

Housing and Growth Committee

14 June 2021

Title	Brent Cross Update Report
Report of	Chairman of Housing and Growth Committee
Wards	Childs Hill, Golders Green and West Hendon
Status	Public (with Exempt report (Not for publication by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972 as amended as this relates to information of a financial nature and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings)).
Urgent	No
Key	Yes
Enclosures	Appendix 1 Government Assurance Board presentation 2 June 2021
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Summary

This report updates on progress across the programme since the last Committee meeting on 25 January 2021, in particular it provides updates on the key railway possession works required to enable the construction of the new Brent Cross West Station and updates to the land assembly programme to ensure all land required for development is secured ahead of the expiry of the compulsory purchase orders.

Officers Recommendations

That the Committee:

- 1) Note and endorse the appointment of Croftstone to advise the council on future claims in accordance with the Implementation Agreement between the council and Network Rail as set out in paragraph 1.16.**
- 2) Note and endorse the Brent Cross West Integrated programme set out at paragraph 1.10.**
- 3) Note that on the Brent Cross Town (BXT) student accommodation Plot 25, the council and BXT are moving forward with alternative Purpose Built Student Accommodation provider and to delegate to the Chief Executive in consultation with the Chairman of the Committee to agree and complete the required legal documentation in accordance with the Heads of Terms as set out in paragraph 1.22 and 1.23 and attached to the Exempt report.**
- 4) Note that the Brent Cross Cricklewood Regeneration Phase 1A North (Plot 53 & Plot 5 Brent Terrace South) Stopping Up Order 2019 and Brent Cross Cricklewood Regeneration Phase 1A North (Claremont Park) Stopping Order 2019 were confirmed on 2 June 2021. The Council will now give Notice of the Confirmation.**
- 5) Delegate to the Executive Director for Environment in consultation with the Chairman of the Committee to agree and finalise and enter into the required agreements in respect of the maintenance arrangements for the improvements to Claremont Park prior to opening as set out in paragraph 1.24.**
- 6) Delegate to the Deputy Chief Executive to commence engagement and agree terms with external consultants as and when required to ensure delivery of the council's obligations related to the Brent Cross Programme, as set out in paragraph 1.49, having regard to the Council's best value duty.**
- 7) Approve that Gowling WLG are retained to provide legal advice on the BX project and to delegate to the Deputy Chief Executive in consultation with the Chairman and HB Law to agree a revised service agreement in accordance with paragraphs 1.51 of this report.**

- 8) Authorise that an application be made to apply to the Secretary of State to extend the Final Demolition Notice period on the Whitefield Estate Part 1, details outlined in paragraph 1.40.
- 9) Authorise that the Council ceases to let properties acquired by buy-back or other to council tenants and non-secure tenants and approve the use of property guardians for these properties on Whitefield Estate Part 1 outlined in paragraph 1.39.
- 10) Delegate to the Deputy Chief Executive in consultation with the Chairman of this Committee to make the contract award and authorise entering into the contract to deliver the replacement Waste Transfer Station as set out in paragraph 1.46.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report provides the quarterly update on progress since the last Committee meeting on 25 January 2021.

BXC Programme Wide Progress Update

- 1.2 Good progress continues to be made across the programme.
- 1.3 The north access to the south sidings is now open. The residual works originally planned to take place at Christmas 2020/21 were completed on 21 March. This is a significant milestone for the programme as it completes the works to the south sidings. Network Rail's Chief Executive, Andrew Haines, visited the site on 19 April 2021 and met with the Deputy Chief Executive and the Mace / Volker Fitzpatrick teams, recognising that the programme is Network Rail's largest third-party scheme to date and the importance of this scheme within Network Rail.
- 1.4 The first two track slews to realign the rail tracks to create the space for the new platforms have been safely delivered during the 72 hour possessions over the Easter Bank Holiday weekend (week 1), and the May Day Bank Holiday weekend (week 5). Works included signalling, overhead line equipment and track works. A further possession was booked for week 6 to ensure that all the works necessary for week 9 have taken place. The final track slew was successfully completed without incident over the Late May Bank Holiday weekend (week 9) which completes a major milestone for the programme. The track slews realign the Midland Mainline to create the space for construction of the new station platforms, with works now under way on both slow and fast line platforms.
- 1.5 Despite good progress being made on the Rail Systems works by Network Rail (NR) and their contractor Amey, it has materialised that there are elements of the contract works that will not be completed by the contract completion date (July 2021). These works are currently

being re-planned and the required access is being coordinated with the station programme to ensure no delay to the delivery of the station works.

Brent Cross West Station

- 1.6 Construction work continues on the new Brent Cross West railway station with the slow platform concrete raft foundations poured following completion of the piling works. Installation of the Eastern Overbridge was successfully completed over the May Day Bank Holiday weekend (week 5) following construction of the concrete goalpost support structure as shown on the photographs below.



Slow platform raft foundation



Eastern Overbridge

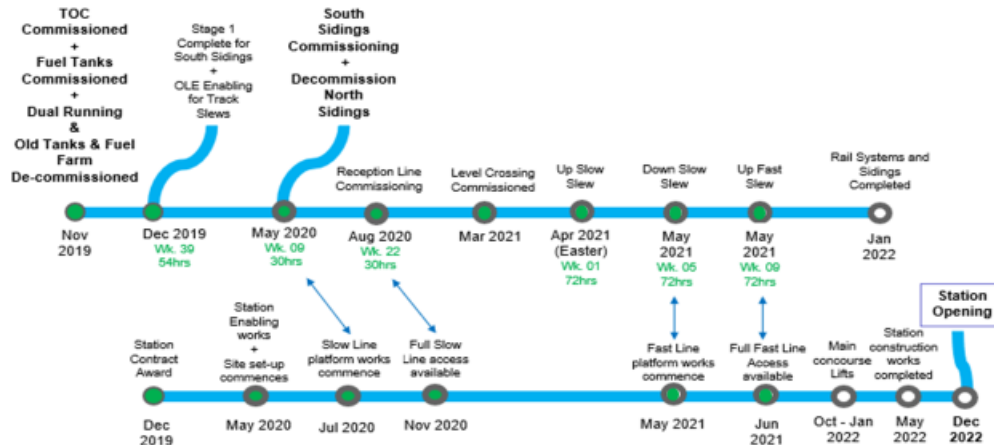
- 1.7 The installation of the eastern overbridge can be viewed here: https://www.youtube.com/watch?v=QyeN5rXtfn4is_aval
- 1.8 Drone footage of the wider BXW site can be viewed on the BX transforming website [DroneDeploy](#)
- 1.9 The detailed design (GRIP 5) for the Station is ongoing and due to conclude in Autumn this year in line with the programme. Through working with TfL, the council has now formally instructed VolkerFitzpatrick (VFL) to complete the design and construction of the passive provision for the future connection to the West London Orbital.
- 1.10 An integrated programme, taking into account the changes to the rail systems works programme, has been agreed with Mace, Volker Fitzpatrick and Network Rail. This has resulted a change to key contract dates. Most notably the completion of the station

construction works from 2 March 2022 to 26 May 2022, with the contract completion date from 9 June 2022 to 10 September 2022. The Station opening remains unchanged with sufficient contingency. The updated Station programme is set out below

