



## Assets Regeneration and Growth Committee

27 November 2017

<b>Title</b>	<b>Brent Cross Cricklewood Update Report</b>
<b>Report of</b>	Councillor Daniel Thomas
<b>Wards</b>	Childs Hill, Golders Green and West Hendon
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Karen Mercer, Programme Director Re, <a href="mailto:Karen.Mercer@barnet.gov.uk">Karen.Mercer@barnet.gov.uk</a> , 0208 359 7563

### Summary

This report provides a progress update since the last Committee on 4 September 2017 on key areas of activity and progress across the Brent Cross Cricklewood (BXC) programme. In particular it details the progress made on Brent Cross North (BXN), namely the approval of the reserved matters application for the shopping centre (Phase1b) and commencement of Seasonal Works to facilitate enabling works starting early next year.

On Brent Cross South (BXS), following approval by the Committee of the BXS Business Plan and the First Phase Proposal (FPP) in July, the report confirms best consideration has been determined for the Council's Land Value in FPP and reports on progress on determining how that value should be invested in BXS. The report also provides a progress update on Thameslink, focusing on the procurement strategy for the individual Thameslink work packages, and seeks the Committee's approval for the station to be named Brent Cross West and to delegate authority to the Deputy Chief Executive to commence early works (rail and non-rail) to maintain programme.

The report also details progress on assembling the land and appropriation to deliver the BXC regeneration.

## **Recommendations**

### **That the Committee:**

- 1) Note the content of this report and progress made on the BXC workstreams across the programme as set out in paragraph 1.1;**
- 2) Delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to exercise, following confirmation of CPO1 and CPO2 by the Secretary of State, the Council's land call options under the Property Development Agreement (PDA) and Co-Operation Agreement with the Brent Cross North (BXN) Partners to acquire the sites to facilitate the Brent Cross South (BXS) and Thameslink Station projects (paragraph 1.50);**
- 3) Approve that the new station be named Brent Cross West (paragraph 1.37);**
- 4) Delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to agree and take all necessary steps to enter into Implementation / Design Services Agreement / Asset Protection Agreements with Network Rail to continue the GRIP 5 design and early works (paragraph 1.29);**
- 5) Delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to authorise the commencement of the early works (rail and non-rail) subject to progress on the wider BXC programme (paragraph 1.41-1.42);**
- 6) Resolves that any land acquired by the Council by private treaty in order to facilitate the BXC programme shall be acquired for planning purposes pursuant to section 227 Town and Country Planning Act 1990 (paragraph 1.55).**

### **1. WHY THIS REPORT IS NEEDED**

1.1 This report provides a progress update on the comprehensive regeneration of the Brent Cross Cricklewood area since the last Committee meeting on 4 September 2017 and seeks the required approvals to ensure that the project momentum is maintained. The Committee is asked to note:

- The content of this report and progress made on the BXC workstreams across the programme.
- The reserved matters application for Phase 1B North for the detailed design of the shopping centre expansion was approved by the Planning Committee on 25 October 2017 and issued on 31 October. Following which the BXN partners have commenced seasonal works to clear invasive species and vegetation (including trees) on 6 November to enable the

early works utility diversions to commence in late January (paragraph 1.2-1.12).

- Following approval by the Committee of the Business Plan and the BXS First Phase Proposal and receipt of the formal letter from CBRE (the Phase Proposal Valuer) confirming that the Phase Proposal as amended represents Best Consideration in accordance with the Best Consideration Mechanism as detailed in the Brent Cross South Project Agreement, the Chief Executive has determined that the Best Consideration requirement has been met. (paragraph 1.17).
- That on 24 July 2017 the Committee approved that the Council Land Value be re-invested in BXS to secure a revenue stream and authorised Officers to explore options for securing this investment in a way that is aligned to Argent Related's interests for consideration by the Committee. An update is provided in paragraphs 1.19-1.25.
- That the CPO3 Inquiry closed on 13 September 2017 and legal agreements were completed with DB Cargo, North London Waste Authority and Network Rail and their objections withdrawn (paragraph 1.49).
- Following the Committee approval of the Thameslink Procurement Strategy on 24 April 2017, the Council is finalising the procurement strategy for each work package. Recommendations will be made to delegate authority to the Chief Executive, in consultation with the Chairman of the Committee, to approve and finalise the procurement strategy for each work package and authorise commencement of the procurement by January (paragraphs 1.40-1.46).
- That on 12 September 2016 the Committee delegated authority to the Chief Executive to consider whether to appropriate to planning purposes Council-owned land within the red line planning application boundary for the scheme (attached – Appendix 1) which is held by the Council for other purposes and, if he considers it appropriate to do so, to effect the appropriation of such land to planning purposes subject to complying with the statutory procedures for such appropriation and obtaining any necessary consents. Subject to confirmation of CPO1 and CPO2 Orders, the Council will be seeking to appropriate to planning purposes land within Appendix 1 attached to the Committee report by Spring 2018 (paragraphs 1.51-1.54).

