



Contact: Jacqui Hurst  
Cabinet Secretary  
Direct : 020 8379 4096  
or Ext:4096  
Fax: 020 8379 3177 (DST Office only)  
Textphone: 020 8379 4419 (in Civic Centre)  
e-mail: jacqui.hurst@enfield.gov.uk

## THE CABINET

**Wednesday, 29th April, 2015 at 8.15 pm in the Civic Centre,  
Restaurant**

### **AGENDA – PART 1 TO FOLLOW PAPERS**

Please find attached a copy of the following report which was marked as “to follow” on the part one agenda, previously circulated.

**17. MERIDIAN WATER: PROGRAMME UPDATE (Pages 1 - 14)**

A report from the Director of Regeneration and Environment and Director of Finance, Resources and Customer Services is attached. This provides a programme update and seeks further decisions on the way forward. (Report No.228, agenda part two also refers). **(Key decision – reference number 4033)**

(Report No.226)  
(9.15 – 9.20 pm)

This page is intentionally left blank

**MUNICIPAL YEAR 2014/2015 REPORT NO. 226**

**MEETING TITLE AND DATE:**  
Cabinet – 29<sup>th</sup> April 2015

**Joint REPORT OF:**  
Directors of Regeneration and  
Environment and Finance,  
Resources and Customer Services

Contact officers and telephone number:

Peter George x3318  
Email: [peter.george@enfield.gov.uk](mailto:peter.george@enfield.gov.uk)

Agenda – Part 1	Item: 17
<b>Subject:</b>	
<b>Meridian Water: Programme Update</b>	
<b>Ward: Upper Edmonton and Edmonton Green</b>	
<b>KD No: 4033</b>	
<b>Cabinet Member consulted: Councillor Oykenner and Councillor Sitkin</b>	

## 1. EXECUTIVE SUMMARY

- 1.1 On 2<sup>nd</sup> April 2015 the Council completed the acquisition of three sites within the Meridian Water development area. This land can provide over 1,500 new homes in addition to retail and community facilities.
- 1.2 The acquisition of land at Meridian Water is an important milestone. This report seeks to build on that achievement by providing the authority to acquire more land at Meridian Water to enable the delivery of a further 2,000 homes and employment. The report also recommends commencing the procurement of a master developer, undertaking the procurement of a remediation contractor and establishing a Meridian Water Member Oversight Group to provide robust governance.

## 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the progress made to date to bring forward the Meridian Water development opportunity.
- 2.2 Delegates authority to the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services to develop and finalise the Heads of Terms (HoTs) for the acquisition of the land identified in the Part 2 report. The proposed generic HoTs are attached to the Part 2 Report.
- 2.3 Delegates to the Cabinet Member for Economic Development, and the

Cabinet Member for Finance acting with the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services authority to exchange and complete the purchase agreements and enter into such legal documents arising from the acquisitions.

- 2.4 Delegates to the Director of Regeneration and Environment, acting with the Director of Finance, Resources and Customer Services authority to obtain any necessary environmental liability insurance in relation to the additional sites to be acquired.
- 2.5 Authorises the posting of a notice on the Official Journal of the European Union (OJEU) advertising for a Master Developer to develop the entirety of Meridian Water.
- 2.6 Authorises the approach to remediation as described at paragraph 6.
- 2.7 Delegates to the Cabinet Member for Economic Development, and the Cabinet Member for Finance acting with the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services the authority to appoint the remediation contactor.
- 2.8 Authorises the establishment of the Meridian Water Member Oversight Advisory Group to oversee the progress of the Meridian Water programme in accordance with the Terms of Reference at **Appendix 1**.
- 2.9 Notes the intention for a further Cabinet Report to be brought forward in summer 2015 which will seek, subject to Full Council approval, an increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of Meridian Water.