Brent Cross West Station



Milestone Programme for Station Delivery in December 2022



- 1.11 VolkerFitzpatrick are progressing with the detailed design for the Station Eastern Entrance Building (SEEB), following completion of the legal agreements between the council and Brent Cross Town to transfer delivery responsibility for its construction to the council through its contracts with Mace and Volker Fitzpatrick. [Brent Cross: Brent Cross West - Entrance Box to Station and East-West Over Bridge DPR](#) As the Committee is aware, this strategy reduces programme risk as it removes several delivery interfaces around the build and fit out of the building that was originally to be delivered separately.
- 1.12 Volker Fitzpatrick has produced an indicative fly through of the new station. This will be separately circulated to Members.
- 1.13 Council officers are in dialogue with the Department of Transport and Network Rail as to the future handback of the station, including confirmation of the station operator and documenting the ownership arrangements for the new station. This includes a review of the operational cost and maintenance of the station (now that the detailed design is in the final stages of being agreed with Network Rail) and how this will be funded through the revenue generated from the new station. Officers' remit is to ensure that there is no cost liability for the council. This work is due to conclude over the summer and an update provided to the Committee in September. The Government has also now published the long awaited Williams-Shapps Plan for Rail : [Future of Britain's railways: Williams-Shapps Plan for Rail - GOV.UK \(www.gov.uk\)](#). Officers will be working through with DfT what impact this report will have, if any.
- 1.14 As reported to the last Committee, the Anticipated Final Cost (AFC) remains under pressure. An efficiencies and opportunities plan is in place to bring the AFC back in line with budget. This is reviewed through the fortnightly operational client reviews between the council and

Mace. Furthermore, a large amount of risk allowance is linked to the key weeks 5 and 9 (May 2021) railway possessions required for the track slews.

- 1.15 The Mace delivery team continues to work towards reducing the BXW AFC and has secured a further £4.4m of efficiencies since the last Committee meeting through the reductions in the Network Rail Supply Chain Organisation costs, value engineering opportunities and successful claims against the Network Rail Risk Fund and Industry Risk Fund, alongside efficiencies through securing additional possession access to enable more efficient delivery of the station works, and a rationalisation of the drainage connections required for the wider Brent Cross Town (BXT) scheme.
- 1.16 As part of the management of the Sidings and Rail Systems contract, ongoing dialogue is taking place between Mace, the Council and Network Rail to adequately apportion increased costs resulting from the changes to the Sidings and Rail Systems delivery programme. The council has appointed an external rail claims specialist Croftstone to provide independent advice and guidance to the council and Mace to progress the claims through the formal claims process and escalation process as set out in the Implementation Agreement between the council and Network Rail. Nonetheless the preferred route remains to agree a negotiated settlement with Network Rail, rather than proceeding through the formal claims process.
- 1.17 A more detailed update will be provided to the Committee in September once the project wide cost review. This is scheduled to complete in July. This will take into account the revised risk position for the station following the successful completion of the track slews during the bank holiday major rail possessions, costs associated with Covid, the confirmed cost for the construction of the Waste Transfer Station following the procurement of the delivery partner as set out in paragraph 1.46 of this report and the settlement of the final account with John Graham Construction Limited (JGCL) to close out the TOC Compound / Fuel Farm project which was completed on 1 April 2021. The latter will be subject to a review by the Financial Performance and Contracts Committee in October this year.
- 1.18 The programme has been affected by staff absence from both Mace and the Contractors, due to COVID and the requirement to self-isolate. This continues to be managed, with no meaningful impact on the programme and the number of cases continues to fall in line with the national trend. The team are maintaining COVID controls on site. It is anticipated that the site will maintain full productivity through to the full easing of lockdown, albeit with minimal site presence by the Mace team. The Mace team is continuing to maintain the Covid19 register which identifies cost pressures and risks as a result of lockdown and required changes to working practices.

West of Brent Cross West

- 1.19 Council officers are now looking at access routes to the new station from the west and has commissioned Allies and Morrison (who prepared the Brent Cross Town masterplan) to provide a high-level review and to design the public realm spaces around the new station. This will also consider potential meanwhile uses. Officers will be working with Brent council and TfL alongside key stakeholders over the coming months with the view of submitting a planning application in Autumn this year. The public realm works can commence in April next year in time for completion ahead of station opening.

Brent Cross Town

- 1.20 As the Committee is aware, Brent Cross Town works have continued with demolition and ground remediation works proceeding to plan. Works continue on the new temporary visitor centre (shown below) which will provide an exhibition space and flexible ground floor commercial space.



Brent Cross Town construction activity

- 1.21 The latest drone footage undertaken in May can be viewed here: [May 2021 Drone Footage - Brent Cross Town](#)

Plot 25 – Student Accommodation

- 1.22 The Committee is asked to note that the council is progressing with an alternative Purpose Built Accommodation Provider for Plot 25 that maintains the target 2024 opening date.
- 1.23 The council and JVLP are working towards exchanging documentation by the end of June. To secure this deal, the Committee is asked to endorse the Heads of Terms agreed as attached to the Exempt report and to delegate to the Chief Executive in consultation with the Chairman of the Committee to agree and complete the required legal documentation.

Claremont Park

- 1.24 As set out in the latest BXT construction update (<https://transformingbx.co.uk/wp-content/uploads/2021/05/Brent-Cross-Town-neighbourhood-newsletter-Spring-Summer-2021.pdf>) works on Claremont Park are due to commence shortly. The council's Green Spaces team have been working with BXT to put in place the necessary maintenance arrangements. The Committee is asked to delegate to the Chief Executive in consultation with the Chairman of the Committee to agree and finalise and enter into the required agreements in respect of the maintenance arrangement for the Park prior to opening.

