	<p style="text-align: center;">Executive 27th May 2008</p> <p style="text-align: center;">Report from the Chief Executive</p>
<p style="text-align: right;">Ward Affected: ALL</p>	
<p>A New Civic Centre site identification & land acquisition</p>	

Forward Plan Ref: F&CR-07/08-34

Appendix 1 is not for publication as it contains the following exempt information as specified in Paragraph 3 Schedule 12A of the Local Government Act 1972 namely:

'Information relating to the financial or business affairs of any particular person (including the authority holding the information).'

This information is exempt because having taken into account the circumstances of the case it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

1.0 SUMMARY

1.1 The detailed background to this report was contained in a report to the Executive in March 2008 and provided detail of the Council's Civic Centre programme which is primarily focused on shaping the Authority for the 21st Century. One clear strand of this programme has been the identified need to relocate the HQ of the authority into the future "heart" of the borough and in so doing consolidate the service offer and Civic functions.

2.0 RECOMMENDATIONS

2.1 That the Executive agree:

2.1.1 To enter into an Agreement for lease with Quintain Developments Plc for a site as shown on the attached plan and payment of deposit

2.1.2. Subject to the necessary funding being agreed by Full Council; to enter into a long leasehold interest of 999 years on the main terms and conditions as set out in the confidential appendix below. The lease to be subject to approval of

the Chief Executive such that he is satisfied as to final details of the agreement being in the best interests of the Council

- 2.1.3 To approve the location of the Civic Centre as being within the boundary of the plot shown on the attached plans subject to the detailed site area being agreed by Chief Executive

3.0 DETAIL

- 3.1 The Executive on 18th March 2008 agreed a number of items in particular of relevance to this report:
- (i) that the procurement and delivery of a new Civic Centre for Brent in the Wembley Regeneration Area be agreed;
 - (ii) that the site purchase option be approved and that it be agreed that officers continue negotiations with landowners for a site. If negotiations are successful, it was agreed that a report be brought to Executive to approve the purchase of a specific site;
 - (v) that it be agreed that the site boundary for the new Civic Centre will be the North West District as defined in the council's Wembley Masterplan in the first instance and, if necessary, extended to the National Stadium Policy Area;
 - (vi) that approval be given to officers to establish a project team, including external advisers, with the capacity to deliver the new Civic Centre on time and to budget. The external advisers currently engaged by the council in connection with the new Civic Centre project to continue to advise on this stage of the project. It was agreed that the position would be reviewed when the options for the management of the project were further refined.
- 3.2 At the same meeting the Executive also agreed to acquire the freehold interest in Brent House. This acquisition was completed on 7th May 2008. This building now forms an integral part of the council's long term accommodation strategy which itself is based around the ambition to create a new civic centre presence in the Wembley Regeneration area. Consequently officers will now begin a review of the current portfolio to both rationalise and allocate current space in accordance with our desire to create a modern flexible workforce. This work stream will run along-side other initiatives so that when the civic centre becomes available the Council will already have factored in the effect of the centre on service delivery.
- 3.3 It is of course absolutely essential to this ambition that we are able, as early as possible in the programme, to be able to achieve certainty as to the location of the new civic centre site and also as to the cost of purchase of the site. Therefore in order to take forward the Civic Centre project two specific work streams were created; site identification and site acquisition.