### **3. BACKGROUND**

- 3.1 Meridian Water comprises approximately 85 hectares in the south east of the borough and is one of the largest developable areas of land in London. Located within the Central Leaside growth area and the Mayor of London's wider Upper Lee Valley Opportunity Area it has significant development potential.
- 3.2 The Council's Core Strategy (2010) identifies the potential for 5,000 new homes and up to 3,000 new jobs to be created in this area, along with the necessary community and other infrastructure that would be needed to support a new sustainable neighbourhood of this scale.

- 3.3 On 2<sup>nd</sup> April the Council completed the acquisition of circa 9 hectares of land at Meridian Water from National Grid. Following this milestone the Council submitted the final Meridian Water Housing Zone proposal on 10<sup>th</sup> April which seeks £25m of investment from the GLA. The Council is hopeful that the status will be confirmed in May 2015.
- 3.4 The Council has also made good progress coordinating essential infrastructure. Network Rail has approved funding to provide an additional third track increasing rail provision to Meridian Water to 4 trains an hour from 2018 and in March 2015 Cabinet approved a funding package to enable a new Meridian Water station to be constructed in 2018.
- 3.5 A new Meridian Angel primary school has been approved by Planning Committee and will open in 2016, and the first phase of Angel Gardens has been completed and the final phase will complete by the end of the year. Plans for a new Meridian Boulevard are underway with construction due to start in 2015 and the Lee Valley Heat Network company has been established to supply energy to new homes at Meridian Water in 2018.
- 3.6 On 11<sup>th</sup> February 2015 the Council posted a notice on the Official Journal of the European Union (OJEU) seeking bids to form the Meridian Water multi-disciplinary team. Twenty bids were received on 23<sup>rd</sup> March and appointments are expected to be made by May.
- 3.7 The multi-disciplinary team will comprise an expert team of consultants including architects, planners, landscape architects, surveyors, engineers, transport planners and environmental consultants. The role of the multi-disciplinary team will be to advise the Council during all stages of the project with a particular responsibility for:
- A Design Code to lock in quality to all phases of Meridian Water
  - Preparation of a plan for Phase 1
  - Review and commentary on all work prepared by developers during the bidding stage and going forward following appointment of a developer
  - Design work and preparation of planning applications for Housing Zone sites
- 3.8 Meridian Water will only achieve a successful legacy if equal thought, time and consideration are given to social and economic regeneration interventions as well as physical change. To date the Council has made, as described above, great advances coordinating the delivery of key infrastructure as well as establishing a planning framework.
- 3.9 The preparation of a holistic, comprehensive and visionary Meridian Water Regeneration Strategy to bring together all elements of Meridian Water is required to ensure a coordinated approach. The Council's three corporate priorities of Fairness for All, Growth and Sustainability and Strong Communities will govern the approach. A team is in place to deliver the

Regeneration Strategy the final version of which will be taken to Cabinet for approval towards the end of 2015.

- 3.10 The Council is also in the process of appointing a property consultancy firm. The role of the firm will be to negotiate with the selected developer through to contract completion and to advise the Council going forward once the joint venture with the master developer has been established.
- 3.11 Since the last Meridian Water report to Cabinet in March good progress has been made to increase the number of internal staff working on Meridian Water; the Meridian Water Infrastructure manager has been appointed to lead coordination of the public transport infrastructure in particular, as has a Senior Project Manager to lead on delivering the Meridian Water Regeneration Strategy.

#### **4. SITE ACQUISITION**

- 4.1 Since 2013 the Council has adopted a strategy of coordinating the delivery of the Meridian Water development following feedback from developers that multiple landownerships were a barrier to development. In April 2015 the Council completed the acquisition of three former National Grid sites which can collectively provide approximately 1,500 new homes at Meridian Water.
- 4.2 The Council's land buying agent, JLL, is negotiating the acquisition of three more sites at Meridian Water which can collectively provide enough land for a further 2,000 homes and employment uses. This report delegates the authority to negotiate and agree the heads of terms for the acquisition of these additional sites.
- 4.3 These three sites will be financed by re-profiling the Neighbourhood Regeneration Capital Programme. A further Cabinet Report will be brought forward in summer 2015 which will seek further funding for Meridian Water inclusive of funding for the fourth Meridian Water site.