## **Project Update**

### **Brent Cross North**

- 1.2 The Brent Cross North (BXN) Partners reserved matters application (RMA) for Phase1B (North) for the detailed design of the shopping centre was unanimously approved by the Planning Committee on 25 October 2017.

- 1.3 The BXN Partners have also submitted planning applications to undertake early enabling works and utility diversions, which are anticipated to start on site in January 2018. These applications are under consideration and expected to be determined shortly.
- 1.4 The BXN Partners have submitted the approval in principle infrastructure designs for approval by the Highways Authorities (LBB, TfL and Highways England) and are continuing to negotiate the required Infrastructure Agreements to undertake the necessary works to the public highway and ensure the delivery of the significant road infrastructure improvements. It is anticipated that the technical approvals will be signed off by LBB Highways under delegated powers by 31 December 2017.
- 1.5 In respect of the relocation of the residents within the CPO1 area of the Whitefield Estate, the BXN Partners have been unable to conclude contractual negotiations with Catalyst as their preferred Registered Provider. The BXN Partners had been in contract discussions with Catalyst since 2015 and unfortunately, despite a lot of effort from both parties, they were unable to reach an agreement. Given that residents in the Whitefield Estate have been impressed by the Registered Provider London and Quadrant's (L&Q) work within the CPO2 area of the Estate and that both Council Officers and BXN Partners have also been encouraged by their approach, engagement and level of commitment to delivering the new homes for residents within CPO2, the BXN Partners have now decided to progress with L&Q and have reached an in principle agreement for L&Q to deliver the CPO1 replacement homes on Plots 53 and 54 of the development.
- 1.6 The design and layout of the homes for the CPO1 residents ("the "Whitefield Estate Replacement Units (Part 1)" were approved through reserved matters in 2015. These designs remain the same and have not altered. An Open Meeting was held with the residents within the CPO1 area to meet the team from L&Q on 14 November 2017. At this meeting, the BXN Partners provided greater explanation to their decision-making process and introduced residents to L&Q, who explained more about their role and how L&Q will support the residents through the move to the new homes.
- 1.7 The BXN Partners are now in the final stages of concluding third party investment into the Brent Cross London scheme. This is anticipated to be completed early in the New Year. This has taken longer than expected, partly due to the delay to the CPO1 and CPO2 decision. As previously reported BXN Partners are restructuring the joint venture and putting the necessary legal arrangements in place. These arrangements have now been agreed and will be entered into in the New Year. As part of legal documentation, the parties have agreed to enter into an Integrated Programme Management Office (IPMO) co-operation agreement to better manage areas of interface between BXN, BXS and Thameslink projects.
- 1.8 In relation to the programme, following the approval of detailed planning consent, the main construction works for the Brent Cross London development are due to commence in summer 2018. BXN Partners continue to anticipate undertaking early enabling work from January 2018, with an

anticipated main construction start date for the Phase 1A Infrastructure and the Phase 1B Shopping Centre works in July 2018. Laing O'Rourke has been selected as the preferred contractor for Phase 1B works. The tender process is still underway with respect to the Phase 1A Infrastructure and is due to close by the end of the year. The target completion date is September 2022.

- 1.9 To enable these works to take place, a package of seasonal works, comprising the removal of trees, vegetation and invasive non-native plants including Japanese Knotweed and Giant Hogweed commenced on 6 November and should be completed by end of February 2018. These works are in accordance with details which have been approved through the Planning process as a result of the RMA consents and discharge of conditions for Phase 1A and 1B North. The work is being carried out by specialists under the supervision of Waterman, one of the UK's leading environmental specialists. They will ensure the works are undertaken to the highest environmental standards and with the minimum of inconvenience. The BXN Partners are currently exploring options for reusing the timber from felled trees. These options include reusing the timber within the development, for public furniture or children's play equipment, local community projects or donations to charities such as the Timber Project (<https://www.thetimberproject.co.uk/>).
- 1.10 The BXN Partners have contacted residents living on Brent Park Road as well as the Whitefield Estate to notify and explain the works, the hours of working and how they can contact the BXN Partners to discuss any immediate concerns.
- 1.11 The BXN partners have recently appointed the contractor Murphys to undertake the enabling works (namely utility diversions) before the main works begin on site. The Council's Planning and Highways teams is working to ensure appropriate communications plans are in place to inform the public and to minimise impact on surrounding local roads.
- 1.12 A series of workshops has been held at operational level to identify the impacts and affected transport users (including pedestrians and cyclists) for the enabling works planned for early 2018. This insight will inform the communications action plan to mitigate the impact as required by the technical approval. Briefings will be provided to Members as to the proposed transport management plan and communications strategy via Member Briefings.

## **Brent Cross South**

### **Business Plan**

- 1.13 The Committee approved the final revised BXS Business Plan on 24 July 2017. This document sets out the BXS vision and guides the activity, roles, responsibilities and obligations of the parties.