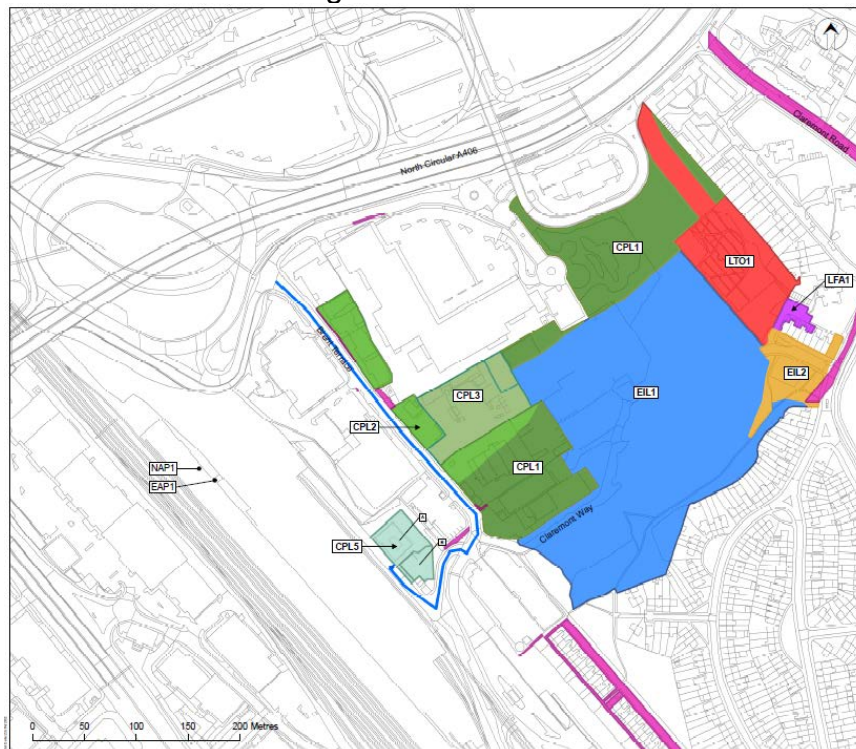
Project Play

- 1.25 BXT are working closely with the Council's Greenspaces and Leisure service to ensure there is a joined-up approach in the delivery of the improvements to Clitterhouse Playing Fields

and the replacement for Hendon Leisure Centre. Various operation and maintenance models are being reviewed, focussing on the current and future need of the Council and Brent Cross Town, and co-ordinating with other proposals within the Borough namely West Hendon. BXT are in active dialogue with Sports England and other key sporting organisations. A progress update will be provided to the next Committee.

Integrated Programme Management – Delivery Arrangements

- 1.26 The council and Brent Cross Town continue to agree licences where required for the development area to expand as more parcels of land are made available for development. The committee originally approved entering into required licences to support the Brent Cross Town development on 17 September 2018. (<https://barnet.moderngov.co.uk/mgAi.aspx?ID=26280>).
- 1.27 Recent licences include the former Network Rail (NR) office on the land recently purchased from NR, and additional properties recently purchased on Brent Terrace North. Further licences are being agreed for works on plot 25 and Costa Coffee car park (part of the recently purchased retail park lands), along with areas that surround the new Brent Cross West Station, which allows the infrastructure required to link to the eastern entrance building of the new station.
- 1.28 A high-level plan of the licences has been created and can be seen below showing the difference parcels of land which are agreed under various licences.



- 1.29 A licence tracker has put in place to track all agreements being made with third parties to ensure adequate control over council land. All licences are being negotiated on behalf of the council by Gowlings, and each agreement is supported by a Chief Officer Decision report.
- 1.30 As reported to the last Committee, the BXT and council teams continue to work through the pedestrian and cycle access routing whilst the infrastructure works to establish the new park, public spaces and access routes to the station/transport interchange and through Brent

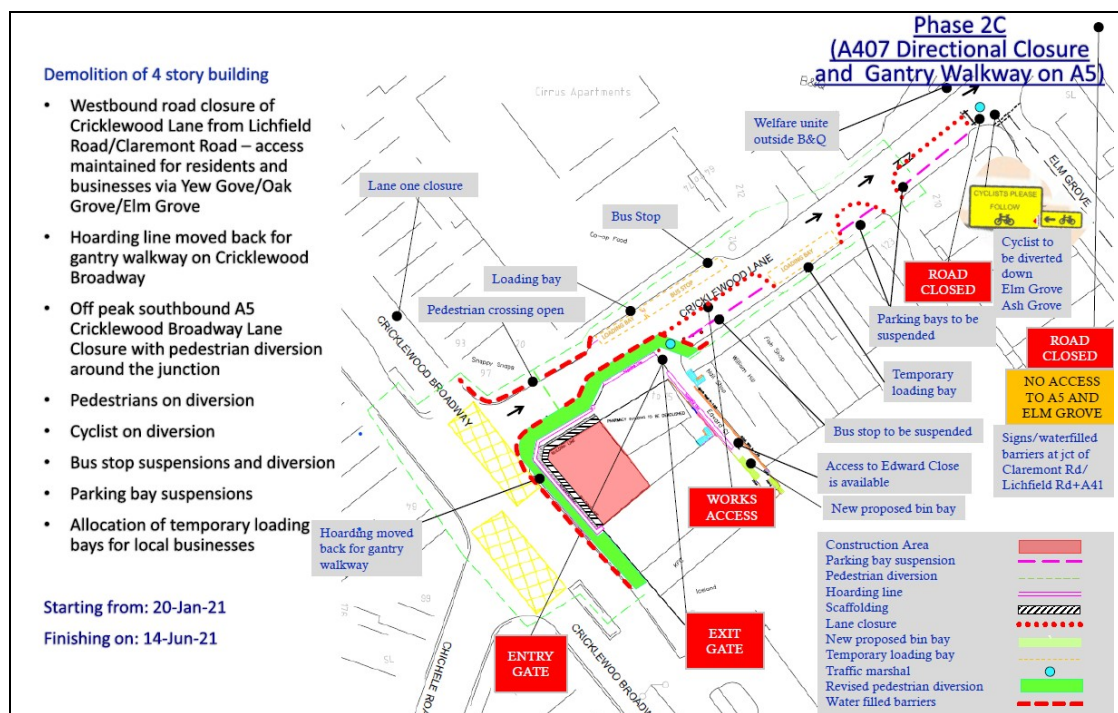
Cross Town take place. BXT has sought to minimise disruption to local residents as much as possible having regard to their safety as well the works programme. These works will require temporary closures and planned diversions for pedestrian and cycle access and will require further “stopping up” of footpaths so that work can continue on the new Brent Cross Town development. An update on the highway stopping up process is provided at paragraphs 1.59 to 1.62 of this report.