#### **5. DEVELOPER PARTNER PROCUREMENT**

- 5.1 Following the successful acquisition of the three sites and the good progress being made to acquire more land the timing is now right to commence the process of appointing a master developer to develop out the entirety of Meridian Water.
- 5.2 A decision to seek the appointment of a single developer or consortium was taken following discussions with the GLA. A single development partner was considered best placed to ensure that the entirety of the land is developed and managed to a consistently high standard.
- 5.3 In order to achieve sufficient control over the development process an OJEU compliant procurement process must be undertaken to appoint a development partner.

- 5.4 The procurement process will necessitate a serious level of resourcing so the Council has appointed surveyors Jones Laing LaSalle (JLL), accountants PricewaterhouseCoopers (PwC), and lawyers Trowers and Hamlin to support the internal team. A fortnightly procurement steering group has been established, chaired by the Meridian Water Programme Director, to lead the process through to completion.
- 5.5 Following external legal advice a decision has been taken to follow the Competitive Dialogue Procedure. This enables discussion of “all aspects of the tenders”, and for final tenders to be “clarified, specified and optimised”. Therefore, it may present a lower legal risk than use of the new, Competitive Procedure with Negotiation which had been considered. It will be important to structure the dialogue process in such a way that the tight timescales can be met, and also that gives confidence to the market (which is traditionally suspicious of Competitive Dialogue) that time and costs will not spiral. The process will take approximately six months to complete (from issue of the OJEU Notice until selection of a preferred development partner) allowing a decision to be taken by Cabinet towards the end of 2015.
- 5.6 The process formally commences upon posting a notice on the OJEU, this is proposed for the end of May 2015. The Council has alerted the development sector to the Council’s intention to procure a developer by publishing a prior information notification on 31<sup>st</sup> March 2015.

## **6. REMEDIATION**

- 6.1 The sites the Council has acquired from National Grid are contaminated and a lot of work has been undertaken working with the Environment Agency and environmental consultants to understand how these sites can be remediated to residential standards.
- 6.2 Willoughby Lane is the most contaminated of the three sites and it is also the site which the Council proposes to bring forward first for development, in part because it lies adjacent to where the new Meridian Water station will be sited as well as providing the quantum of homes required by the first phase of the Lee Valley Heat Network.
- 6.3 The Council intends to enter into a commercial arrangement with a developer to bring forward the Meridian Water development. As part of this joint venture arrangement there will be a mechanism by which the value of the land that the Council has acquired is valued. A more competitive valuation can be procured where there are fewer uncertainties, for example, as to the condition of the land. By undertaking remediation of the Phase 1 site the Council can therefore realise a greater return on its investment.
- 6.4 This report delegates authority to Cabinet Member for Economic Development, and the Cabinet Member for Finance acting with the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services to appoint the remediation contactor to undertake the remediation of the Phase 1 site as well as other sites to be acquired although

the Council may also decide that remediation should be the role of the master developer for future phases.