4.0 SITE IDENTIFICATION

- 4.1 The first trawl of potential sites aimed to identify the optimum 'Civic Zone' as located within the North West District Masterplan of the Wembley Regeneration Zone.
- 4.2 This involved the consultant architects, Consarc, undertaking a review of the Quintain Estates & Developments Plc. (QED) masterplan which is currently at the first public consultation phase prior to being submitted to Brent Council as Planning Authority. For each potential plot Consarc carried out a technical analysis based on known elements such as context, vehicular access, building orientation and the Council's stated optimum site area and access requirements.
- 4.3 The outcome of this initial Level 1 analysis was to recommend that the areas of land along Engineers Way offer the best potential sites or 'Civic Zone'. Although at this first trawl individually none of the specific plots as described by Make, (Master planning Architects) for Quintain were deemed suitable for the location of the Civic Centre alone.
- 4.4 The Level 2 analysis involved more detailed location evaluation and a series of dialogues between QED, MAKE Architects and Council officers and consultants.
- 4.5 The outcome of this Level 2 analysis was for a strong preference for any Civic Centre to secure a significant presence onto Arena Square. This square is seen as providing good connection with existing public open space, has already been established as a public destination point and along with the Listed Wembley Arena building is seen as a focal point for the regeneration and redevelopment of the rest of the Northern Lands. A Civic presence here would also be highly visible and occupy a prominent position within the current and future built environment. This was agreed in principle with QED at this point.
- 4.6 The next Level 3 analysis identified a more precise plot which occupied the majority of the cleared site adjacent to Arena Square along Engineers Way. However this precise plot location is of significant importance to QED. It is seen by them as being a strategically important site within their overall masterplan and a cornerstone location for their proposed new route, provisionally known as, Western Olympic Way, and is part of their currently proposed retail provision to act as a continuation of the retail provision being established on the other side of Arena Square on the Western Boulevard.
- 4.7 However the outcome of this analysis suggested to the Council's project team that it was important to seek to persuade QED that this site best represented the Council's aspirations. The site is shown on the attached appendix and is seen as providing the optimum opportunity for civic presence in the context of Arena Square.
- 4.8 Consequently both parties have sought to achieve a solution which satisfies both sides' ambitions. It is accepted that this is the "prime site" along Engineers Way for a Civic Centre and also is crucially important to QED. At

the moment this building may be a stand-alone Civic Centre or one which incorporates a retail provision at ground floor level along the proposed new road, probably with the Council taking the most prominent retail site which will be at the junction of Engineers Way and Western Olympic Way, for the proposed new library. Further design will be required by the appointed design team to ensure the practicality of combining the retail element.

4.9 Thus it is the recommendation of the Level 4 Analysis that both an 'All in One' and a 'Linked' typology could be developed to responded to the Council's Strategic Brief, the Masterplan and Planning Context. The Plot, at 10,115 sq m (2.5 acres) is proved to support a variety of design potential for development.

4.10 Therefore, due to the current status of the QED master plan, whilst the plot location has been identified, it is the case that the Level 4 Analysis is not able to be conclusive as to exact build orientation and mass. It is therefore the recommendation from the consultant architects that a Design Feasibility Study be commissioned at this stage in order to further assess the final precise site boundaries criteria, involving plot dimension and specific distribution of public realm, car parking and mass in relation to QED use class adjacency. It is imperative that this work is also supported by a robust cost plan

4.11 Thus as a conclusion to this site identification work stream the following issues have been satisfactorily proven from a technical perspective:

Level 1 Analysis - locate a suitable ZONE for the Civic Centre Plot in the North West Quarter masterplan

Level 1 Outcome: evaluation of accessibility, potential for civic prominence, orientation, massing opportunities, known/existing conditions supports a zone for location along Engineers Way

Level 2 Analysis - order a preference for a plot within this zone for an aspect to Arena Square.

Level 2 Outcome: various positions along the identified zone offer various levels of prominence for the Civic Centre Building as a requirement of the brief; a hierarchy can be determined.

Level 3 Analysis - confirm that a 10,115 sq m (2.5 acre) site will support the Civic Centre Building, 125 car-parking spaces and an area of Public Realm, albeit that some overlap of these requirements will be required and be subject to external master planning forces i.e. adjacent uses, access and planning constraints

Level 3 Outcome: studies that define the areas of these uses on 2.5 acres demonstrate the potential

Level 4 Analysis - acknowledge that the 10,115 sq m (2.5 acre) site will provide enough flexibility in area for a design team to respond to the Quintain Masterplan and the requirements of the Civic Centre Brief.

Level 4 Outcome: studies confirm that various civic centre typologies (as massings) based on the building brief could be deployed on a 10,115 sq m site subject to dimensional restrictions

4.12 The next phase of this project will require us to:

- Locate the precise boundaries of the elements of the specific plot in relation to the QED masterplan
- Define the finite dimensional parameters required of the plot in context of the masterplan and QED use class integration, to support the Civic Centre Building brief.
- Determine if a smaller site or an additional use on current site would support the Civic Centre brief.
- Deploy the civic centre brief on the proposed plot to RIBA stage B: feasibility stage. This architectural technical evaluation will enable the Council to be certain that whatever the eventual final design of the building an acceptable design is technically feasible and we can therefore progress the scheme. It is proposed by the Council's consultant architect that this Stage B be undertaken as a requirement of the current stage of negotiations with QED.

