
Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Brent Cross Cricklewood Regeneration
Report of	Leader of the Council
Summary	

Officer Contributors	Tony Westbrook - Head of Regeneration Service Karen Mercer - Regeneration Manager
Status (public or exempt)	Public
Wards affected	Childs Hill, Golders Green and West Hendon
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable
Contact for further information: Tony Westbrook, Head of Regeneration 020 8359 7381.	

1. RECOMMENDATION

That the Committee:

- 1.1 Note that the Development Partners wish to apply to modify the existing planning consent to allow re-phasing.**
- 1.2 Agree that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area.**
- 1.3 Confirm the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal necessary contractual issues or arrangements.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 26 April 2004 (Decision item 8) – approved the adoption of the Cricklewood, Brent Cross and West Hendon Development Framework as Supplementary Planning Guidance.
- 2.2 Cabinet, 29 March 2005 (Decision item 6) – agreed to enter into a collaboration agreement with the development partnership (Cricklewood Regeneration Limited [CRL], Hammerson and Standard Life).
- 2.3 Cabinet, 5 December 2005 (Decision item 7) – approved, amongst other matters, that
 - (i) the Eastern Lands Addendum be adopted as Supplementary Planning Guidance; and
 - (ii) the Eastern Lands Supplementary Guidance be incorporated into the Cricklewood, Brent Cross and West Hendon Development Framework.
- 2.4 Cabinet Resources Committee, 25 March 2008 (Decision item 16) – approved the outline terms so far agreed with the Brent Cross partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel's advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement (DFA) and the Principal Development Agreements (PDAs) be reported to a future meeting of the Cabinet for approval.
- 2.5 Cabinet, 21 October 2009 (Decision item 7) – approved the terms and conditions of entering into the Development Framework Agreement (DFA) and the Principal Development Agreements (PDAs), subject to approval of the Brookfield Europe and Hammerson Guarantor companies by the Director of Finance and the Leader of the Council, and the approval of the appropriate land transaction and financial arrangements by the Secretary of State. The approval was also subject to agreement of the plans, the historic costs and the form of the legal documents.
- 2.6 Cabinet Resources, 19 October 2010 (Decision item 5) – approved the changes to the terms and conditions of the Development Framework Agreement (DFA) and the two Principal Development Agreements (PDA) regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The regeneration of Brent Cross Cricklewood contributes to all three priorities in the Corporate Plan 2012/13:
- Better services with less money
 - Sharing opportunities, sharing responsibilities
 - A successful London Suburb
- 3.2 The 2012 Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the borough and maintaining Barnet as a successful London Suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross Cricklewood is one of Barnet's priority regeneration areas, and will provide over 7500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.
- 3.3 The first phase of the project, which is proposed to be delivered over the next 5-10 years, includes the redevelopment of the shopping centre, creation of major new infrastructure, improved links to the existing tube station, and delivery of around 1,300 new homes. This will create an estimated 3,000 construction jobs, and 2,500-3,000 permanent jobs.
- 3.4 As well as meeting the housing and employment needs of residents, growth can play a role in the longer term sustainability of Council services. The first phase of development at Brent Cross Cricklewood is expected to generate approximately an additional 91,500 sqm of net retail and commercial floorspace, equating to a potential business rate growth of up to £10m per annum. The 1,300 new homes delivered over the same period are expected to generate around £10.4m in New Homes Bonus payments and around £10.9m in Council Tax for new homes by 2020.