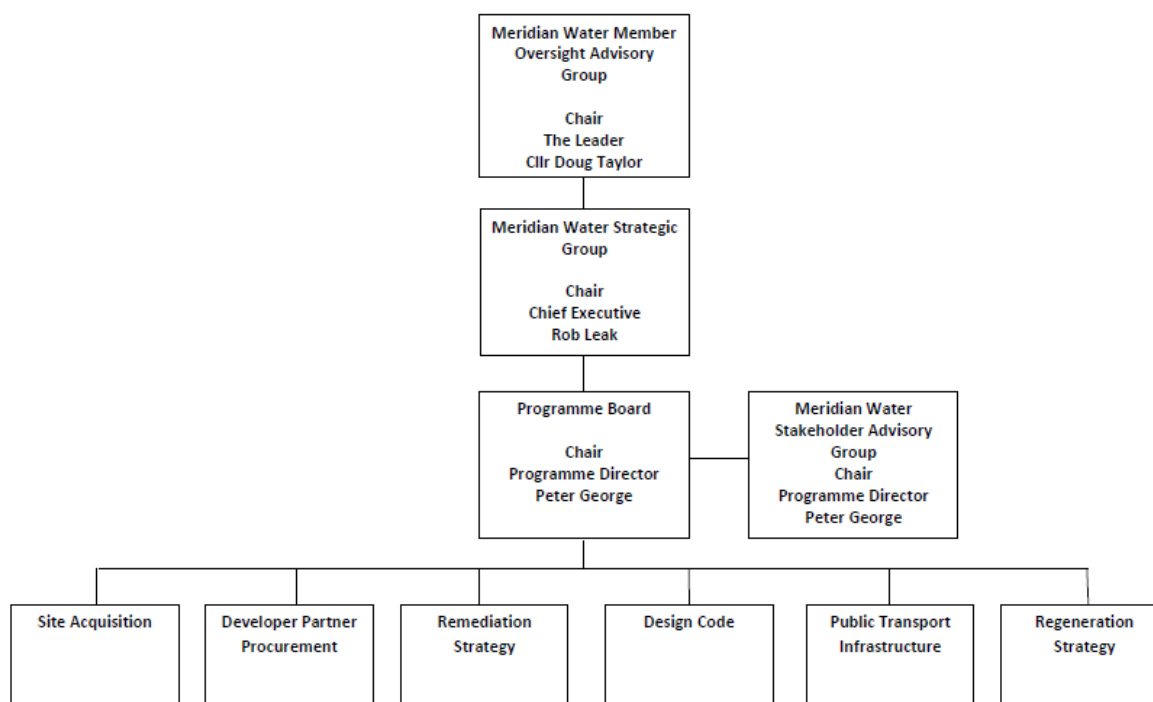
- 6.5 The Council has established a constructive working relationship with the Environment Agency and it is proposed that the Council should continue to work closely with the Environment Agency when undertaking remediation works as well as fulfilling their monitoring requirements which could be for a 12 month period.
- 6.6 The appointment of a remediation contractor is estimated to take, following a procurement via a framework, eight months meaning an appointment towards the end of 2015 is feasible. This would enable remediation works to begin in 2016 in preparation for construction to commence later in 2016.
- 6.7 The cost of remediating Phase 1 will require an increase to the capital programme which is subject to the approval of Full Council. A remediation budget will be sought in a subsequent report in summer 2015.

## **7. MERIDIAN WATER MEMBER OVERSIGHT ADVISORY GROUP**

- 7.1 Meridian Water is the priority project for the Council and it is important therefore that strong governance arrangements are put in place to ensure oversight at the appropriate levels of the Council.
- 7.2 At an officer level the Meridian Water Strategic Group and the Meridian Water Programme Board are meeting monthly. The former is chaired by the Chief Executive and attendees include the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services. The latter is chaired by the Meridian Water Programme Director and is attended by officers from across the Council at a Head of Service and Assistant Director level.
- 7.3 A new Stakeholder Advisory Group is to be established to ensure that key stakeholders at the GLA, TfL, Network Rail, Canals and Rivers Trust, Lee Valley Regional Park Authority and others receive an overview of the project as well as being able to support the Council to overcome any emerging issues.
- 7.4 Member oversight of the Meridian Water programme is essential to ensuring that strategic priorities are embedded in the approach and decisions taken achieve the best possible outcomes. The terms of reference for the Member Oversight Advisory Group are included at **Appendix 1**.
- 7.5 The Meridian Water governance chart is included beneath.