- 1.14 In line with the draft Business Plan and in accordance with the Project Agreement, BXS JVLP submitted the First Phase Proposal (FFP) on 30 June to the Council for approval. As previously advised to the Committee, the first phase proposal sets out the details of the proposed development within the BXS first phase setting out the floorspace, uses, infrastructure and public realm and timetable for development as well as the Council's potential entitlement to land value.
- 1.15 The FPP includes a programme establishing the drawdown conditions long stop date. The Phase Unconditional Longstop Date has been set at 17 December 2018. Enabling works are due to commence in Autumn 2018 and it is anticipated construction will begin on the first residential building plot in May 2019.
- 1.16 Following the Committee's approval of the Business Plan and FPP, CBRE (the Council's Phase Valuer) has formally confirmed in writing to London Borough of Barnet (LBB) as landowner that best consideration has been achieved to dispose of the Council's land assets within the First Phase Proposal to the Brent Cross Limited Partnership (BXSLP) under the Project Agreement in accordance with Section 233 of the Town and Country Planning Act (TCPA) 1990.
- 1.17 Consequently following the approval of the updated Business Plan and receipt of a formal letter from CBRE, the Chief Executive has determined that the best value consideration test has been met. The indicative value at this stage for the Council's land interests in the first phase is £10.5m. This sets the minimum Council's land value to be achieved at the next viability appraisal date.
- 1.18 In terms of progress, Argent Related submitted a reserved matters application for Phase 1B (South) on 27 October 2017. This application is for the first buildings within Brent Cross South on Plot 12 and will include 110 replacement homes for the residents of Whitefield Estate (Part 2) along with 182 market sale units. Plot 12 will be located to the north of Claremont Park and will include housing, office, flexible retail space, a café and a publicly accessible pocket park.

### **Re-investment of Council Land Value**

- 1.19 The options for how the Council takes its land value are set out in the Exempt reports to the Committee on 17 March 2016 and 24 July 2017.
- 1.20 The five Council Land Contribution Options are
- 1) "Deferred Premium" – an agreed value, payable at an agreed development milestone (expected to be after practical completion). This secures for the Council the benefit of gains due to reduced financing costs on the part of the plot developer
  - 2) "Premium paid on drawdown" – payable on the drawdown of a development plot

- 3) "Payment in kind" – Council receive all or part of the CLC as property to an equivalent value
- 4) Gearing/Ground Rent" – an income stream of equivalent capital value to the CLC, received by gearing or ground rent
- 5) "Stake in Build to Rent SPV" – an income stream derived from a stake in an investment business, equivalent in capital value to the CLC

- 1.21 Options 3, 4 and 5 are all designed to give the Council the opportunity to expose itself to longer term value-gains in the wider Brent Cross scheme. Although the capital values of options 3, 4 and 5 will be the same, the actual income will vary – the yields of the options being different (as a reflection of risk/security of income).
- 1.22 The Council could take its land value as a capital sum at plot drawdown, which represents the most risk free approach. However, in order to take advantage of the value that will be created through the regeneration and placemaking in the early phases, on 24 July 2017 the Committee approved that the Council reinvest it's land value in BXS and commissioned officers to explore options for consideration by the Committee. The aim of such investment will be to secure a revenue stream for the Council, and align the Council's financial interests with those of its development partner.
- 1.23 Following approval by the Committee to invest the CLC within BXS, GL Hearn have commenced a review of the options for deploying CLC to create a revenue income for the Council and are of the view that investing the CLC as equity within the BXS Build to Rent asset product presents the greatest alignment with Argent Related's interests and seems to present the greatest opportunity for enhanced financial performance over the life of BXS.
- 1.24 Consequently, investment as equity in the Build-to-Rent product is emerging as a preferred option as it best aligns the Council's interest with those of Argent and Related, and gives provides the prospect of both revenue and capital appreciation.
- 1.25 Further work is needed to consider the risks, rewards and tax implications of the equity investment, as compared to the alternatives available, and judged against the potential forecast returns under a variety of scenarios. These forecasts will, to an extent, be the product of negotiations between the Council and Argent Related, linked to incentives and performance based returns. A firm proposal will be reported to the Committee in 2018 for decision.

### **Thameslink Station**

- 1.26 The Council is continuing to work with the GLA, HM Treasury, DCLG, Network Rail and the Department for Transport to deliver the new Thameslink Station and associated infrastructure within the regeneration area.
- 1.27 In order to meet the Thameslink Station delivery timetable as explained in previous reports, the Council has entered into Development Service Agreements with Network Rail to progress the GRIP4 design development and allow intrusive ground investigation works to inform the detailed planning

applications and engineering approval in principle designs (AIP). Once completed this will enable a design freeze and provide cost certainty, mitigating the risk of any redesign as well as informing the GRIP5 (Detailed Design) process.