4.13 Subsequent phases will be required to consider the effect of the preferred location on noise transference from the stadium and arena, accessibility, particularly during event days and security of the proposed civic centre. A recent informal meeting with the Metropolitan Police has highlighted the need to take into account the proximity of the proposed site to the Stadium which is a known potential security issue. Their initial view is, subject to the location being factored in to the design, that it was unlikely that any issues could not be satisfactorily resolved. A meeting with the Metropolitan Police Crime Prevention Design Specialist will be undertaken as part of the design stage.

5.0 SITE ACQUISITION

5.1 Background to site purchase

5.1.1 The strategic brief, as agreed by Members on 18th March 2008, calls for a building that emanates civic pride and is located in the heart of the regeneration area of Wembley. It is considered critical that the Council are in control of this site so as to ensure its presence is secure for decades to come. The view taken was that, having regard to the initial investment as well as the need to incorporate design flexibility into future use, it is essential that the transaction is for a freehold or at the very least, a long leasehold ownership, rather than a short term commercial lease arrangement.

5.1.2 Consequently a decision to pursue the purchase of a site within QED lands was taken as this offered the Council the best opportunity to be involved in the regeneration of Wembley. The Council is able to acquire a bare interest in land by negotiation with a land-owner and therefore this provides an opportunity to select a site that is the most appropriate for a new Civic Centre. Identifying and negotiating on a preferred site via this route negates the requirement to follow an OJEU route through a developer selection led option.

5.1.3 Members agreed on 18th March 2008, to search for a site for the new Civic Centre to be within the North West District as defined in the Council's Wembley Masterplan in the first instance and if necessary extended to the National Stadium Policy Area. The reason for this is well documented in the report.

- 5.1.4 A framework for development within this comprehensive development area was provided through Supplementary Planning Guidance 'Destination Wembley' published following consultation and formally adopted by Brent Council and the Mayor of London in September 2003. This framework developed the aspirations contained in the Council's published 'Vision for a New Wembley' (Nov 2002) into more detailed area based development guidance, and contained preferred uses for the Comprehensive Development Area surrounding the stadium that included a new Community Focus/Civic Building – 'besides a core location for the Council's key functions, the facility would provide a cutting edge central library and arts complex, performance spaces, learning facilities and community rooms'.
- 5.1.5 Following the publication of the development framework, further, more site specific guidance was produced in the form of a masterplan, which defined four major districts to the west and north of the stadium and set out development parameters, including appropriate land uses for each district. The Wembley Masterplan (March 2004) identifies the North-West District (bounded by Olympic Way, Engineers Way, Empire Way and Fulton Road) as possessing 'opportunities for a new civic building and new educational facilities'.
- 5.1.6 The market place has responded to this Planning framework and QED now own a large part of the regeneration area around the new stadium and in particular the North West District area. This control, subject to market conditions, will act as a catalyst for change and secure the benefits of new investment and development.
- 5.1.7 The investment being made as part of the new Civic Centre, incorporating a state of the art Central Library and learning resource centre, local service centre and Assembly hall, will assist and bring further confidence to the redevelopment of this area. As such the building will need to be located in a prominent position (as is currently proposed) and be well served by public transport.