- 1.31 Following briefings in November and December to residents from Brent Terrace and the Whitefield Estate, materials have been uploaded to the TransformingBX website which provide residents with clear information about the path closures and planned diversions. These pages will be updated as changes to walking and cycling routes, as well as permanent and temporary diversions are applied for and put in place.

Critical Infrastructure being delivered by the council

a) Southern Junctions

- 1.32 The Cricklewood Broadway junction works are now underway with demolition of the low rise building, the demolition of the 4th floor of the four-storey building, and installation of the temporary propping system complete. The demolition of the remaining 3 floors is expected to complete in June.
- 1.33 During these works, pedestrian routes have been maintained and a westbound directional closure on Cricklewood Lane has been put in place in line with the agreed traffic management plans approved by the Highways Authorities.
- 1.34 The A5 Cricklewood Broadway remains open for all traffic minimising traffic disruption. However, the directional closure on Cricklewood Lane will have to remain in place until the demolition works completes in June.



Pedestrian routes maintained with westbound directional closure on Cricklewood Lane

b) Relocation of the Whitefield Estate Part 1

- 1.35 L&Q, the council's delivery partner, continues to work with the council to discharge all pre commencement planning conditions ahead of start on site. The LPA are now working to discharge these conditions by 11 June 2021. The programme remains under pressure due to the objection remaining to the Stopping Up Order made by the council in September 2019. However, following the unaccompanied site visit by the Planning Inspectorate held on 23 March 2021, the Planning Inspectorate has now confirmed both Stopping Up Orders for Plots 53 and 54 and Claremont Park. The decision notice will be made available on the BX Transforming website. <https://transformingbx.co.uk/transformation/masterplan/stoppingup/>
- 1.36 The council will now proceed to give notice of the confirmation of the Orders. This decision is subject to a further 6-week Judicial Review "JR" period within which this decision may be challenged.
- 1.37 As previously reported, this delay is now starting to impact on the wider programme, both in terms of timescales and cost. With temporary footpath closure order is now in place (from 11 March 2021), an early start site is now possible on Plots 53 and 54. The intention is to commence early works (clear vegetation, installing hoardings and a portacabin) on 17 June 2021. This will proceed under the Temporary Orders given that the confirmed Orders are subject to the statutory judicial review period. Start on site is subject to the remaining pre-commencing planning conditions being satisfied. The target completion date for the new homes is now March 2023. A Delegated Powers Report <https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=8623> (dated 17 May 2021) has authorised the serving of an instruction notice to commence these early works and it provides further details on the programme. It also approved the signing and exchange of a side letter between L&Q and the Council to make minor variations to extend the planning and Stopping Up Order long stop dates in the Funding Development Agreement. This follows the decision of the Housing and Growth Committee dated the 25 January 2021 to approve a mitigation strategy to progress works on Plots 53 and 54.
- 1.38 Over the last few months, L&Q have carried out virtual 1-1 meetings with the secure tenants living in Whitefield Estate Part 1, as they have been allocating to the new properties to be built on Plots 53 and 54. L&Q is currently discussing the Shared Equity deal with several homeowners who have opted to take up a new home on these plots.
- 1.39 As the allocations process for the new homes on Plots 53 and 54 is now complete, the tenure and unit mix are now fixed and cannot be changed. Therefore, Barnet Homes will need to cease re-letting void council properties to households on the basis of secure and flexible tenancies. In addition, these properties should not be re-let to non-secures due to the pressures to re-house existing non-secure tenants on the other regeneration estates in alternative accommodation. This issue has been reported extensively in a previous Housing and Growth committee paper (link below) which deals with the problems associated with re-housing non-secure tenancies on the West Hendon and on other Estates in regeneration schemes. Therefore, the committee is asked to approve the recommendation to cease re-letting void social rent properties on secure and non-secure tenancies, and that these voids

are re-let to property guardians. This approach has been discussed and agreed with Barnet Homes.

<https://barnet.moderngov.co.uk/documents/s57396/West%20Hendon%20estate%20regeneration%20and%20non-secure%20tenants%20on%20regeneration%20estates.pdf>

- 1.40 As reported previously, the council served Initial Demolition Notices (IDN) on 19 November 2015 on secure tenants occupying properties on Whitefield Estate Part 1. This notice was valid from 19 November 2015 to 18 November 2020 (5-year period) and this period was extended by a further 2 years with the serving of a Final Demolition Notice now in operation from 12 November 2020 to 11 November 2022. Due to the delays to the construction programme, this Final Demolition Notice will expire before the completion of new homes on Plots 53 and 54, which is estimated for March 2023. As a consequence, secure tenants can apply for the Right to Buy on their existing properties on the Whitefield Estate Part 1 after this date and this will increase the third-party costs to the project. Therefore, the committee is being asked to approve the recommendation for officers to apply to the Secretary of State to extend the Final Demolition Notice Period.

Waste Transfer Station

- 1.41 As the Committee is aware, council officers have been working with the North London Waste Authority (NLWA), to reorganise its waste operations so as not to interfere with the delivery of the BX West Station and BX Town development programmes.
- 1.42 NLWA and LEL have now successfully relocated waste operations from Hendon to the Seneca plant in Wembley almost two weeks ahead of schedule, de-risking the BX West station and BX Town programmes. All Barnet's and Camden's waste are now being delivered to Wembley.
- 1.43 LEL have started the cleaning operation at Hendon which is expected to finish at the end of May ahead of the transfer of the site from LEL to the Council.
- 1.44 The waste transfer team have prepared a programme with NLWA, BX West and BX Town that enables the decommissioning of the existing Hendon Waste Transfer Station (HWTS). This includes the removal of the existing rail siding and surrender of the Environmental Permits by the council. The rail siding removal works have already started and should be completed by mid-May. The application to novate the existing Environmental Permits from LEL to the Council was made to the EA on 13 April 2021. Work on the surrenders has commenced with the appointment a specialist Consultant (WS Atkins) to undertake ground investigations and produce a Site Condition Report to support the Permit Surrender application. The council through the Integrated Programme Management Office (IPMO) is also assessing how this site can be optimised for construction and logistics across the programme, including securing the site upon the transfer from LEL on 1 June 2021.
- 1.45 This interim solution also provides greater flexibility on timing to deliver the replacement waste transfer station, removing the dependencies between with the BX West and BX Town programmes and mitigates against potential acceleration cost increases due to constrained delivery times. It also enables the council, working with the contractor, to implement efficiencies into the scheme design that do not impact operations.
- 1.46 In respect of the procurement process which has been carried out having regard to all the Public Contracts Rules requirements, to select the main works contractor for the