- 1.28 The GRIP4 approval in principle design work is well underway and is due to be signed off by Network Rail on 28 February 2018, thereby achieving GRIP 4 stage gate sign off.
- 1.29 Following the completion of GRIP 4 and aligned to the Thameslink programme, Detailed Design (GRIP 5) would continue. Commencement immediately upon completion of GRIP 4 will ensure consistency of the design process. The GRIP 5 design activity will progressively complete Approved for Construction drawings, whereby construction works can commence in Summer 2018.
- 1.30 The new station design is progressing along the chosen option of 4 platforms, with a single bridge serving the purpose of a public right of way footbridge, as well as access to the new platforms.
- 1.31 The proposed station form consists of the following components:
  - Western entrance building located in the existing cinema car park on Geron Way which includes vertical circulation to the station footbridge
  - Eastern entrance building which will be delivered by the Brent Cross South development
  - A footbridge across the railway lines from the western entrance building to the eastern entrance building which is a 24 hour public right of way
  - Station concourse which is at footbridge level above the railway lines and which is accessed by the footbridge
  - Two island platforms with two platforms faces each, one servicing the up and down slow lines and one servicing the up and down fast lines
- 1.32 As explained in section 5.7 of this report, public consultations and stakeholder sessions were carried out in April and 26 June – 6 July to support the Waste and Freight Facility design development alongside station / sidings proposals and to inform the preparation of the planning applications. These sessions have resulted into a number of modifications to the Council's proposals taking responses into consideration.
- 1.33 The planning application for the Freight Facility was submitted on 15 September 2017. The statutory consultation period has now closed and the application is being considered by the Local Planning Authority. Following a significant number of responses to the application, a programme of specific and targeted dialogue is ongoing with residents' groups including the Cricklewood Railway Terraces led by DB Cargo and the programme team. These include a series of face to face meetings for general concerns to be discussed and also provides the opportunity to address detailed technical issues to resolve concerns regarding the operation of the facility, with particular regard to noise and transport movements. Both of which have been

tested through the Environmental Impact Assessment submitted in support of the planning application.

- 1.34 The planning application for the Waste Transfer Station was registered on 2 November 2017 and the public consultation will end on 1 December 2017.
- 1.35 It is anticipated that a reserved matters application for the station will follow in February next year along with details of the relocated sidings.
- 1.36 The re-phasing application to bring forward the Thameslink Station and critical infrastructure from Phases 4 and 5 of the BXC development into Phase 2 was approved on 26 October 2017.

### **Station Naming Process**

- 1.37 As previously reported to Committee, the Council and BXS JVLP have been consulting on the future name of the new station and to inform the marketing strategy for BXS. It became clear through this exercise that the area north and south of the A406 between the Edgware Road and A41 is well known as Brent Cross. Whilst the marketing and branding of BXS needs to be developed further, all parties agree that the station name should build upon the Brent Cross identity already established. Given the station is located to the west of Brent Cross, it is considered that the station should be named Brent Cross West. Network Rail have confirmed that this name is acceptable for operational purposes. Consequently, the Committee is asked to approve that the new station be named Brent Cross West. Consideration has also been given as to whether to pursue a name change for the tube station from "Brent Cross" to "Brent Cross East", however owing to the very high cost of changing maps and signage London-wide this is not currently being pursued.

### **Network Change**

- 1.38 As the Committee is aware, the Council is working closely with Network Rail with regards to the delivery of the Thameslink Station on a number of key workstreams in addition to design. Network Rail are taking the lead as the project sponsor for the regulatory processes that must be followed when a material change is proposed to the operation of the rail network, such as providing the Thameslink Station and Stabling/Sidings. This process is referred to as 'Network Change'.
- 1.39 The Network Rail Sponsor issued the draft part 2, the 'Notice of Intended Scope' to the railway stakeholders. Responses have been received from the main stakeholders and these have been considered by Network Rail. The formal notice will be issued in December with the formal approval being achieved by March 2018.

### **Procurement**

- 1.40 The Thameslink Works programme is divided into a number of different work packages. Following the Committee approval in respect of the Station Works Procurement Strategy on 24 April 2017, the Council is currently undertaking a

detailed review of the proposed options and anticipate that recommendations will be made to the Chief Executive in consultation with the Chairman of the Committee to approve and finalise the procurement strategy for each work package and authorise commencement of the procurement in January 2018.

#### Early Works

- 1.41 The early works (package O within the Station Works Procurement Strategy approved on 24 April 2017) will focus on the sidings area to include removal/treatment of vegetation and invasive species, a temporary haulage road and site clearance and remediation. It is anticipated that this work will be procured through Network Rail's procurement framework. Non rail early works will also be required in respect of the Waste Transfer Station relating to highway and utilities diversions. Subject to the confirmation of the CPO, it is anticipated that the early works will begin in Spring 2018 to facilitate enabling works to commence in July 2018 as soon as the BXN Partners commence the main construction works on the infrastructure and shopping centre development.
- 1.42 Consequently, Committee approval is sought to delegate authority to the Deputy Chief Executive in consultation with the Chairman of the Committee to authorise the commencement of the Thameslink early works (rail and non-rail) subject to progress on the BXC programme as a whole.

#### Rail Systems and Station

- 1.43 With respect to the delivery of the rail system elements including the station and sidings (packages A and B), the Council and its advisors are currently assessing whether to 1) employ Network Rail (via an Implementation Agreement to manage and deliver the works, or 2) to determine the current relationship with Network Rail and for LBB to contract and manage the works directly with an experienced rail contractor(s).