5.2 Detailed negotiations for site purchase

- 5.2.1 Following the initial work undertaken by Consarc, the size of site required was identified as being circa 10,115 sq m (2.5 acres). Following the analysis outlined above on the site identification, the optimum plot identified is the site opposite Arena Square as this is regarded as being at the heart of the regeneration area. However, the final dimensions and configuration will be dependant upon the exact site location and its surroundings as well as the height and mass permitted. The site requirement detailed above has been determined through the analysis of the ground floor uses which translate into a 6000 sq m footprint, together with the requirement for 125 car spaces and external landscaping to create setting.
- 5.2.2 Discussions with QED regarding the principle of a sale of land commenced in the fourth quarter of 2007. Since then, further and more detailed negotiations have taken place to secure a site of 2.5 acres for the Civic Centre use within the emerging master plan for the North West District. Incidentally QED has engaged a large team of professionals to advance the master plan with a view

to the submission of a planning application in late 2008. If approved this will also include the Council's preferred site for the Civic Centre

5.2.3 Heads of terms have been agreed, subject to Member approval. The Heads are set out in the confidential part of this report. The terms proposed are also subject to site and soil survey, and other technical matters such as the configuration of the public realm space. The attached plans (TO FOLLOW) prepared by Consarc, are purely for Member information only to provide an indication of potential allocation of areas within the preferred site. They do not constitute any form of recommendation and are simply provided so that an understanding of the final issues that need resolution can be gained. There is considerably more discussion needed on the car parking and public realm location and negotiations with QED on the western site boundary. This more detailed discussion can only take place as the Council's own plans are more fully developed and at the same time we receive more information as to the MAKE masterplan proposals for the surrounding area.

5.2.4 The following are the elements of the terms agreed with some commentary on each and should be read in conjunction with the Heads of Terms attached:

(i) Tenure

Ideally, the land tenure title interest should be a freehold or at least a long leasehold interest, to reflect the longevity of the Civic Centre use. Initial discussions centred on the need for the developer / sponsor of the regeneration area to maintain control and establish good estate management practices. For this purpose, it was accepted that the title would be a virtual freehold in the form of a 999 year lease. In this way, the control can be exercised for the benefit of the overall development whilst the Council secures a virtual freehold and a long term presence. Consequently there will be reasonable estate / service charge provisions only but it is intended that the interest will be a virtual freehold with no restriction on alienation (ability to assign or transfer of the interest), use or development following the practical completion of the Civic Centre.

As part of this transaction, assuming it involves the creation of the retail element on West Olympic Way, there will be a need to leaseback the retail element to QED, amounting to approximately 35m X 35m (1,224 sq m) on the Northern Eastern edge of the proposed West Olympic Way frontage. This is currently understood to be taken from the previously recommended public realm space. The exact terms of this leaseback arrangement are set out in the attached confidential appendix.

It is recognised that the Civic Centre use would act as a large space user and attractor to this part of the Wembley master plan area. This would therefore enhance existing values and consolidate the future development potential of new areas. The footfall generated from the Civic Centre use, particularly the public facing functions such as the Library and local service centre would consolidate the destination and support the new retail offer as well as support a new and balanced community.

Furthermore the Civic Centre will be occupied throughout the year and is not susceptible to market conditions in the way commercial occupiers are. This therefore de-risks the use in terms of empty premises.

The investment being made in the construction of a new Civic Centre will be of real benefit to the regeneration of Wembley as it will establish credibility as well as publicity in terms of awareness of the potential development capability of the area.

The commercial terms of this proposed transaction set out in the confidential appendix are considered to be reasonable and reflect the Councils intrinsic value to QED by effectively having the early sign up of a major occupier which will help them in the marketing of other sites in the vicinity. However the transaction will require a formal independent RICS Red Book Valuation before it can be authorised for completion. This will be undertaken as part of the due diligence work following Member approval as to the full terms of the agreement for lease.

(ii) Agreement to Lease

As a result of lengthy and complex negotiations, the settled position is that the Council will have the ability, upon exchange of contracts and payment of deposit, to call upon (at the Council's sole discretion) the completion of the previously agreed form of lease (999 years – virtual freehold) for the site at any time during the next three years. An extension of this option has been negotiated for an additional 12 month period in the event that there is a delay in planning. Only in the event of this further period is there an increase in the price by the RPI for the period beyond the third year. In essence, for the payment of the deposit (which is non refundable), the Council has the ability to acquire 10,115 sq m (2.5 acres) of land for the construction of the new Civic Centre at anytime during the next three years. The deposit will be deducted in the event of the completion of the lease and purchase.

