in early 2020.
- 1.13 In order to deliver Plots 53 and 54, the council has agreed to construct a temporary access road through the former Acre Metals site in the Claremont Industrial Estate linking to the North end of Brent Terrace South to minimise construction traffic along Brent Terrace. This road will be for construction vehicles only, and will significantly reduce the number of HGV movements travelling the full length of Brent Terrace South, which is a residential road. This is funded from the HMG grant. To facilitate the delivery of the access road by early 2020, the Committee's confirmation is sought to extend the scope of Conway Aecom (who have been commissioned to construct the Southern Junctions) to include detailed design and installation of the temporary access road.

b) Southern Junctions

- 1.14 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 highway improvements to the Southern Junctions which comprise the A5 Edgware Road/Cricklewood Lane/Cichele Road and Cricklewood Lane/Claremont Road/Lichfield Road junctions. The council is already delivering the Geron Way junction improvement on the A5 as part of the Thameslink works to provide access to the approved Waste Transfer Station.
- 1.15 The Southern Junction works are the first works in the Phase 1A (North) (Infrastructure 1) sub-phase. 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.
- 1.16 Following approval from the Committee to extend the scope of Conway Aecom's commission to include the southern junctions, survey and design review work has commenced and is proceeding to programme. Trial holes to ascertain utilities depths at the Southern Junctions will be undertaken w/c 9th September, and TfL will be commissioned to provide the detailed design and specifications for the traffic signals. Conway Aecom has been commissioned to develop the construction phasing and Traffic Management plans for discussion at the Traffic Liaison Technical Group (TLTG), consisting of Streetworks teams from TfL, LB Barnet, LB Brent, London Buses and Contractor.

- 1.17 The Committee is asked to confirm commissioning the planning consultancy DP9 to support the team to discharge the required pre-commencement conditions for the critical infrastructure being delivered by the council in Phase 1AN.

Integrated Programme Management Office (iPMO)

- 1.18 Since the finalisation of the revised delivery strategy, the iPMO has focused on identifying the changes to the primary interfaces across the programme to ensure works continue to programme and any interfaces between delivery partners are highlighted and managed. An updated interface programme is being developed to inform BXC wide delivery. Much of the work has been focused on the programme to discharge all required planning conditions on the first phase of works which will be at the junction of Claremont Road and Cricklewood Lane.
- 1.19 The iPMO is also seeking to develop a more sophisticated approach to communications by developing a programme website which will include updates from across the development on programme works and events.
- 1.20 Since the last Committee report there have been increasing reports of anti-social behaviour around the Claremont Way parade of shops. The project team have been working with other council departments, Argent Related, Barnet Homes and local police to implement a variety of measures to respond to this activity.

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 and the project team have been working closely with Graham's and their sub-contractors to ensure the accelerated programme is delivered. The pre-fabricated building has been installed and the team are well underway fitting out and finishing the units, with a target completion date of 26 September. This is a key activity that will allow the decommissioning of the existing TOC compound, which in turns allows the rail systems and sidings works to progress to plan and the south sidings to be commissioned in January 2020.

b) Rail Systems and Sidings

- 1.22 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 Revised Funding Agreement by HMG.
- 1.23 Since the last report, works have continued to progress well despite challenging weather conditions over the summer. The programme remains on target to commission the south sidings in January 2020. This is a key milestone in delivering the new station for May 2022.

c) Station Platforms and Station / Pedestrian Access bridge.