#### Rail Freight Facility

- 1.44 In relation to the Rail Freight Facility (package D) DB Cargo are obligated to deliver the facility by 30 June under the terms of the Settlement Agreement. The Council will be monitoring progress in case it is necessary to step in as a result of non- performance.

#### Waste Transfer Station

- 1.45 As the Committee is aware, the Council and its advisors have also been working closely with the NWLA and London Energy Limited to agree the planning application scheme and contractual arrangements to enable the relocation of the Hendon Waste Transfer Station. As noted above, the planning application for the Waste Transfer Station (package E) has now been submitted to the Local Planning Authority and the Settlement Agreement entered into by the Council and NLWA. The Council now needs to develop the detailed design and procure the contractor to enable a start on site in July 2018. It is envisaged that Capita will continue to work up the detailed design (RIBA Stage 4 technical design) and engage with Grahams to construct the new facility through the existing Council procurement framework. Early contractor engagement through RIBA 4 stage design is essential to de-risk design changes through build process. The Council will continue to engage

closely with NLWA throughout the design process and contractor selection to ensure that the new facility meets NLWA requirements as well as fulfilling the Council obligations to deliver the new facility as required through the legal documentation. Work on site is expected to commence once the BXN Partners have started on their main works contract in July 2018.

- 1.46 The Committee will be kept updated on progress.

### **BXC Assurance Re**

- 1.47 As noted at the last meeting, the Council, along with its public sector partners have commissioned an Assurance Review led by HM Government Infrastructure & Projects Authority (IPA). Preparatory meetings have been arranged and the review is scheduled to take place 27-30 November. IPA reports are not public documents, but it is anticipated that the report will be shared with the Audit Committee as a confidential item.

### **BXC Land Assembly**

#### **CPO1 AND CPO2**

- 1.48 In respect of CPO1 and CPO2, the Committee will recall that the CPO Inquiry formally closed in July 2016 and the Council is awaiting the Secretary of State decision. This is anticipated towards the end of this year. The Council's advisors, GL Hearn are continuing to negotiate with landowners within the CPO areas to acquire the necessary land and rights needed for the Brent Cross North and South schemes.

#### **CPO3**

- 1.49 The making of a compulsory purchase order to assemble the land and new rights required to develop (1) the Thameslink station and associated infrastructure work packages and (2) the Station District that forms part of Brent Cross South was approved by the Committee on 5 September 2016 (known as CPO3). CPO3 was subsequently made on 7 September. The CPO Inquiry commenced on 5 September 2017 and closed on 13 September. Agreements were reached with North London Waste Authority (NLWA), Network Rail and DB Cargo to enable their objections to be withdrawn prior to the close of the Inquiry. A decision from the Secretary of State on CPO3 is anticipated by Spring 2018.

### **Land acquisitions under the Brent Cross Property Development Agreement and Co-operation Agreement**

- 1.50 Once CPO 1 and 2 decision is confirmed by the Secretary of State, the Committee is asked to delegate to the authority to the Deputy Chief Executive, in consultation with the Chairman of the Committee, to exercise the Council's call options under the PDA and Co-Operation Agreement with the BXN Partners to acquire the sites to facilitate the BXS and Thameslink Station projects, having regard to the CPO decision and programme. The call options relate to buildings on Brent Terrace alongside the Selco building as approved

by the Cabinet Resources Committee on 16 January 2014 and this Committee on 30 November 2015.

### **Land Appropriation**

- 1.51 In order to deliver the regeneration of the Brent Cross Cricklewood area, the Council will need to dispose of land within its freehold ownership to the developers. Parts of the Council's land are subject to third party rights which could prevent the intended development and use of the land. The Council will, in conjunction with the CPO process, need to consider appropriating those parcels of land that have historically been held for other purposes to planning purposes prior to the commencement of development. Once they are duly appropriated to planning purposes, section 203 of the Housing and Planning Act 2016 will operate to override and extinguish any private rights or covenants that might otherwise impede the implementation of the consented development. Compensation may become payable to those whose rights are so extinguished.
- 1.52 In order to appropriate the land to planning purposes to enable section 203 to take effect, the Chief Executive will need to be satisfied that the Council could have compulsorily acquired the land under section 226 of the Town and Country Planning Act 1990 and therefore that appropriating the land for planning purposes will contribute to the achievement of the environmental, social and economic well-being of the area.
- 1.53 Consequently on 12 December 2016, the Committee delegated authority to the Chief Executive to consider whether to appropriate to planning purposes Council-owned land within the red line planning application boundary for the scheme (Appendix 1 attached to the report) which is held by the Council for other purposes and, if considered appropriate to do so, to effect the appropriation of such land to planning purposes subject to complying with the statutory procedures for such appropriation and obtaining any necessary consents. Any decisions to appropriate particular parcels of land will be the subject of a delegated powers report at the relevant time identifying the land in question and evidencing compliance with the statutory requirements. It will also be necessary to obtain the Secretary of State's consent to the appropriation of certain categories of land (for example where land consists of a house or part of a house Secretary of State's consent will be required pursuant to Section 19(2) of the Housing Act 1985).
- 1.54 The Council is currently undertaking the necessary consultation and will be undertaking the required statutory advertisements for any open space and obtaining the required statutory consents. The notices for open space will be placed shortly. Subject to the CPO 1 and 2 Orders being confirmed, the Council will prepare a full Delegated Powers Report explaining the reasoning for appropriating the land, including any responses to statutory advertisements and evidencing that all the legal requirements as they apply to the various different types of land have been complied with.