Due diligence will be undertaken which will include assessing the soil conditions, undertaking legal investigation as to title and other matters as well as all relevant financial evaluations including a formal valuation (RICS Red Book Valuation) to meet the public sector accounting rules will be obtained to ensure that the terms of the purchase represent best value to the Council.

(iii) Accommodating retail within the identified plot

As detailed above, the optimum site for the new Civic Centre is the prominent position on the corner of Engineers Way and the proposed new route of West Olympic Way. The importance of this site is the extent of frontage afforded to the existing public realm at Arena square. Furthermore, the library is proposed to take up the prominent corner position, with a return frontage onto West Olympic Way. As part of the use strategy for the Northern Lands master plan, QED require there to be a number of retail units (probably 3 – 4) sharing the return frontage on West Olympic Way. It is proposed that 50% of this frontage is library

and 50% is retail. The retail will be built as part of and structurally integrated within our building. QED will control the commercial leasing arrangements and this can be secured in legal term via a leaseback. The terms for the ground rent structure of this commercial arrangement are detailed in the attached Heads of Terms. Once built, the retail element will be leased back to Quintain on a long leasehold of 150 years and they will then become responsible for the marketing, subject to the Council authorising the terms of any letting.

(iv) Town Planning

The option to purchase is not subject to outline or detailed planning consent and therefore even in the event of securing such consent, the Council has the ability, if it so chose, not to complete the transaction. In the normal way, it is anticipated that there will be a planning application submitted for the Master Plan of the North Lands by Quintain and eventually, there will be a separate detailed application for the Civic Centre on the identified plot. Given the size of the building, it is likely that this detailed application will be referred to the Mayor of London and consultation with CABE and English Heritage will also be a requirement.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The full financial details of the acquisition of the long leasehold are set out in the confidential appendix 1. The Council is being asked to commit to paying a deposit, as set out in the confidential part of this report, to secure the Agreement for Lease. This deposit is non-refundable although, under the currently negotiated Heads of Terms, if for any reason in the future we were to decide to abandon the project or could not obtain satisfactory planning consent, excluding abortive fees, there is no further financial commitment. Provision for the payment of the deposit was agreed as part of the 2008/09 capital programme by Full Council on 3rd March 2008.
- 6.2 The full purchase price is within that projected as part of the overall financial envelope reported to the Executive on 18th March 2008.
- 6.3 Therefore approval to this report essentially provides the Council with a strong base on which to take forward the project and enter the next phase which will involve the procurement of the building.
- 6.4 The financial modelling to date and the cost envelope reported to the meeting of the Executive assume that a capital receipt from the sale of the Town Hall will be obtained. Accordingly it is proposed to initiate a project to consider the future of the existing Town Hall site which will culminate in the development of a marketing strategy. This will be the subject of a separate report back to Executive in due course.

7.0 LEGAL IMPLICATIONS

- 7.1 Trowers & Hamblins are acting for the Council in this matter and have advised that the heads of terms has been received and that Nabarro's have similarly been instructed by QED.

- 7.2 Based on these heads of terms a draft contract for sale together with a draft lease for 999 years has also been received. These documents will require substantial debate and alteration as it is imperative that the Council ensures it extracts the optimum terms possible.
- 7.3 In addition initial investigation would suggest that title issues will be complicated and at the moment it is unclear as to whether and if so on what terms the proposed site location will require the Council to grant back to QED part of the ground floor of the site for a retail offer. Thus to ensure compliance with EU legislation that this remains a bare interest in land further advice on the structure of the contracts will be necessary before officers are able to recommend completion.

8.0 DIVERSITY IMPLICATIONS

- 8.1 This report is part of a series of reports on the Civic Centre project and as such diversity issues have been highlighted in earlier reports. The matters raised are part of the ongoing review of the impact of this project on diversity issues.