Meridian Water Governance Chart



## 8. ALTERNATIVE OPTIONS CONSIDERED

The following options have been considered:

- Declining the possible purchase of the land potentially available to the Council has been considered, but rejected due to the uncertain timescales associated with their owner bringing the land to market and securing development and consequent benefits for the community.
- The use of compulsory purchase powers to acquire the land that comprises the opportunity, either as a package or individually has also been considered, but it would be premature at this stage, given that planning is not in place and currently negotiations are ongoing with the landowners.

## 9. REASONS FOR RECOMMENDATIONS

- 9.1 Meridian Water cannot be delivered without assembling land, appointing a developer, remediating contaminated land and robust governance; this report enables all of this to happen and crucially therefore takes Meridian Water a big step closer to delivering the Council's ambitions for the site.

## **10. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **10.1 Financial Implications**

10.1.1 Please see the Part 2 Report.

### **10.2 Legal Implications**

10.2.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles.

10.2.2 Section 120(1)(b) of the Local Government Act 1972 (LGA) gives Councils a specific power to acquire land for the benefit, improvement or development of their area. In addition, the Council has powers under section 227 of the Town and Country Planning Act 1990 (as amended) to acquire land by agreement for 'planning purposes'.

10.2.3 When considering an acquisition of property the Council must also act in accordance with its Property Procedure Rules. Therefore, due diligence and advice must be obtained that the terms negotiated represent value for money and the property is suitable for intended use, including appropriate measures are taken to remediate the contaminated land to ensure suitability. In that respect the contents of paragraphs 4.2 and 6 of this report are noted.

10.2.4 Procurement of the master developer, and the consultants referred to in this Report, must be in accordance with the Public Contracts Regulations 2015 where applicable, and appropriate procurement procedures must be followed.

10.2.5 Contracts under which the master developer and consultants are procured, and land is acquired, must be in a form approved by the Assistant Director, Legal and Governance Services.

### **10.3 Property Implications**

10.3.1 The key property implications, particularly in connection with site purchases, have been discussed in the body of this report.

10.3.2 As with previous reports, a sales/letting strategy needs to be agreed at an early date to influence the phasing of the development, to ensure that we do not bring forward too little or too much new space at any one point in time for market conditions prevailing at the time.

## **11. KEY RISKS**

Key risks considered are:

- Taking no action could result in development not coming forward in a timely way, or not in conjunction with supporting infrastructure that is already in the pipeline, leaving an undesirable disconnect between the provision of new rail and education infrastructure and the provision of new homes, which is one of the Mayor's key priorities.
- The package of sites have slightly different development prospects and timescales, so there is a risk that the Council could be servicing the loan obtained to fund these purchases for a longer period than first anticipated, thus incurring additional revenue costs, before they could be disposed of, although these may be relatively modest.
- Given the nature of the land, there is a danger that remediation could take longer to achieve than anticipated, although the further application of due diligence could reduce these particular risks.
- There is a risk that development could be affected by flooding given the provisions of the Strategic Flood Risk Assessment, where some of the land is within a 1:100 year flood risk area. This can be mitigated through the measures set out in the Masterplan and through the implementation of appropriate design solutions. In short this particularly allows for an appropriate amount of flood storage. Providing that proper attention is paid to design, which will be tested by the Environment Agency through the planning process, there is no reason why residential development here should prove any more problematical than anywhere else, in so far as flood-risk is concerned.
- Any land acquired would need to be appropriately managed and secured to provide a satisfactory level of amenity, safety and security.

## **12. IMPACT ON COUNCIL PRIORITIES**

The acquisition of the land described in this report would enable the early development of new homes in Meridian Water in conjunction with the delivery of new education and rail infrastructure. Their subsequent development would be guided in part by the Meridian Water Masterplan which, amongst other things, seeks to achieve fairness for all, sustainable growth and the development of strong communities.