- 1.24 The Policy and Resources Committee approved the OJEU procurement for the station platforms and station access / pedestrian bridge elements of the Thameslink programme on 11 December 2018 to encourage increased market competition and scope for achieving best value for money.
- 1.25 The OJEU notice with Memorandum of Information and Standard Questionnaire (SQ) was published on 1 February 2019. Responses were received to the SQ on 4th March 2019, from nine suppliers, namely: Amey Rail; Buckingham Group Contracting Ltd; Costain Group plc; Hochtief Construction Ltd; John Graham Construction Ltd; Spencer Group; Vinci Construction (Taylor Woodrow) UK; Volker Fitzpatrick; and Van Elle.
- 1.26 The Standard Questionnaires were evaluated in accordance with the evaluation criteria published in the OJEU notice: Pass/Fail questions on areas including Comparable delivery experience, HSQE, Regulatory Compliance and Economic & Financial stability. Scored questions on Technical Capability including GRIP 5-8 experience (25%), Design (15%), CDM (6%), Possession planning (8%), Delivery in an operational environment (6%), Third party collaboration (5%), CSM (5%), NEC3 experience (5%), Supply of steel (5%) and HSQE Management (20%). This was scored by a pre-selected and approved evaluation panel. The results were moderated, resulting in three suppliers being taken through to the Invitation to Tender (ITT) Stage.
- 1.27 The bidders selected to the ITT stage comprised Buckingham Group Contracting Ltd; Vinci Construction (Taylor Woodrow) UK; and Volker Fitzpatrick.
- 1.28 The Invitation to Tender comprised a formal three stage OJEU negotiated procurement process as follows:
- Initial submission (issued 2 April 2019, responses received 7 June 2019)
 - Negotiations (July 2019)
 - Final ITT submission & single supplier selection (August/September 2019)
- 1.29 Initial responses to the ITT were received on the 7 June 2019 from all three suppliers. In accordance with the selected Competitive Procedure with Negotiation procurement route, each supplier submission was reviewed in detail and feedback provided. Suppliers were then invited to a series of negotiation sessions that took place between 4 and 23 July where clarifications and areas for improvement were discussed with each supplier individually.
- 1.30 Final submissions were received from the bidders on 23 August 2019. The evaluation is now underway and is expected to conclude on 19 September. Submissions are being scored in accordance with the evaluation criteria published in the ITT and summarised at appendix 1. Individual evaluation will be followed by moderation sessions for each question to agree final scoring. The final scores and recommendation for Contract Award will be reported to the Policy & Resources Committee on 3 October 2019.

d) Waste Transfer Station

- 1.31 As reported to the Committee in June, following securing vacant possession of the former Selco building in February, Grahams, the council's framework contractor commenced demolition and remediation works. This has been subject to delay predominantly due to

unforeseen ground conditions being uncovered during demolition. This has placed pressure on the programme. A revised programme is being prepared for review with key stakeholders. An update will be provided to the Policy and Resources Committee on 3 October 2019.

- 1.32 Regular meetings continue to be held with both NLWA & London Energy Limited as well as the council's waste teams. The council has submitted the detailed design for NLWA / LEL approval by mid-September 2019. This is required ahead of awarding the main contract.

BXC Land Assembly

CPO Update

- 1.33 The council is now finalising the land acquisition strategy to meet the delivery programme. Negotiations are continuing with owners in respect of land needed to deliver the first phases, including the station and the council is currently progressing seven residential acquisitions within the Whitefield Estate.
- 1.34 However, it will be necessary to serve the required General Vesting Declaration Orders (GVD) to ensure that the land is assembled in line with the agreed programme. The GVD's for properties required to deliver the southern junctions and station are being finalised and will be served by the end of September to enable a start on site within the next four months. An update will be provided to the next Committee.
- 1.35 As the Committee is aware, the Toys R Us unit within the eastern lands area of BXS (adjacent to the existing Tesco superstore) has been vacant for some time. The leaseholder Toys R Us Properties UK Ltd (TRUP). TRUP holds two long leases with approximately 100 years remaining. The council is the freeholder in both cases. Argent Related has been in discussion with TRUP and has agreed terms to acquire the Toys R Us site. Committee approval is sought to delegate to the Assistant Director – Estates to provide the necessary approvals on behalf of the council as freeholder to assign the lease, and complete this transaction.
- 1.36 Since the last Committee, the council has been advised that the council's CPO advisor has transferred from GL Hearn to a new company New Steer Limited. At present, GL Hearn do not have a CPO specialist who will be able to continue to provide the services currently provided. Both BXN and BXS are appointing New Steer Limited to ensure continuity on existing negotiations. Committee approval is sought for the council to do the same.