replacement Waste Transfer Station, tender responses have now been received. Two initial tenders were received and have been evaluated to confirm whether the Council should reserve the right to award at this stage or proceed with negotiation. The evaluation has confirmed that the procurement should proceed into negotiation phase which will be conducted during June 2021. This is being followed by invitation to final tender, evaluation and contract award on the basis that Geron Way remains the preferred location. It is requested that finalisation of the contract and the contract award is delegated to Deputy Chief Executive in consultation with Chairman of the Committee to support delivery of programme as contract award will fall outside of Housing and Growth Committee cycle.

- 1.47 The programme for completing the procurement of the new Waste Transfer Station is as follows:

Final Tender Submission	9 July 2021
Moderation of Final Tender	15 July 2021
Governance Board	22 July 2021
Tender Award	23 July 2021
Standstill	26 July 2021 - 6 August 2021
Contract Award	6 August 2021

iPMO Resources and Consultants

- 1.48 As reported to previous committees, the council have procured resources required to enable delivery of the Brent Cross Regeneration scheme. On 16 January 2014 Cabinet Resources Committee delegated authority to the Strategic Director for Growth and Environment to procure the necessary advice and consultants to progress the Brent Cross project workstreams and deal with the related contractual issues and arrangements.
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=7702&Ver=4>
- 1.49 The committee is asked to re-affirm the above recommendation by delegating to the Deputy Chief Executive to continue to with the procurement of the necessary consultants and resources as required to deliver the Brent Cross Programme in line with statutory requirements and current procurement regulations. These procurements may cover engagement with external consultancies or direct engagement with consultants. Permanent recruitment of resources is always preferred where practical, however due to specialist skillset requirements or short-term nature of some project roles, this is not always feasible.
- 1.50 Now that land assembly is completed and construction underway on various plots around the new BX West station, the council is putting in place a construction management plan and framework to secure and manage landholdings and to co-ordinate the transfer of land to contractors to meet the Brent Cross implementation programme. This will require support from external resources. As such, the Committee is asked to authorise the Deputy Chief Executive to procure the necessary resources to co-ordinate construction logistics and security arrangements across the regeneration area. Any procurement implications that may arise will be appropriately managed having regard to and in compliance with statutory requirements and current procurement regulations.
- 1.51 In this regard, the Committee is also asked to confirm that Gowlings continue as legal advisors on the project subject to the Deputy Chief Executive in consultation with the Chairman and HB Law agreeing a revised service agreement. The project is at a critical

stage in delivery, and this approach reflects the retained knowledge within GWLG, the working arrangements between the council and BXT and their advisers.

Land Assembly – CPO Strategy

b) Land assembly strategy

- 1.52 On 21 January 2021, the Committee delegated to the Chief Executive in consultation with the Chairman of this Committee to finalise the land acquisition strategy to deliver comprehensive development and to authorise serving any notices required to implement the Compulsory Purchase Orders or to effect the acquisition of all interests and estates in the relevant part of the site including any required Notice to Treat or to Enter, or General Vesting Declaration/s notices as identified in the land acquisition strategy in line with the programme. A Delegated Powers Report was approved on 25th March 2021 setting out the strategy for acquiring the land interests.
<https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=7596>
- 1.53 To date, General Vesting Declarations (GVD's) in accordance with Compulsory Purchase (Vesting Declarations) Act 1981 have been served on leaseholders in the Whitefield Estate for both CPO1 and CPO2. The leasehold properties will vest with the Council for CPO 1 in May 2023 and CPO2 March 2024. The long vesting period will ensure leaseholders can remain in their properties until such time as the relocation properties earmarked on development plots 12, 53 and 54 are available. Communications with the affected parties has been ongoing through the CPO notice serving process and Council, its strategic property adviser Newsteer is available to discuss individuals requirements. The Resident Independent Advisor service is also available to provide support independently from the Council and Newsteer to these residents.
- 1.54 GVD' have been served during April and May 2021 on unregistered land parcels within the 3 CPO's. These will allow for a three-month vesting period before the land will be transferred to the Council.
- 1.55 Notices to Treat (NTT) under the Compulsory Purchase Act 1965 have been served on the remaining land to be acquired (primarily for infrastructure works).
- 1.56 NTT's have been served prior to the expiry date of the three CPOs.
- 1.57 A further update report will be provided to either Committee or Delegated Powers on the service of Notices of Entry (NOE) under the Compulsory Purchase Act 1965 which will allow for the Council to take possession of those plots which were served with a NTT. The Council will have up to three years to confirm the timing for issuing NOE's.
- 1.58 Council officers will continue to monitor progress of notice serving and regularly review with its Strategic Property Advisors Newsteer the estimated costs for acquiring CPO properties.

Stopping Up

- 1.59 The Stopping Up Orders for Plot 53 & 54 and Claremont Park have now been confirmed by the Planning Inspectorate. The council will now give the required confirmation notices. This decision is subject to the judicial review period.

- 1.60 Further applications have been made to SoS for the footpath between Brent Terrace South and Claremont Way West (106 footway) and part of the highway on Brent Terrace North and the Mayor of London as we have not been able to withdraw the remaining two objections these applications are currently being considered, we will be notified in 9 weeks of submission whether a public inquiry is to be held to determine the order or whether a written representations procedure will be acceptable.
- 1.61 The team will continue to monitor progress on decisions relating to these stopping up orders and ensure to update in due course.
- 1.62 Further Stopping Up Orders will be made as the scheme progresses with information updated regularly on the TransformingBX website.
<https://transformingbx.co.uk/transformation/masterplan/stoppingup/>

Brent Cross Shopping Centre

- 1.63 Hammerson and Aberdeen Standard Investments are continuing to work through the refurbishment plans for the shopping centre and future development of the centre. A new Chairman and Chief Executive are now in place and a Senior Executive meeting is scheduled for 21 June 2021.