### **Future Land Acquisitions**

- 1.55 Section 227(1) of the Town and Country Planning Act 1990 provides that the Council may acquire by agreement any land which they require for any purpose for which a local authority may be authorised to acquire land under section 226.

### **PB Donaghue**

- 1.56 The Committee will recall that on 12 December 2016, the Committee considered a report exploring the potential options to re-locate the existing Donoghue skip hire and waste management from its present site on Claremont Road, Cricklewood following the request by Finchley and Golders Green Area Committee “that officers investigate the feasibility of relocating Donoghue due to concerns about health and safety particularly for the children who attend the three schools on the Donoghue’s main route.”
- 1.57 As the Committee is aware, Donoghue currently operates from its existing premises on Claremont Road opposite The Vale. The site, which extends to circa 0.95 ha, is located within the Brent Cross Cricklewood regeneration area, and forms part of the Brent Cross South masterplan proposals that are being brought forward jointly by the Council and its development partner Argent Related.
- 1.58 The section 73 planning permission as approved in July 2014 identifies the site as a development plot to be brought forward in phase 4 as part of the regeneration of the Brent Cross Cricklewood area. The Donoghue site is not within the land for which compulsory purchase powers have already been sought in CPOs1, 2 and 3, nor does the Council own it. If the Council were to acquire the site it would need to be either through private treaty negotiation or a new CPO would need to be sought. .
- 1.59 Since the Committee meeting, the Council has continued to investigate and explore options to identify alternative waste capacity and relocate the skip hire and waste management operations. However, the team have not thus far been able to find a suitable site in an appropriate location. Work is continuing and the Council is in discussions with the GLA.

## **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, most recently the report to December meeting, which can be accessed on this link:  
<http://barnet.moderngov.co.uk/documents/s36613/121216%20-%20Final%20Draft%20BXC%20Update%20ARG%20Report%20v3.pdf>

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Alternative options have been considered and these options are summarised in previous reports.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 The Council and its advisors will continue to progress all work streams to ensure delivery of the Brent Cross regeneration proposals as outlined in this report and approved by the Assets, Regeneration and Growth Committee.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 Previous reports describe in detail the ways in which the regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 as updated.

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

###### **Approved Capital Budget – Land Acquisitions**

- 5.2.1 The current approvals for land acquisition are £118m with £37.2m available at the start of 2017/18 and a further addition of £59.2m as agreed at September P&R, which covers Brent Cross North, South and some of the Thameslink development. The current available scheme budget at Qtr 2 2017/18 is £96.4m.

###### **Brent Cross North**

- 5.2.2 The Brent Cross Principal Development Agreement confirms that the Brent Cross North Partners (HSL) 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, highways works.
- 5.2.3 In relation to CPO 1, there are two main elements of costs associated with any potential CPO process – the costs of preparing and promoting the CPO itself, and the compensation and consideration to be paid to those whose land and interests are acquired. In terms of the costs for resourcing the private treaty acquisitions, this has and continues to require input from internal and external resources covering various disciplines, including senior officers, legal input, surveying and valuation expertise. In respect of these acquisitions which fall in the northern part of the scheme, the HSL will meet all of these costs through the CPO Indemnity Agreement (CPOIA).
- 5.2.4 The Council's 2017/18 revenue budget estimate for recoverable costs from the Brent Cross North elements totals £2.7m.

###### **Brent Cross South and Thameslink**

- 5.2.5 In relation to the land required to deliver the BXS first phase south side development, there is approved capital funding (see 5.2.2). This funding will be later recouped from the anticipated capital receipts of the south side

scheme.

- 5.2.6 The BXS Project Agreement provides the framework for agreeing the Council's land value, and in this regard CBRE has undertaken the necessary valuation work in respect of the signing off the inputs and assumptions to the financial model in respect of the BXS Phase Proposal.
- 5.2.7 BXS Project Agreement and corporate documentation between Argent Related and the Council, which deals with the delivery of the redevelopment and regeneration of the land to the south of the North Circular is now completed. A CPO Indemnity Agreement for CPO2 and CPO3, under which Argent Related provide the Council with an indemnity in respect of the costs of promoting the CPO and the compensation payable to third parties in respect of whose land and interests within CPO2 and CPO respectively has been completed.
- 5.2.8 The current total approved Capital Budget for Thameslink is £70.55m. This includes £24.7m and £29.2m as approved by Policy and Resources Committee in June & September 2017 respectively, leaving £62.5m available budget as at Qtr 2 2017/18. The delivery of the Thameslink works, including land acquisitions, will be funded initially from the existing Council capital budgets, further borrowing and also £97m DCLG grant funding, which is specifically for Thameslink. The DCLG Grant Agreement and GLA Funding Letter (agreeing to the ring-fencing of business rates) have now been signed and the first DCLG grant payment of £6m has now been received.
- 5.2.9 In terms of the costs of pursuing the CPO, this has required input from internal and external resource covering various disciplines, including senior officers, legal input, surveying and valuation expertise, planning input, input from the preferred developer when selected, technical input from engineers and consultants, and the cost of witnesses at the public inquiry. There has also been costs associated with the organisation and holding of the public inquiry. This is being met by the existing Thameslink Station and land acquisitions budget. Ultimately, the CPO3 acquisition costs will be funded from either JVLP, if appropriate, or the £97m grant referred to above.