Stopping Up

- 1.37 Two existing footpaths (one serving a former playground with Plot 54 and the other which crosses over Plot 53 from Brent Terrace in the West to join a path to the East from Claremont Park to Clitterhouse Crescent) require Stopping-Up orders so that the development can proceed in accordance with the approved Detailed (RMA) Planning Consent. There are several alternative routes available to these existing footpaths. These or similar alternative routes will be retained within the completed BXS development in line with the wider S73 consent. A Notice of the proposed Stopping-Up order for Plot 54 was issued earlier this year. A letter of objection has been received. However, for completeness a combined Notice for the Stopping-Up for both Plots 53 and 54 will be advertised in mid-September 2019.

- 1.38 Stopping-Up orders will also be required for some existing highway and public footpaths which will form part of the new and improved parks and public realm. Within the current phase of BXS, the following stopping up orders will be required (with further stopping up orders to be made as the scheme progresses).

Network and Depot Change

- 1.39 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. As previously reported to Committee, 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.
- 1.40 The Network Change required for the project has been split into two separate but related proposals – sidings and station. The Network Change for both has now been accepted by all parties including GTR. Network Rail has advised that GTR have written to DfT requesting permission to accept the Network Change. It is expected formal approval will be issued shortly.

West London Orbital Study

- 1.41 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.
- 1.42 The study has looked 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 WLO is currently at an initial outline stage of feasibility (GRIP 1 - 2).
- 1.43 The location being considered for the platforms and interchange is on the western side of the rail corridor between the existing Down Hendon line and the boundary fence adjacent to the car park on Geron Way. The study has now concluded and has shown two potentially feasible options for developing an interchange arrangement. The study will shortly be circulated to Committee members alongside TFL and members of the public who have an interest in the proposals.
- 1.44 In order to confirm feasibility and costs and select a preferred option for the new interchange arrangement, further work is needed. Consequently, the Committee is asked to approve an additional £50k to undertake design work to confirm feasibility and select a single option. Once this has been completed a decision will need to be made on whether to include the passive provision in the scope of the design and build contract for the station contractor, and how these works will be funded.

PB Donoghue

- 1.45 The council is exploring ways to enable the early relocation of the PB Donoghue operations from the BXC area and has met with the GLA planning and waste teams. The council

intends to meet with the GLA again in September. An update will be provided to the next meeting of the 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 creates greater financial resilience and increases the council's land value 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.
- 4.2 Upon approval of the recommendation made here, the council will issue the Award Notification Letters informing bidders of the outcome and the reasons behind the outcome. Following issue of these letters, the mandatory ten day standstill period must be observed before a contract can be entered into with the preferred bidder. On the present procurement timetable, the standstill period will commence on 17 September 2019 and conclude on 30 September 2019.
- 4.3 Following completion of the standstill period the council will be able to work with the preferred supplier to:
- Prepare the agreed contracts for signature
 - Jointly develop the Supplier Onboarding plan
 - Jointly develop the Stakeholder Management plan
 - Agree and document roles and responsibilities
 - Supplier to develop and the council to review and approve the Programme for delivery
 - Agree Contract Management process and procedures
 - Establish ongoing governance for project delivery
 - Agree key performance indicators
 - Define and agree escalation routes and dispute resolution provisions

5. IMPLICATIONS OF DECISION

- 5.1 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property,**

Sustainability)

Budget Monitoring

- 5.1.1 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. A summary of this will be reported in future ARG reports.