9.0 STAFFING/ACCOMMODATION IMPLICATIONS

- 9.1 Contained within the body of the report

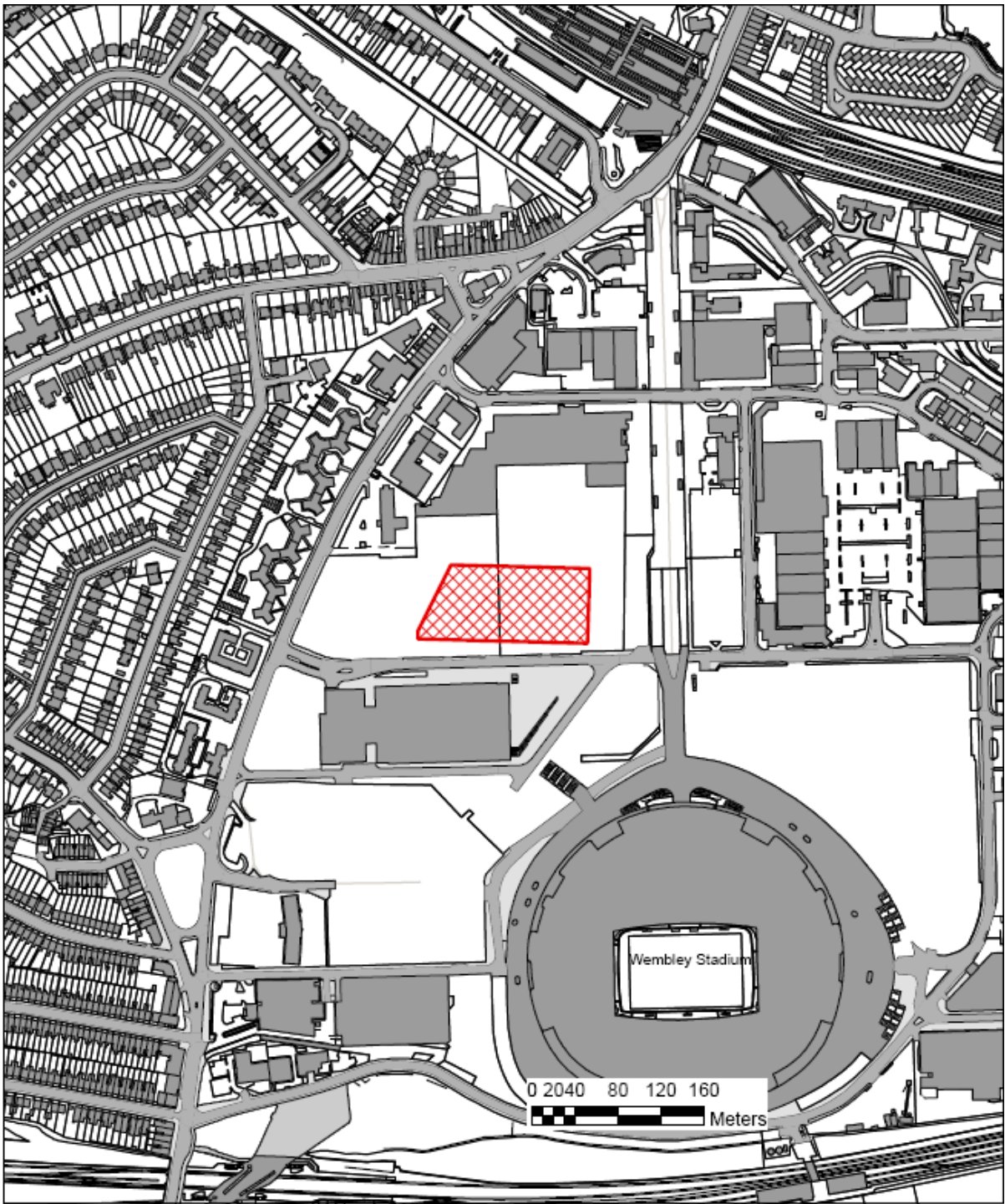
10.0 BACKGROUND PAPERS

A New Civic Centre for Brent – Detailed Proposals – 18th March 2008 Executive
Brent Civic Centre: Site Appraisal Consarc Consulting: Architects
Site Purchase Report: Sherlock Consultancy: Real Estate Advisers

11.0 CONTACT OFFICERS

11.1 Richard Barrett, Head of Property and Asset Management, Town Hall Annexe
Forty Lane, Wembley, Middlesex HA9 9HD, Tel. 020 8937 1334.