PB Donoghue

- 1.64 Following meeting with local residents earlier this year, council officers have met with BXT and PB Donoghue and discussions are continuing regarding their potential relocation. These discussions are active and a further update will be provided in September.

Brent Cross South Retail Park

- 1.65 The acquisition of the park completed on 5 February 2021. The following appointments have been made to ensure that the council has in place an experienced team to manage the asset:
- Asset Manager (LBB Estates Team) – Andrew Cadge;
 - Managing Agents – Workman Partners;
 - Letting Agents – Morgan Williams
 - Lease Renewal Agents – Savills
 - Lawyers – Gowling GWG;
- 1.66 The formal appointments are being finalised, but all parties are working under agreed and approved fee bases.
- 1.67 Monthly Review Meetings have been set-up for BX team, Estates and Finance to monitor the impact to the General Fund and optimise returns to the council within the context of the long-term strategy consistent with the BXT Business Plan. A separate cost code has been set-up for the asset to receive rental income, via the Managing Agents who collect from the Tenants. The Finance team is holding regular calls with Workman to ensure a smooth transition and in particular they have worked closely on the end of year accounts process

- 1.68 Following the lockdown earlier in the year, all Tenants re-opened on Monday 12 April in line with Government guidelines. Costa Coffee was open for take-away only during restrictions on non-essential retail opening.
- 1.69 The work between the council and BXT on how the Retail Park will be incorporated into BXT is ongoing. An update will be provided to the Member Working Group and to the Committee later in the year.

Governance

- 1.70 A Shareholder Working Group was held on 17 February 2021, and the next Shareholder Working Group is scheduled for 23 June 2021.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The comprehensive regeneration of Brent Cross 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 None in the context of this report.

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 Housing and Growth Committee.

5. RESOURCES (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.1 Budget Monitoring

- 5.1.1 The council has put in place procedures to ensure the effective monitoring of the financial performance of the BX Programme. The BX 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 BX 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 BX Programme.
- 5.1.2 The *Chief Financial Officer Report: Financial Outturn, 2020/21* will be presented at Financial Performance and Contracts Committee on 8 June. *Business Planning 2022-26* will be presented at Policy and Resources Committee on 16 June. As a result, the 2021/22 financial year forecast is currently being finalised and will be reported at the next Housing and Growth Committee.

Land Acquisitions

5.1.3 The approved budget for land acquisition to facilitate the BXC programme is £63.132m, furthermore, there was expenditure on advanced acquisitions of £4.067m. Actual cumulative spend to date is £54.221m.

BXT Land Acquisitions

5.1.4 The approved budget for externally funded BXT Land Acquisitions is £29.488m. Actual cumulative spend to date is £9.559m.

Brent Cross West Station

5.1.5 The current approved budget in the capital programme is £364.473m following confirmation of the HMG grant funding agreement. This is inclusive £2.9m GLA grant funding previously provided to support the BXC Programme.

5.1.6 Actual cumulative spend to date is £217.793m.

Critical Infrastructure

5.1.7 As previously reported to this 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 the Southern Junction works and has engaged DP9 to discharge the pre-commencement planning conditions and New Steer on CPO matters as outlined above.

5.1.8 These works are funded from part of the £59.9m core critical infrastructure budget which includes £55m being provided as part of the MHCLG Revised Funding Agreement for Brent Cross. Actual cumulative spend to date is £25.639m.

MHCLG Grant Funding

5.1.9 To date, the council has submitted drawdown requests against the £416.573m HMG grant totalling £382.218m, of which all has been received.

5.2 Social Value

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

5.3 Legal and Constitutional References

5.3.0 The council's Constitution, Article 7.5, states that the functions of the Housing and Growth Committee include responsibility for regeneration schemes and asset management.

5.3.1 The council's Constitution, Article 10 Table A states that the Housing and Growth Committee is responsible for authorising all disposal and acquisition of land for over £500k.

5.3.2 The council has a range of powers to enter into the legal agreements and to implement the transactions referred to in this report. These include:

- the general power of competence under section 1 of the Localism Act 2011 ;
- the 'incidental power' in Section 111 of the Local Government Act 1972 that enables the council to do anything which is calculated to facilitate, or is conducive or is incidental to, the discharge of its functions;
- sections 120 and 123 of the Local Government Act 1972 (power to acquire and dispose of land);
- the Environmental Protection Act (in relation to waste collection and disposal functions);
- the Town and Country Planning Act 1990 (development and planning powers)

5.3.3 All of the activity and legal transactions contemplated in this report will be carried out pursuant to and in compliance with all relevant statutory powers, including all procurement activity which will be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (as amended) or any replacement public procurement regime that may become law in the UK as applicable.

5.3.4 As the report notes, Gowling WLG have been advising the council on the Brent Cross programme to date and will be retained as the council's legal advisors subject to further agreement

5.4 Risk Management

5.4.1 Risk management has been applied across all levels of the programme. 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 high-level risks and mitigations are summarised below:

5.4.2 Programme and funding – There is a risk that BXN does not progress in the form currently proposed. Whilst the funding risk to the Station delivery has been significantly mitigated through the Revised Funding Agreement with Government, the delivery of the BXN proposals is an important part of the regeneration proposals. The council is meeting regularly with the Shopping Centre Partners to understand next steps.

5.4.3 Station Delivery Date – there is the risk that the 2022 station opening date cannot be achieved. The current programme maintains a 2022 opening date albeit December rather than May. There is a risk that this could be later depending on other works on the railway. The council has worked with DfT and Network Rail alongside the Train and Freight Operators to develop a revised industry integrated programme, underpinned by the signed Memorandum of Understanding. This programme has been agreed and a workable possession programme is in place subject to final testing by Network Rail. A QRSA has also been undertaken. While the possession risk has been mitigated, railway possessions can, whilst unlikely, be cancelled as a result of unforeseen circumstances. There is also the additional programme risks as a result of COVID 19. The project team and Network Rail have therefore developed a contingency strategy in the event of a further loss of possessions. These are regularly monitored through both NR board and Rail operations assurance board.

5.4.4 Train Operating Timetable - The BXW 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 of the “Williams Review” which makes recommendations on the future structure of the industry. There are additional risks arising from the delay on the refranchising and the Williams report brought about by COVID 19 and the Government’s actions in underwriting the impact on the TOCs of train service commitments. The council are monitoring developments closely.