Budget Monitoring

- 5.1.2 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

- 5.1.3 The approved budget for land acquisition to facilitate the BXC programme is £63.13m, furthermore, there was expenditure on advanced acquisitions was £4.0m. This is in addition to the Thameslink budget. Spend to end of March 2019 is £51m. The spend profile is currently being updated to reflect the revised delivery programme

Thameslink Station

- 5.1.4 The current approved budget in the capital programme is £364.5m following confirmation of the HMG grant funding agreement. The GLA previously provided a grant of £2.9m to support the BXC Programme.
- 5.1.5 Actual spend to date is £72.7m. The total of contractual commitments at the end of May 2019 is £248.3m. The Council has submitted drawdown requests to MHCLG totalling £152.9m, of which all has been paid to date.
- 5.1.6 The BXT budget is currently being reviewed to take account of the contract awards on both the station and waste. A detailed budget and risk management report is being prepared for the Policy and Resources Committee on 3 October.

Re Services

- 5.1.7 At its meeting on 17 June 2019, Policy and Resources Committee considered a report on the 'Review of Capita Contracts' which included an initial review of services provided by Re in relation to BXC as part of the RE contract through Special Projects. The report authorised

a review of the future contractual arrangements with Capita for those staff involved in the management and governance of the BXC development scheme.

- 5.1.8 There are two key services currently provided by Re in relation to Brent Cross: a central team providing integrated project management, planning support and a client function across the Brent Cross programme; and a Brent Cross Thameslink delivery team managing procurement and delivery of a train station and associated infrastructure, waste transfer station and Train Operating Company accommodation.
- 5.1.9 The Brent Cross Thameslink Special Project utilises expertise from within the wider Capita Group. A new Special Project Agreement (SPA) for services until December 2019 is currently being negotiated.
- 5.1.10 The Special Project related to the central BXC Regeneration team that maintains oversight of the whole BXC programme (including BXT), is agreed until September 2019, with the option of the Special Project then being further extended, or being subject to an alternative arrangement. The council is under no obligation to extend the Special Project arrangement with Re and a further report setting out the outcome of the review of the central Brent Cross Regeneration team will be considered by this Committee

Critical Infrastructure

- 5.1.11 This programme for the delivery of the critical infrastructure is being developed and spend profile updated to reflect programme.
- 5.1.12 As part of the revised delivery strategy as set out in the report to the June Committee, the Council is taking forward the delivery of parts of the newly created 1AN Infrastructure phase. The council has entered into contract with Conway Aecom to deliver these works and is engaging DP9 to discharge the pre-commencement planning conditions and New Steer on CPO matters as outlined above.
- 5.1.13 These works are funded from the £55m core critical infrastructure budget that is being provided as part of the MHCLG revised funding agreement for Brent Cross Cricklewood.

Document Control

- 5.1.14 Following recommendations from both internal and external project audit reviews, the council are seeking to procure the A-Site document management system for use on the programme. It will be used to manage all project documents for the lifetime of the programme. The software will bring numerous benefits in terms of data management including better accessibility, control and redundancy of data. The procurement will be carried out in accordance with the council's procurement rules and regulations, and the implementation will be carried out in accordance with council's data protection toolkit and all regulations regarding data management.

Brent Cross North/London

- 5.1.15 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

5.1.16 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 £16.45m drawn down by BXS JVLP. The remainder of the facility will be drawn down, in accordance with the plan, within this financial year. As explained in paragraph above, the HBF loan facility will also be used to repay the funding provided by the council through the Strategic Infrastructure Charge to fund early enabling and demolition works.

Social Value

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

5.2 Legal and Constitutional References

5.2.1 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.

5.2.2 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.

5.2.3 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 Council's legal advisors have confirmed that the power to grant this is not prevented by section 13 Local Government Act 2003 where the monies are borrowed by BXS JVLP (and not by the Council) and where it is the ultimate responsibility of a third party to make the repayments (ie. the Council is suitably indemnified for its exposure). 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. It may nevertheless choose to form a company or to transfer the relevant property interests into an existing company for reasons of structuring the transaction.