4. RISK MANAGEMENT ISSUES

- 4.1 Risk management issues remain as noted in the previous reports in October 2009 and October 2010.
- 4.2 The delivery of the Brent Cross Regeneration proposal (including the procurement of a development partner for the southern parts of the regeneration area) is subject to modification of the planning consent to allow re-phasing of the masterplan. Council officers are working closely with development partners, Transport for London and the Greater London Authority to ensure this happens as quickly as possible.
- 4.3 There is also the risk that the procurement of a development partner could be subject to challenge. To mitigate this risk, the procurement process will be subject to the relevant European Union procurement procedures, including if required, submitting a contract notice to the official Journal of the European Union (OJEU), of the procurement. The Council has retained specialist legal advice on the scheme as a means of ensuring that all actions taken by the Council accord with the provisions of relevant national and international laws, regulations and directives.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council is committed to improving the quality of life and wider participation for all the economic, educational, cultural, social and community life in the Borough.
- 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.
- 5.3 Extensive consultation has and will continue to be undertaken with the community to ensure that the scheme reflects local needs, as well as securing the future of North London's only regional shopping centre. The approach aims to secure the delivery of a cohesive and successful suburban environment which will help to address the deprivation that is concentrated in parts of the Borough.
- 5.4 In this regard, the Council and the Development Partners have appointed an Independent Residents Advisor to work with the residents on the Whitefields Estate within the regeneration area, and have established the Whitefields Estate Steering Group. The Council meets with the Steering Group on a regular basis. The Council and the Development Partners will be meeting with residents again in May to provide an update and discuss the re-phasing proposals.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The Council has the following consultant team in place to advise the Council on the Brent Cross Cricklewood project. Cabinet Resources Committee is asked to confirm the continued appointment of the external advisors for this project and that the Director for Place should deal with any necessary contractual issues or arrangements.

		Date Appointed
Eversheds	Legal – Commercial	July 2005 and Jan 2009
Paul Winter & Co	Legal – Planning	April 2011 (DPR) and July 2011 (Framework Agreement)
CBRE	Commercial	July 2007 (DPR 305)
GVA Grimley	Strategic Property Advice / Specialist Support	Nov 12 (DPR 1830)
PEP	Community Engagement	May 2011 (DPR 1317)

- 6.2 These contracts were subject to a competitive process and continue to represent the best available option for the Council. Further advice may be required on design, planning, transport and environmental matters, and consultants will be procured through the Council's procurement procedures.
- 6.3 Eversheds were appointed as legal advisors to the project on 18 July 2005 to support the Council in negotiations for the Cricklewood and Brent Cross project. This was following a competitive tender where Eversheds represented value for money and was the best available option for the Council. Eversheds appointment was reconfirmed by the Cabinet Resources Committee on 19 January 2009.
- 6.4 Paul Winter was at that time employed by Eversheds to provide legal planning advice to the Council's Planning team. He has since set up his own practice and, following a

competitive process, has continued to advise the Council's Planning and Legal Services on the Copthall and Brent Cross Cricklewood projects in accordance with the Framework Agreement dated 15 January 2011. Cabinet Resources Approval is sought to enable the Director of Place to extend this contract in accordance with the provisions contained within the Framework Agreement.

- 6.5 Under the terms of the Collaboration Agreement signed by the Council and the Development Partners, Hammerson/Cricklewood Regeneration Limited and Standard Life are obliged to pay the Council's consultants costs in connection with this project. Spend to date is approximately £3.73m and this has been recovered from the Development Partners. The costs associated with the further work required to progress the project in 2013/14 are estimated to be approximately £1.18m and will be recovered from the Development Partners. The Development Partners have confirmed that these costs are included in their approved budget. If the costs through monthly cost monitoring are likely to exceed this provision, then we will renegotiate additional costs with the Development Partners.
- 6.6 Cabinet Resources Committee approval will be sought to commence the formal procurement process.

7. LEGAL ISSUES

- 7.1 The Council has power a general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 and this empowers the Council to enter into a joint venture arrangement with a private sector partner for the development of the South side of the Brent Cross Cricklewood Development Scheme. Section 1 of the Localism Act 2011 provides local authorities with a broad power to do anything that individuals can do subject to any specific restrictions contained in legislation.
- 7.2 The procurement of a development partner for the south side of the scheme would be carried out in accordance with the relevant European Union Procurement Regulations.
- 7.3 The procurement exercise for the appointment of the Consultants mentioned at paragraph 6.1 of this report was carried out in accordance with the Council's Contract Procedure Rules and with due regard to the European Union Procurement regulations.
- 7.4 The Local Government (Contracts) Act 1997 provides an express general power for local authorities to enter into contracts with third parties.
- 7.5 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.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's Constitution in Part 3, Responsibility for Functions, states in paragraph 3.6 the functions delegated to the Cabinet Resources Committee to agree contracts, and including all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION / REPORT

