

Date: 18 March 2025

Item: Cockfosters West London Partnership Joint Venture

This paper will be considered in public

1 Summary

- 1.1 This paper describes the proposed residential-led development of a site at Cockfosters, including the disposal of the site to a limited liability partnership to be established between Places for London and Barratt London as part of the West London Partnership joint venture.
- 1.2 The paper sets out progress to date and seeks Land Authority to enable the disposal of the site and entry into contractual agreements with Barratt London.
- 1.3 A paper is included on the Part 2 of the agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendations

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda and approve:**
 - (a) **Land Authority in the sum set out in the paper on Part 2 of the agenda for the transaction as described in this paper and in the paper on Part 2 of the agenda (the Transaction); and**
 - (b) **the formation a new wholly owned subsidiary company for the purposes of entering into the contractual agreements relating to the Transaction.**

3 Background

- 3.1 The site at Cockfosters, outlined red in the preliminary joint venture headlease plan at Appendix 1, is approximately 1.36 hectares and comprises two triangular shaped areas: one to the east of the station of 1.15 hectares (Site A) and one to the south of 0.21 hectares acres (Site B). Site A is currently within TfL's ownership and includes a large public car park of 407 spaces, train crew accommodation and operational parking. A Thames Water main runs under Site A but no diversion is required. Site B is owned by London Underground Limited and includes a small car park on Cockfosters Road, which is currently leased to a third party on a commercial basis while the London Underground Piccadilly Line Upgrade team require access through this area.

- 3.2 A long lease of 999 years will be granted to Places for both Site A and Site B prior to exchange of contracts.
- 3.3 Sites A and B offer a significant residential development opportunity for Places for London's homes delivery programme. It benefits from a planning permission for 351 Build to Rent homes (40 per cent affordable by habitable room) across four residential blocks of 11 to 15 storeys, demolition and rebuilding of the train crew accommodation and reprovision of 54 public car parking spaces. An additional 1,898 square feet (176 square metres) of non-residential space (potentially retail) will also be provided.
- 3.4 The long-term prospects for the Build to Rent asset class remain strong and Places for London is committed to growing long-term, sustainable income through its investment in build to rent. However, the historical delays relating to the approval of the Cockfosters scheme have presented a unique challenge to delivery at this site. This, coupled with current market conditions, has led Places for London to explore alternative options in order to accelerate the delivery of new housing. This will require an application for an amendment to the existing planning permission, which would be made following exchange of the Conditional Joint Venture Agreement (CJVA).
- 3.5 An application for consent under Section 163 of the Greater London Authority Act was approved by the Secretary of State for Transport in August 2024.

4 Transaction Overview

- 4.1 The Transaction entails:
- (a) disposal of Sites A and B to the joint venture under a 999-year leasehold interest, following the satisfaction of the contractual conditions, for a consideration of the land value, which will be phased in accordance with vacant possession;
 - (b) entry into contractual agreements with Barratt London, including a CJVA, Works Agreement, Business Development Management Agreement, Members Agreement, and documents ancillary to those or contemplated within them; and
 - (c) the establishment of a wholly owned Places for London subsidiary company to act as member of the joint venture with a 49 per cent interest.
- 4.2 Places for London is liable for 49 per cent of conditional period costs incurred following exchange of the CJVA. In addition, in order to accelerate the programme, costs were incurred by Barratt London between November 2024 and March 2025 – and Places for London has agreed to treat these as 'conditional period costs'. The conditional period costs will be payable upon JV contractual completion, or termination of the CJVA.
- 4.3 The West London Partnership is targeting exchange of contracts in spring 2025, with an expected planning submission in summer 2025. Works are expected to start on site in spring 2026.