GARETH DANIEL
Chief Executive



**PREPARED BY PROPERTY
& ASSET MANAGEMENT**
"Unlocking the Potential"

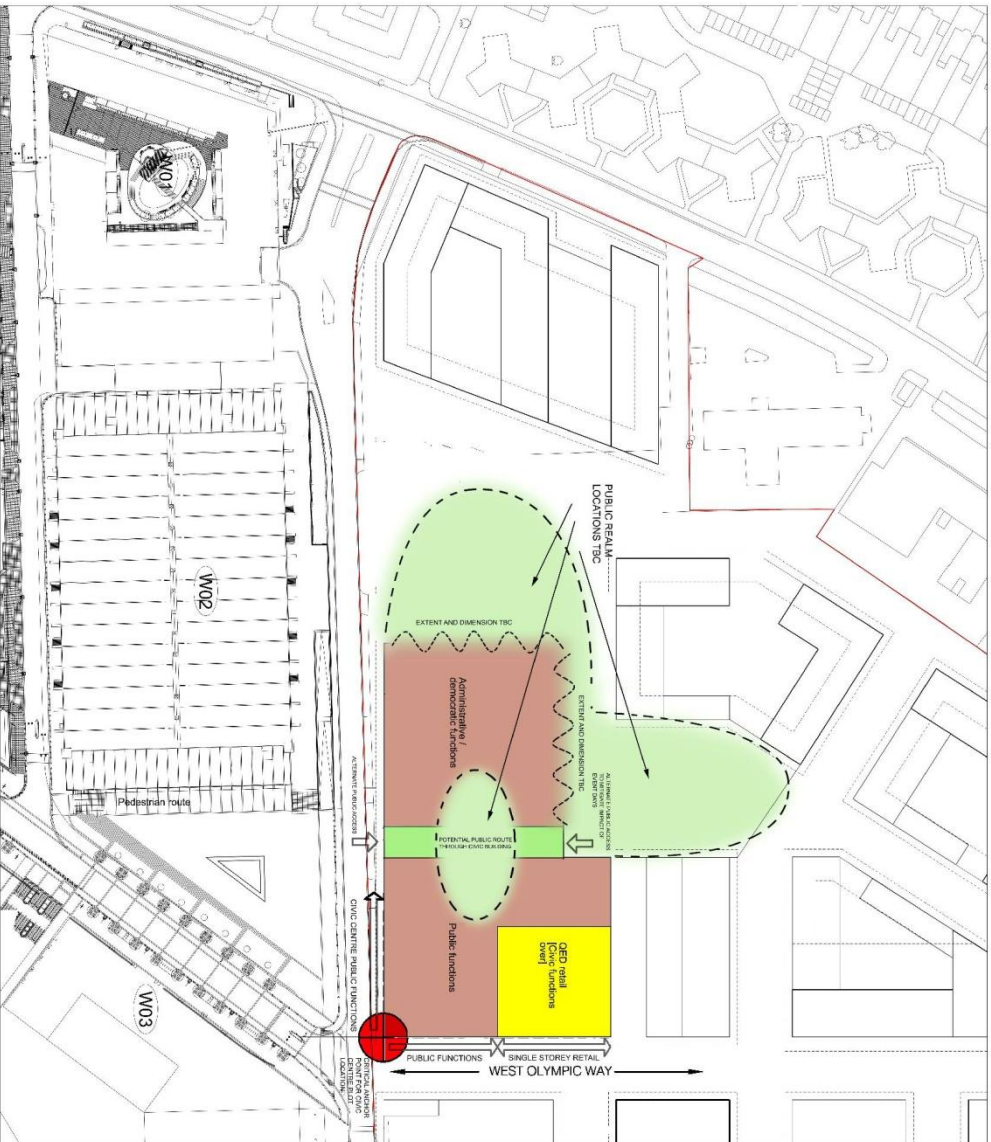
Proposed Civic Offices and their Neighbourhood.

1:5,000

NORTH



Reproduced from Ordnance Survey mapping data with the permission of the Controller of Her Majesty's Stationery Office (c) Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings.
London Borough of Brent, 100025260, 2008



- building mass
- public realm
- retail

NOTE: THE MASTERPLAN AREA SHOWN IS INDICATIVE ONLY