Background

- 9.1 Brent Cross Cricklewood is one of London's major regeneration schemes and among the most significant planned new developments in Europe. It extends to circa 151 hectares. The Regeneration Scheme is being driven by a partnership comprising the Cricklewood Brent Cross Development Partners (Hammerson and Standard Life Investments) and the London Borough of Barnet.
- 9.2 The site represents a significantly under used area of brownfield land comprising industrial uses, former railway land and retailing premises surrounded by large areas of surface level car parking. The site is dominated and constrained by the existing road network and rail infrastructure. Nevertheless, given its location at the connection between the M1 and the A406, Brent Cross Cricklewood represents an underused gateway site into London. The potential of the site is reinforced by its connection with the A5 and A41, and its close proximity to the Northern Line at Brent Cross station, the Midland mainline and Brent Cross bus station.
- 9.3 The overall aim is to create a new town centre, uniting the areas north and south of the A406, and to stitch together the damaged fabric of this extensive urban area. The scheme will deliver a sustainable town centre comprising attractive residential environments, an expanded and improved shopping centre and an attractive retail environment along a new High Street. Brent Cross Cricklewood represents an opportunity to create a high quality modern development within a mixed community providing local shops, restaurants, offices and schools, set around parkland and green space.
- 9.4 As detailed in the Corporate Strategy section, the development of this strategic gateway site will not only provide an attractive and vibrant place to live and work but will also contribute to the future prosperity of the borough. Phase 1 alone is expected to create an additional 3,000 construction jobs, and 2500-3000 permanent jobs over the next 5-7 years and will generate approximately an additional 91,500 sqm of net retail and commercial floorspace, equating to potential business rate growth of up to £10m per annum.
- 9.5 The report to Cabinet Resources on 19 October 2010 set out the final agreed commercial terms to be incorporated into the legal agreements between the Council, Hammerson/Standard Life and Cricklewood Regeneration Ltd in respect of the Brent Cross shopping centre and the lands to the south of the A406.
- 9.6 Outline planning permission for the comprehensive regeneration of the Brent Cross Cricklewood area was granted on 28 October 2010.

Progress Update

- 9.7 In the last two years the Development Partners have been working up a re-phasing of the existing outline planning consent that will provide a more viable scheme and will meet the planning conditions of the outline permission. The risk of the need for re-phasing was highlighted in the Cabinet Resources Committee Report in 2009 given the existing economic conditions.
- 9.8 This re-phasing exercise has provided the Development Partners with the opportunity to revisit the masterplan and the introduction of improvements, for example better

pedestrian links between Brent Cross Shopping Centre and the proposed new high street to the south of the A406. This is subject to Planning and therefore needs to be considered and reviewed by the Council's planning team as part of the application to modify the existing consent.

- 9.9 This re-phasing strategy will enable a start on site by 2017 in accordance with the existing permission, and a potential opening date for the new shopping centre by 2020.

Procurement of Development Partner to deliver the southern parts of the Brent Cross Regeneration.

- 9.10 The Council and Hammerson/Cricklewood Regeneration Limited are investigating the best way to secure a development partner to deliver the southern parts of the Brent Cross Cricklewood Regeneration. The Council will lead this process with the support of Hammerson / Cricklewood Regeneration Limited. This approach will enable Hammerson to focus on the delivery of the shopping centre at Brent Cross and the significant infrastructure required to support the comprehensive regeneration proposals. The legal agreements with the Development Partners will be updated to reflect this revised approach and will be reported to Cabinet Resources Committee for approval..
- 9.11 The Council has also instructed GVA Grimley to provide strategic property development advice and specialist support on the delivery of the southern parts of the scheme. The first stage of that advice is to review the existing masterplan and consider the most appropriate delivery mechanism and procurement route to find a delivery partner. This work, which is commercially sensitive, will be reported to Cabinet Resources Committee later this year.
- 9.12 Cabinet Resources Committee approval is therefore sought to allow the Council and Hammerson/CRL to begin preparations for the Council to procure a partner to deliver the southern part of the regeneration proposals. This work will include GVA, on the Council's behalf, undertaking research to understand the market on bringing forward the regeneration proposals and determine the most suitable delivery mechanism and the appropriate procurement route.
- 9.13 GVA are also commissioned to explore potential funding strategies to bring forward critical infrastructure within the Regeneration Area, including the Thameslink Station. This review will be complete in April 2013 and reported to Cabinet Resources later this year.
- 9.14 Following this exercise and the conclusion of the GVA work, Cabinet Resources Committee approval will be sought to commence the formal procurement process in early 2014 based on a clear procurement strategy and delivery mechanism.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	JF