- 5.4.5 BXW delivery costs – as with all major programmes there is the risk that costs will increase during programme delivery. The BXW budget is under pressure and this risk is being actively managed with public sector partners and contractors. 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 Implementation Agreement 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/Mace delivery are continuing to review the costs each month. Similarly, there is an on-site presence by the council/Mace delivery team to be monitoring programme and work achieved, particularly during track possessions.
- 5.4.6 Waste Transfer Station – Delays to the delivery of the Waste Transfer Station may result in programmatic and logistical interfaces with the Station and BXT development due to the requirement to keep the existing facility in operation until the new one is complete. To mitigate this a working group has been established through the Integrated Programme Management Office to develop a joint logistics and land management plan of the station development area. Further to this a strategy to amend the operation of the existing facility to a ‘road to road’ facility (in line with how the new facility will operate) is being investigated. The council have also brought the waste delivery team in house to align skills and expertise with delivery, as discussed in the waste section of this report.
- 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 BXW 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 Stopping Up Objections – The Stopping Up Orders for Plot 53 & 54 and Claremont Park have now been confirmed by the Planning Inspectorate as explained in paragraph 1.59. There remains a risk around the judicial review period, which is 6 weeks from the date the order is published, albeit this is considered small by the project team. A further Stopping Up order is being progressed for the 106 Brent Terrace footway as explained in paragraph 1.60. Should this order be subject to objections then it may need to be referred to the SoS in the same manner as Plots 53/54 and Claremont Park. The project team will work pro-actively with any objectors to resolve any issues related to this order should they arise.

5.4.9 Resourcing – the project is now in the delivery stage. In addition, the council has taken on additional delivery items through the revised delivery strategy and needs to deploy sufficient resources. There is a need to ensure resilience within the programme in the event that key persons depart the project as well as to update the succession planning strategy.

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

5.4.11 COVID 19 – This represents a significant new risk to the programme and the team has been working closely with sub-contractors to review the likely impacts. Currently programme has been maintained however the team do expect some additional challenges as impacts on the supply chain are understood. Cost impact to date is estimated at £2.4m, with a further £3m of additional risk up to the end of October. It should be noted that further risks are expected and will be assessed as the impacts of lockdown are understood and government guidance changes. The project team is maintaining a COVID 19 impact tracker to show when and where these impacts are materialising. A more detailed update will be provided to the next Committee.

5.4.12 Retail Park Acquisition - The key risk associated with the acquisition of the Retail Park is ensuring that the acquisition will have no negative impact on the General Fund and that it is incorporated into the BXT Joint Venture by December 2025 and that the council's acquisition and holding costs are covered. This acquisition is being made on the basis of a thorough understanding of regeneration opportunities having regard to the existing s73 permission and s106 requirements alongside market conditions and development potential. Significant due diligence has undertaken by the council and its advisors, particularly on the finance

modelling, existing tenant mix and re-development strategy to inform the purchase price and ensure that there is not a negative impact on the General Fund during the holding period.

5.4.13 However, risks will remain post acquisition associated with market conditions (including Covid and Brexit) that will impact on the changing retail market as well as on the development progress of BXT and the timing for inclusion within the scheme, in the event that the council and BXT agree the Implementation Plan. The council is putting in place the required structures to enable it to manage the Retail Park against these short-term variables to ensure that the council will secure the required returns so that there will be no gap or negative impact on the General Fund. As explained in the Exempt report, a number of leases have been renewed or put in place and are broadly in line with the prudent/base case of the approved financial model.

5.4.14 As explained above, one of the most important control mechanisms for the council is to employ experienced staff. As explained in paragraph 1.48, the council will put in place appropriate internal resources supplemented by external property management expertise as required to provide good proactive asset management of the Park in addition to retaining CBRE and GWLG as its advisors. This will ensure appropriate management of the risks based on up to date knowledge on the current economic market conditions and changing retail market.

5.4.15 The report below addresses other key risks and briefly summarises the strategies currently being pursued to mitigate these risks:

- Retail Market Risk - Whilst it is important to note that the asset is a high quality, fit for purpose retail park serving the large and diverse catchment of North London, benefitting from high frequency shopper visits and limited immediate competition, with sustained supply and demand dynamics, the retail market is changing and the changes need to be closely monitored.
- CBRE has advised the council that in terms of footfall, retail parks have significantly outperformed other retail asset classes because of their convenience, flexibility and speed of adaptation. Their ability to evolve and offer a wider convenience and necessity, based line up and improved amenity, together with free parking and the growth of click & collect have been key to their resilience. The closure of non-essential retail stores during lockdowns has put severe pressure on retailers' revenues and will continue to affect their performance in 2021. The council working with its advisors will be continually monitoring the wider market and retail market conditions, including vacancy rates across the out of town sector, although it is recognised that these remain low compared to other retail sub-sectors. The rise in online penetration levels driven by the UK-wide lockdown is acknowledged as part of the due diligence process. This will continue throughout 2021 as retailers continue to invest in their online platforms and move a larger proportion of their sales online. CBRE forecasts that online penetration will reach 26% in 2021 and 30% in 2025. This one-off step change will be monitored to ensure that it is reflected in the risk mitigation strategies being pursued.
- Overall, CBRE are of the view that the fundamentals that had revived investor interest in the final few months of 2020, will draw momentum in 2021. Pricing of dominant, fit for purpose retail warehouse assets are increasingly being seen as attractive and CBRE expect this view to continue and gain strength, leading to more investor interest and depth in the capital markets. Assets that are dominant or convenient will be at the top of

investor's wish lists, and a foodstore on or adjacent to the scheme will provide an added degree of comfort. There is strong demand for assets in London and South-East deemed best in class, fit for purpose assets with underlying alternative use value.

- Financial/Borrowing Risks: CBRE and LBB Finance have undertaken the required financial modelling and sensitivity analysis to understand the impact on the General Fund. The modelling undertaken to support the bid confirms that the passing income is sufficient to generate a return that covers borrowing (interest + MRP) and holdings costs.

5.4.16 To mitigate interest rate and borrowing risks, the council is working towards a capital receipt in excess of the purchase price with BXT JVLP (if it decides to purchase the Property). CBRE has confirmed that working progress has confirmed that this is achievable. The capital receipt will mitigate the PWLB certainty rate dropping, as the receipt will be used as an alternative funding stream in the future capital programme thereby reducing the need to incur external borrowing whilst still maintaining a positive impact on the General Fund. It must be noted increases in the interest rate will result in further opportunity gains due to the funds being available and in hand. The council is also working with BXT to develop the Implementation Plan to include the Retail Park within the wider scheme to achieve the ambitions of the comprehensive regeneration programme. In the event the council experiences market risk or that early council indicators suggest that this acquisition may start to have a negative impact on the General Fund there is the option of a future sale.