5.3 Risk Management

5.3.1 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:

- 5.3.2 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. The BXC budgets are currently being reviewed to take account of the contract awards. A detailed budget and risk management report is being prepared for the Policy and Resources Committee on 3 October.
- 5.3.3 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.
- 5.3.4 Network Change – it is necessary to resolve outstanding issues to confirm Network Change. This is required by January 2020 so to enable the commissioning of the south sidings. As reported above, this risk is being actively managed and should be resolved shortly.
- 5.3.5 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.
- 5.3.6 Thameslink delivery costs – as with all major programmes there is the risk that costs will increase during programme delivery. The BXT budget is under review to take account of the contract awards on both the station and waste as well as progress on the TOC and Rail Systems and Sidings contracts. A detailed budget and risk management report is being prepared for the Policy and Resources Committee on 3 October. This risk is being actively managed. Re's advisors Currie and Brown have 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, the regular senior level meetings between Network Rail and the council/Re delivery are continuing 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.

5.3.7 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.

5.3.8 Critical Infrastructure (Grant Funded Works) - The Council is now responsible for delivering the Southern Junctions and as the Funder, delivery of Plots 53 & 54 providing new homes to rehousing residents from the Whitefield Estate. – key risks and mitigation

5.3.9 Homes Building Fund - It is market norm for infrastructure loans to be secured against land. 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 are 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.

5.3.10 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. A review of resources has been undertaken 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.

- 5.3.11 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.
- 5.3.12 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.
- 5.3.13 Planning – There is a risk that the BXN Partners do not meet the timescales established in the s73 Permission. This risk has been mitigated through the planning applications submitted as part of the revised delivery strategy.

5.4 Equalities and Diversity

- 5.4.1 As previously reported, the Development Proposals support achievement of the council's Strategic Equalities Objective.
- 5.4.2 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.

5.5 Corporate Parenting

- 5.5.1 None in the context of this report.

5.6 Consultation and Engagement

BXC Programme wide

- 5.6.1 The council is continuing to work closely with development partners and their contractors to coordinate the overarching Brent Cross Cricklewood communications delivery. A monthly, joint communications meeting has been installed and a new communications lead in post full-time from September to bring the wider programme together.
- 5.6.2 The Council'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. A feature will appear in Barnet First's regeneration section in the October edition.

5.6.3 A key focus is to develop the programme's own communications channels including the development of programme-wide microsite, e-newsletter and social media presence as part of the wider communications stagey to be finalised next month.

5.6.4 The Evening Standard featured the programme in a piece for the Homes and Property Section on Wednesday 28 August - Living in Cricklewood: area guide to homes, schools and transport links.

Brent Cross North

5.6.5 The council regeneration team is continuing to work with L&Q to develop a stakeholder engagement strategy and action plan taking into consideration the impacts on both residents from the Whitefield Estate, and neighbouring properties of plots 53 and 54.

Brent Cross South

5.6.6 The new branding for the development has been approved and will appear on communications and marketing going forward.

5.6.7 A press release has been drafted to announce the first ten projects to be funded by the BXS Community Fund. This will be issued to the media and shared across communications channels week commencing 9 September 2019.

Brent Cross Thameslink

5.6.8 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.

5.6.9 The Autumn residents' newsletter has been published and is being dropped in residents' homes. This includes an overview of works for the next three months, details of support for the Clitterhouse Farm project and a competition to provide work experience to a local student.

5.6.10 The project webpage barnet.gov.uk/brentcrossthameslink continues to be kept updated with important information including the latest works schedule.

5.6.11 The council continues to monitor and respond to resident concerns around noise. The BXT Project Team met with Brent Terrace Residents Association on Thursday 29 August to review current works and discuss noise mitigation in place.