### 5.3 **Social Value**

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

### 5.4 **Legal and Constitutional References**

- 5.4.1 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.
- 5.4.2 The Council has a range of powers to enter into the legal agreements envisaged by this report, including the general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 to do anything that individuals can do subject to any specific restrictions contained in legislation

and Section 111 of the Local Government Act 1972 which provides that a local authority has power to do anything which is calculated to facilitate, or is conducive or is incidental to, the discharge of its functions.

- 5.4.3 Additionally the Council has the power to acquire and dispose of land in accordance with Sections 120 to 123(2A) of the Local Government Act 1972, subject to obtaining all appropriate consents and approvals.
- 5.4.4 Where land is being and has been appropriated for planning purposes, any disposal of land appropriated for such purposes is effected in reliance on Section 233 Town and Country Planning Act 1990. On any disposal of property the Council is required to observe the requirements of s123(2) of the LGA 1972 and Section 233 Town and Country Planning Act 1990 to ensure that any disposal is not for a consideration less than the best that can reasonably be obtained. Any land held for the purposes of part 2 of the Housing Act 1985 can be disposed of under section 32 of that Act either in reliance on a general or express consent of the consent of the Secretary of State.
- 5.4.5 Procurement of public works and services contracts over the relevant value thresholds must observe the requirements of the Public Contracts Regulations 2015, to include the placing of OJEU notices where such contracts are not drawn down from a compliant framework. The Public Services (Social Value) Act 2012 requires the Council to consider whether it can achieve an improvement to the economic, social and environmental well-being of an area as part of the procurement of these services. If so, the social value objectives identified must be written into the procurement process. All of this must be achieved with regard to value for money and in a way that is compliant with existing public procurement law. "Social value" objectives can include the creation of employment, apprenticeship and training opportunities for local people, trading opportunities for local businesses and the third sector; and the promotion of equality and diversity through contract delivery.

## 5.5 Risk Management

- 5.5.1 The key risks and mitigations are summarised in the 11th July 2016 report, please see link here - <http://barnet.moderngov.co.uk/documents/s33190/Brent%20Cross%20Cricklewood%20Compulsory%20Purchase%20Order%20No.%203%20and%20Project%20Update%20Report.pdf>

## 5.6 Equalities and Diversity

- 5.6.1 As reported in successive meetings, the Development Proposals support achievement of the Council's Strategic Equalities Objective.
- 5.6.2 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.

## **5.7 Consultation and Engagement**

### **Programme wide**

- 5.7.1 An overarching communications strategy is in development to mirror the programme of works to ensure that opportunities to promote and engage are optimised. This will also identify resources and materials required to provide consistent and accurate information available and to agree project communications protocols with Network Rail to govern communication with lineside neighbours, in line with the technical approval requirements.
- 5.7.2 The Council continues to work closely with development partners from the north and the south side to develop and implement a coordinated communications strategy and stakeholder engagement approach across the whole programme.
- 5.7.3 All three projects provided an All Member Briefing to Councillors on 25 October 2017 which was well attended and attendees welcomed the update. A follow up briefing for all members will take place in the Spring, with specific issue and area based updates when required.
- 5.7.4 The joint monthly communications meeting continues to be held, attended by the Council, Brent Cross North Development Partners and Argent Related (including their advisors Tavistock and Soundings) as well as TfL. As the programme begins to move towards an operational phase, consideration is focused on a communications action plan taking account of key audiences.
- 5.7.5 Through the IPMO, a programme wide communications, engagement and consultation forward plan continues to be updated with a 3 – 6 month forward look of all planned and upcoming communications and engagement activities across the whole programme to enable better coordination and joined up working. A key objective is to be cohesive when communicating with the same groups of residents and businesses on different issues to minimise confusion.
- 5.7.6 The Communications Group has facilitated the recent cross promotion of the BXC regeneration programme through local and national media and issuing factual reactive statements to journalist's queries.
- 5.7.7 The Transport Communications Group – a sub-group of the Transport Advisory Group (TAG) – held a number of meetings to develop the transport communications plan with the affected highways agencies and developers. TfL produced an overarching communications strategy to set out first principles of joined up working.
- 5.7.8 Barnet officers were invited by LB Brent officers to provide a briefing to Ward

Members. This meeting was held on 7 October 2017. The LB Brent is keen to work with LB Barnet on wider masterplan opportunities, particularly around the A5 and links to the Station from LB Brent as well as understanding the employment opportunities that will be generated from the scheme. Concerns were raised relating to transport movements on the A5 as well as the Rail Freight Facility and Waste Transfer Station. It was agreed that there would be further discussions how best to promote closer working relations at all levels to ensure the benefits of the scheme are maximised to the wider local community.