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 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 Brent Cross West 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.

6 CONSULTATION AND ENGAGEMENT

BXC Programme wide

6.1 The communications and stakeholder engagement strategy agreed at Housing and Growth Committee in March 2020 continues to be delivered and will be reviewed by the end of the month in order to ensure we are making improvements to our communications and engagement activity wherever necessary.

6.2 Monthly communications meetings bring communications leads together across the different developments to ensure communications are joined up wherever possible across the programme.

- 6.3 We continue to adapt to challenges presented by the COVID-19 outbreak including holding virtual briefings and consultations in place of site visits and exhibitions.

BXC Digital Channels

- 6.4 The TransformingBX.co.uk website has been live for almost a year. Since its launch in February 2020 we've had nearly 8000 visitors to the site. Both our social media channels and the e-newsletter which launched in August are helping to drive traffic to the website to keep residents informed about works taking place in the area.
- 6.5 The latest digital newsletter was issued in April 2021 covering news updates from across the programme such as the story of Tony Sebastiao, who was formerly homeless and is now working and training with the team at Brent Cross West. Apprenticeship opportunities and milestones on the Brent Cross West station were covered.
- 6.6 As promoting jobs and opportunities to local people has become an important aim of the communications strategy on the BXC programme, we have launched a new page transformingbx.co.uk/opportunities to promote jobs and skills across the project.
- 6.7 We continue to provide news and updates via the @TransformingBX Twitter account as well as via Barnet Council's own social media channels (Twitter, Facebook, Instagram) and respond to resident questions and queries via the programme email address TransformingBX@Barnet.gov.uk.
- 6.8 Interest in the project via Twitter has increase with a 13% increase in new followers on Twitter in March, more Twitter impressions in February than the whole of 2020, and double the number of Twitter profile visits in February recorded than in all of 2020.
- 6.9 Recent press coverage includes a piece in the Barnet Times on International Women's Day, and a three-page feature in Rail Professional magazine on the eastern entrance of Brent Cross West station. The sidings milestone was widely covered in trade press, the Kilburn Times and on social media, and the Mayday bank holiday works were previewed in multiple outlets, including RailAdvent and IanVisits.

Community Engagement

Plots 53 and 54

- 6.10 We continue to work with residents on Brent Terrace to respond to concerns and seek opportunities to improve the area wherever possible. Alongside Argent Related colleagues, we are meeting regularly with residents to discuss the scope to create more community space, clear fly-tipping and consider a long-term solution to improve the area. Internally we are setting up a taskforce across highways, street scene, estates, and Barnet Homes to tackle maintenance and hygiene issues. A plan will be drawn up over the coming weeks to outline what can be done to improve the area. We will then work with residents to agree a plan for the gardens.
- 6.11 A virtual exhibition event was hosted by L&Q for Whitefield Estate Residents on 29th April to discuss the new homes on plots 53 and 54.

- Ahead of an agreed start on site date we have been working with L&Q on a communications plan to inform and engage with residents as follows:
 - L&Q and Buglers will also be writing to residents and visiting those homes directly opposite the site to introduce themselves and answer any questions. This is in addition to a flyer put through doors on 13 May promoting the events alongside Brent Cross West works
 - Online residents events have been scheduled for the 25 and 27 May and L&Q will be happy to carry out one-to-one visits, or virtual appointments with residents before the start of construction and throughout if required
 - A dedicated page has also been set up at transformingbx.co.uk/plots53and54 and our email inbox is widely promoted
 - A further programme of activity will be shared with residents once finalised, including working hours
 - An onsite community liaison person will be on hand to answer questions from residents during working hours, and resident surgeries will be held
 - A resident notice board will also be put in place
- 6.12 The council is also speaking with the Brent Terrace Residents Association regarding the future use of the gardens adjacent to the Terraces now that these have transferred to the council as part of the Network Rail land transfer in August. The highways team are currently reviewing the condition of the public footpath running between the Terraces and the gardens to establish whether improvements are required and the cost of these works alongside reviewing measures as to how to reduce fly tipping in the area.
- 6.13 A programme of works will be distributed in June, alongside the new format Brent Cross West and Brent Cross Town updates which were well received in March.

Southern Junctions

- 6.14 Works on Cricklewood Land and Cricklewood Broadway have not generated any negative incoming enquiries in the past few months. Throughout the works we have written to businesses and residents within 500 metres of the works, briefed members, local resident and business groups, and updated the website. We will continue to engage as and when works on site hit significant milestones of the layout changes.

Brent Cross West Station Programme

- 6.15 In March we issued a new look [construction update](#) responding to residents feedback that they were receiving too many communications from across the programme. The update was delivered at the same time as the Brent Cross West programme.
- 6.16 The installation of remodelling of the slow platforms to make way for the new station, as well as the completion of the sidings in March have been positive news stories on the programme.
- 6.17 The installation of the Eastern Overbridge was a visual milestone on site and generated a lot of interest across social media. The milestone was widely promoted across the BXC, Barnet and partner channels.
- 6.18 The permitted Bank holiday weekend works, however, have generated some noise complaints. We have responded to residents' feedback and have agreed to issues emails

to residents ahead of particularly noisy works, in addition to the printed construction programmes.

Brent Cross Town (formerly South)

- 6.19 As above, Brent Cross Town issued their latest construction update in March outlining forthcoming works in the area and a construction overview until December 2022. The leaflet was distributed to homes within 500 metres of the works and builds on local engagement with residents on Claremont Way as works get underway on The Pavilion and the Claremont Open Space area.
- 6.20 We will be writing to residents ahead of the closure of Claremont Open Space.

7 BACKGROUND PAPERS

- 7.1 Urgency Committee, 5 January 2021
<https://barnet.moderngov.co.uk/documents/s62641/Brent%20Cross%20South%20Retail%20Park%20Acquisition%20Report.pdf>
- 7.1.1 Finance Performance and Contracts Committee, 7 December 2020
[\(Public Pack\)Brent Cross Report Agenda Supplement for Financial Performance and Contracts Committee, 07/12/2020 18:00 \(moderngov.co.uk\).](#)
- 7.2 Housing and Growth Committee, 25 January 2021, Brent Cross Cricklewood Update Report
<https://barnet.moderngov.co.uk/documents/s62947/Brent%20Cross%20Update%20report.pdf>