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>
- 6.7 Assets, Regeneration and Growth Committee, 13 June 2019, Brent Cross Cricklewood Update Report
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9928&Ver=4>

Appendix 1

Technical 60%					
	Criteria	Criteria Weight.	Sub-Criteria	Sub-Criteria Weight	Guidance ¹
1	CDM Requirements	Pass/ Fail	Q1. CDM Requirements	Mandatory See 4.3.1	
2	Delivery team	8%	Q2.1 Organisation Structure Chart	3%	Clear demonstration of commitment to provide the appropriate quantum and level (i.e. expertise) of resourcing during all stages of the project in order to deliver the Council's Requirements
			Q2.2 Capable Individuals	3%	Clear demonstration of your organisation's capability through provision of suitably qualified and experienced project team members to deliver the Council's Requirements.
			Q2.3 Retention of Skills and Capability	2%	Clear demonstration of your organisation's commitment to provide project team continuity for the whole life of the project, explaining how staff turnover will be managed and the resilience of your organisation to such change.
3	Design Assurance	12%	Q3.1 Design Assurance Plan	7%	Clear demonstration that your organisation understands NR's assurance process, the complex work sequence and integration with other projects to deliver the Council's Requirements, ensuring timescales are met without compromising NR's assurance processes and signoffs. Your response should also demonstrate your organisation's ability to maintain a Progressive Assurance plan to manage delivery of the Council's Requirements.
			Q3.2 Value Engineering	5%	Realistic Value Engineering proposals and the likelihood/probability of those translating into cost/programme savings and/or better delivery of Council's requirements throughout the project and the life of the asset.
4	Methodology	15%	Q4.1 Construction, Testing and Commissioning	12%	Comprehensive and robust methodology that demonstrates your organisation's understanding of and your ability to deliver the Council's requirements specifically taking into consideration all key project constraints and interfaces.
			Q4.2 Handover Strategy	3%	Understanding of the council's and all stakeholders' requirements in relation to a Handover Strategy identifying all

¹ See paragraph 4.2.6 above

					required handover tasks and approvals.
5	Programme for Delivery	10%	Q5.1 Programme	7%	A robust and feasible programme accompanied with narrative, demonstrating your organisation's understanding and ability to deliver the Council's requirements by May 2022.
			Q5.2 Possession Planning Management	3%	Understanding of the Network Rail's Possession planning requirements and how this will be planned and managed to deliver the programme
6	Delivery Risk	5%	Q6.1 Risk Register	3%	Ability to offer effective risk management and mitigation plans.
			Q6.2 Risk Identification and Mitigation	2%	Ability to identify additional key project risks and offer effective management and mitigation plans.
7	Social Value	3%	Q7 Social Value	3%	Commitment to Maximising Social, Economic and Environmental Value through the delivery of the project. You should confirm that your proposals will be supported by appropriate contractual commitments to this effect.
8	Stakeholder Mgt & comm.	2%	Q8 Stakeholder and Community	2%	Engage and manage stakeholders, the community and the client provision of customer services commitment and communication plan to deliver the Council's requirements.
9	HS&E Mgt	5%	Q9.1 Key Occupational Health Risks Areas	2%	Demonstrate your organisation's ability to provide Occupational Health and safety provisions suitable for the safe delivery of the project.
			Q9.2 HSE Risk Mitigation	2%	Demonstrate your organisation's ability to identify and mitigate HS&E risks suitable for the safe delivery of this project.
			Q9.3 Workforce Engagement	1%	Demonstrate your organisation's ability to consult and engage with staff/workforce in planning and implementing all required HS&E measures for the safe delivery of the project.
Commercial 40%					
10	Total Cost to Deliver the Works	35%	Complete in the Pricing document provided		See paragraph 4.6 of ISFT
11	Fee percentage	5%	Complete in the pricing document provided		See paragraph 4.8 of ISFT
12	Appendix E	Pass/ Fail	Contractor mark up of draft Contract		Pass/Fail
					See paragraph 4.4 of ISFT