### **Brent Cross North**

- 5.7.9 PEP the Resident Independent Advisor continues to hold monthly resident surgeries on the Whitefield Estate. Argent Related, L&Q, BXN Partners and the Council have also distributed FAQs to residents, to provide them further reassurance on the agreed relocation principles. With the recent change of RP for CPO1 residents, a series of community meetings have been scheduled. A meeting was held on 14 October with the resident steering group / open meeting introducing L&Q. A design drop in session is scheduled for 15 October, and a session for residents to discuss issues directly with L&Q has been arranged for 27 October 2017. Individual session will be offered to residents who wish to seek clarity on their own personal circumstances.
- 5.7.10 The BXN Partners gathered good press coverage, particularly in trade press, following Barnet Council granting planning permission for the extension of the shopping centre in October. This coincided with BXN Partners appointing Laing O'Rourke as their preferred contractor to take the work forward which also gained significant media coverage.
- 5.7.11 Seasonal works to clear invasive species and some trees began on 6 November ahead of the bird nesting season. All residents affected by the works were informed by the developers before work began. The letters also set out measures taken to minimise disruption and impacts to them. This included limiting work close to residents from 8am to 5pm, transporting organic material offsite to be processed and using equipment to keep noise to a minimum. Residents were also provided with a customer contact number if they wished to raise concerns or make a complaint. BXN Partners shared the schedule of works with Ward Councillors ahead of seasonal works commencing and covered it in detail at the all member briefing on 25 October.
- 5.7.12 Consideration is continually given to residents and businesses in this area as the programme of works begins.
- 5.7.13 Discussions are on-going about the best approach to communicating appropriately about the enabling works scheduled by the BXN Partners for early 2018 and also to communicate the Secretary of State's decision on CPO1 and 2, once it is received. This will include a targeted letter drop to Whitefield estate residents to set out what this means and how it is relevant to them. A press issue will also be issued, supported by BXC Partners to mark the significance of the milestone in the programme.

## **Brent Cross South**

- 5.7.14 Argent Related and Soundings produced a hard copy newsletter update to residents in April 2017 and June 2017 to promote the July consultation on the first buildings and plans for open space.
- 5.7.15 An Open spaces workshop and public exhibition about the 1BS Draft Designs was held in July to inform the Reserved Matters Applications in November. Argent Related will also be issuing a press notice to promote the opportunity for community involvement in the detailed plan for the temporary open space. These sessions are planned for Spring 2018.
- 5.7.16 In respect of the Whitefield Estate Part 2 relocations community engagement has been ongoing with Argent Related and L&Q directly with residents about their personal circumstances.
- 5.7.17 Argent Related and L&Q held a series of design workshops for residents to provide an opportunity for residents to record their aspirations and priorities for the design of their new homes and the surrounding areas. Liaison has been ongoing with the residents steering group to ensure residents understand that L&Q will also act as housing provider for the residents affected by HSL proposals.

## **Thameslink**

- 5.7.18 Over the summer months, GL Hearn delivered a substantial community engagement programme around the Thameslink station phase. This included three open events with an exhibition of the plans and opportunities for residents and interested parties to participate and ask questions. This was widely publicised via social media channels, via a press notice and advertised in local media. An information based newsletter was distributed to 38,000 homes and a flyer distributed to promote the community exhibitions which were well attended.
- 5.7.19 Following early consultation on the designs for the Waste Transfer Station and Rail Freight Facility, designs have been revised. The changes have been broadly well received and the detailed plan for the WTS opened for public consultation in November.
- 5.7.20 The planning application for DB Cargo's freight facility attracted widespread comment via Barnet's planning portal. This was supported by a widespread social media campaign to encourage people to express their objections. A programme of specific and targeted dialogue is ongoing with residents' groups led by DB Cargo and the programme team. These include a series of face to face meetings for general concerns to be discussed and also provide the opportunity to address detailed technical issues.

## 6 BACKGROUND PAPERS

- 6.1 Assets, Regeneration and Growth Committee, 17 March 2016, item 14, Brent Cross Cricklewood Compulsory Purchase Order (No.3), <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8312&Ver=4>
- 6.2 Assets, Regeneration and Growth Committee, 17 March 2016, item 16, Brent Cross Cricklewood <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8312&Ver=4>
- 6.2 Assets, Regeneration and Growth Committee, 24 April 2017, Brent Cross Cricklewood Update Report <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=8641&Ver=4>
- 6.3 Assets, Regeneration and Growth Committee, 24<sup>th</sup> July 2017, Brent Cross Cricklewood Update <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9337&Ver=4>
- 6.4 Assets, Regeneration and Growth Committee, 4<sup>th</sup> September 2017, Brent Cross Cricklewood update report, <https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9080&Ver=4>