### **13. EQUALITIES IMPACT IMPLICATIONS**

- 13.1 The draft Meridian Water Masterplan was subject to an initial Equalities Impact Assessment/Analysis (EqIA) to ensure that consultation promoted equal opportunities. During the master-planning process, demographic data was collected in relation to residents of Edmonton in order to determine which groups to target for community engagement and to also help assess the equalities issues the Masterplan proposals will need to consider.
- 13.2 Any further equalities impact issues will be examined at the planning application stage on individual sites.

### **14. PERFORMANCE MANAGEMENT IMPLICATIONS**

Delivery of a comprehensive regeneration scheme at Meridian Water is a corporate priority within the Council's Business Plan for 2012-15. Completion of the Masterplan and the delivery of phased infrastructure improvements including increased rail services, station improvements and new homes will help to meet Outcome 2.10 of the Business Plan; to improve the quality of life of residents through the regeneration of priority areas and to promote growth and sustainability.

### **15. HEALTH AND SAFETY IMPLICATIONS**

- 15.1 In relation to the possible purchase of land, it will be necessary, through the process of due diligence, to establish the extent of contaminated land and to ensure that appropriate measures are taken to mitigate risks and to ensure its likely suitability for projected end uses.
- 15.2 The Council would also need to ensure that any acquired land was properly managed in order to provide a satisfactory level of amenity, safety and security.

### **16. PUBLIC HEALTH IMPLICATIONS**

- 16.1 The Meridian Water development is a major opportunity to improve the health of the population that compliments other initiatives in the borough. This should increase the health of the public through improved housing, economic development and urban planning to facilitate healthy lifestyles. The development should take account of such as Cycle Enfield to encourage everyday physical activity as well as ensuring pleasant walking access to facilities, access to and sight of green space, the development of micro-generation and modern home standards to reduce greenhouse gas emissions and ensure resident's financial resilience and the design of housing and

community facilities to encourage incidental social interaction to reduce social isolation and loneliness.

**Background Papers**

None

**APPENDIX 1 – Meridian Water Member Oversight Advisory Group Terms of Reference**

This page is intentionally left blank

## **APPENDIX 1 - Meridian Water Member Oversight Advisory Group**

### **Terms of Reference**

#### **1. Scope**

- 1.1 The Group will be responsible for providing strategic advice and oversight on all aspects of the Meridian Water programme.
- 1.2 In undertaking this role, it will take into account all the relevant Council, Corporate, Departmental and Service Strategies, Plans Policies and the consequent accommodation needs they generate.

#### **2. Membership and Meetings**

- 2.1 The Group will be chaired by the Leader of the Council and will be attended by other Cabinet Members as deemed appropriate by the Leader.
- 2.2 The Chief Executive, Director of Regeneration and Environment, Director of Finance, Resources and Customer Services, and the Meridian Water Programme Director will be in attendance.
- 2.3 Other officers will be requested to attend depending on the nature of the agenda.
- 2.4 The Group's secretariat function will be managed/provided by the Neighbourhood Regeneration Team.
- 2.5 The Group will meet monthly.

#### **3. Roles and Responsibilities**

- 3.1 Oversee the delivery of the Meridian Water programme and provide strategic advice on issues identified by the Meridian Water Strategic Group.
- 3.2 Monitor all strategic risks that could have a material impact on the delivery of the Meridian Water programme and/or the Council's corporate objectives.
- 3.3 Monitor the Meridian Water programme timescales and provide advice on prioritisation as appropriate.
- 3.4 Monitor the expenditure and income profile.

- 3.5 Monitor and advise upon community and stakeholder engagement activities.
- 3.6 Monitor the communications plan and press coverage.
- 3.7 Provide a strategic review role of Council objectives and policies for the corporate portfolio for approval by Cabinet and ensure thereby that the Council meets its statutory duties and responsibilities.
- 3.8 To ensure that all outputs and recommendations are challenged rigorously before proposals are finalised for consideration by CMB and/or Cabinet.

Meridian Water Governance Chart