5 Investment Strategy

- 5.1 The proposed development scheme meets Places for London's core strategic aims, including housing delivery.
- 5.2 Places for London seeks to optimise affordable housing across its development portfolio. The proposed development scheme is likely only to be viable at 40 per cent affordable housing, the delivery of which would represent an improvement in the overall affordable housing stock in London. Places for London and Barratt will explore opportunities to obtain grant funding to further increase the affordable housing provision at this location.
- 5.3 The reduction in car parking removes recurring income from the Places for London portfolio, however, development of the site results in financial benefits, including a capital receipt and a 49 per cent share of future joint venture profit. This allows for further investment, including in projects that will generate long term revenue, in accordance with Places for London's investment strategy.
- 5.4 The development will also deliver the following public benefits:
 - (a) improved quality, accessibility, and safety of station environment, encouraging the use of active travel;
 - (b) the transformation of an underutilised brownfield site into a well-connected, modern development with buildings optimised in terms of carbon, energy, water and waste;
 - (c) high sustainability credentials following TfL's Sustainable Development Framework (SDF) and Passivhaus certification; and
 - (d) enhanced ecology, sustainable drainage and biodiversity of public open space.

6 Environment, Social, Governance Strategy

- 6.1 Places for London's SDF has been embedded throughout the Cockfosters project. The SDF is performance focused and measures the project against 100 Key Performance Indicators (KPIs). It spans the full range of social impact, economic prosperity and environmental stewardship.
- 6.2 The SDF forms part of the Transaction's contract documents, and the joint venture is committed to using of the SDF through to completion and operation of the development.
- 6.3 Some targets are not yet set, but the West London Partnership has committed to the SDF terms and to meeting good practice as a minimum across all KPIs, while also targeting leading practice through the life of the project.
- 6.4 Against these measures, Cockfosters is currently performing well, with high scores for Sustainable Drainage, Urban Greening Factor, Biodiversity Net Gain, Embodied Carbon Intensity and Healthy Streets. The existing permission predates new legislation on Biodiversity Net Gain under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environmental

Act 2021), however the existing landscape design achieves a significant percentage net gain on the existing baseline, exceeding the 10 per cent SDF good practice threshold.

7 Key Stakeholders

- 7.1 Stakeholder engagement has been essential to the progress of the project. Places for London has engaged with key stakeholders from project inception and throughout the planning process, which will continue until completion of the project.
- 7.2 Key ongoing stakeholder management includes the vacant possession work and the interface with LU. The project team is working closely with colleagues across Places for London concerning the train crew accommodation reprovision project and the ongoing Piccadilly Line Upgrade works.

8 Operational Impact and Assurance

- 8.1 Consultation and engagement have been undertaken with all operational occupiers of the site and the TfL Estates function. This has fed into the design and construction logistics to ensure there is no detrimental impact on operational activities currently associated with the site. Final construction logistics plans will be reviewed and approved by operational teams.
- 8.2 As well as regular planned maintenance there are currently strategic works taking place as part of the Piccadilly Line Upgrade, with Cockfosters station one of the main staging points for delivering materials as part of these works. These works will take place in conjunction with the residential development works and the interface managed through the Works Agreement.
- 8.3 The continuous operation and access to the station will be essential during construction. Construction logistics plans will take account of works close to site entrances to ensure station access is unimpeded.
- 8.4 The TfL Assurance team is aware of the proposed change in delivery strategy for the Site and IIPAG has been briefed. Meetings take place periodically to update on the status of the project.

9 Risks

- 9.1 Project risks have been identified that are not unusual for a project of this scale and complexity, including operational interfaces and requirements, as well as vacant possession. Appropriate mitigations have been agreed and we continue to work closely with the relevant stakeholders.
- 9.2 The Piccadilly Line Upgrade will be progressing on site at the same time as development. Dialogue with colleagues in the team is ongoing to ensure both programmes can be delivered in parallel.

List of appendices to this report:

Appendix 1: Headlease Red Line Plan

A paper containing exempt supplementary information is included on Part 2 of the agenda.

List of Background Papers:

None

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