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Date: 4th February 2016

To All Members of the Cabinet

Cabinet – Wednesday 10th February 2016: Part 1 Agenda – “To Follow” Pack

Please find attached the following items listed as “To Follow” on the Cabinet Part 1 agenda for next Wednesday 10th February 2016:

Item 11: Neighbourhood Regeneration Programme (Report No.176)

(Pages 1 – 12)

Item 12: IT Delivery (Report No.177) (Pages 13 – 18)

I hope the arrangements for this meeting are all okay, but any queries please come back to me.

Yours Sincerely

Jacqui Hurst

Jacqui Hurst (Democratic Services)

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MUNICIPAL YEAR 2015/2016 REPORT NO. **176**

MEETING TITLE AND DATE:

Cabinet
10th February 2016

REPORT OF:

Director of Regeneration and
Environment

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Agenda - Part: 1	Item: 11
Subject:	
Neighbourhood Regeneration Programme	
Wards: All	
KD 4229	
Cabinet Member consulted: Cllr Oykener, Cllr Sitkin, Cllr Stafford	

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to note the recommendation within the *Budget 2016/17 and Medium Term Financial Plan 2016/17 to 2019/20* report on the same Cabinet Agenda to increase the Neighbourhood Regeneration capital programme to fund the next stages of a number of regeneration initiatives.
- 1.2 A Meridian Water financial model has been prepared (and is explained in the Part 2 report) on the basis of a number of key assumptions; this model demonstrates how the Council can achieve a return on its investment.
- 1.3 This report also seeks authority to reprofile the remainder of the Neighbourhood Regeneration capital programme, to reflect the role of the service in revitalising some of the most deprived neighbourhoods in the Borough. Like for Meridian Water, the report also highlights the importance of undertaking detailed financial modelling to inform these investment decisions.

2. RECOMMENDATION

It is recommended that Cabinet:

- 2.1 Notes the request to increase the Neighbourhood Regeneration Capital Programme (approval is sought within Budget Report on the same Cabinet Agenda) which will enable the development of

the next stages of Meridian Water, Ponders End, Edmonton, New Southgate and Enfield Town.

- 2.2 Notes the progress made to date to acquire land at Meridian Water and the Council's intention and clear preference to acquire all developable land at Meridian Water by voluntary negotiation, based on the principle of a return on investment to the Council.
- 2.3 Notes a part 2 report which explains that a Meridian Water financial model has been developed to demonstrate how a return on the Council's investment can be achieved.
- 2.4 Delegate authority to the Cabinet Members for Finance and for Economic Regeneration & Business Development, in consultation with the Director of Regeneration & Environment and the Director of Finance, Resources and Customer Services to finalise the acquisition of the land (described in detail in part 2 report) in accordance with the agreed Heads of Terms attached to part 2 report.
- 2.5 Notes the progress made on the wider regeneration programme, including Ponders End, Edmonton, New Southgate and Enfield Town.
- 2.6 Notes a part 2 report which sets out the financial implications for delivery of these programmes for 2016/17 and beyond.
- 2.7 Notes that before further commitment of expenditure on these programmes full financial models will be produced to inform investment / acquisition decisions.
- 2.8 Approves the capitalisation of the Neighbourhood regeneration team, and resources against the capital programme.
- 2.9 Approves in principle the Edmonton Heartland Housing Zone 2 bid included in the Part 2 Report.
- 2.10 Notes that updated information on the governance of all regeneration projects will be subject to a further report.

3 BACKGROUND

- 3.1 The existing Neighbourhood Regeneration capital programme contains a projection of £70.4m to 2018/19 based on a programme of delivery for the Council's priority regeneration areas, including Meridian Water, Ponders End, New Southgate, and the wider Edmonton area.

- 3.2 In April 2015, Cabinet approved the temporary reallocation of funds from the wider Neighbourhood Regeneration Capital Programme to finance the early acquisition of two sites which will enable the delivery of a further 2,000 homes and employment. The report noted the intention for a further Cabinet Report to be brought forward which would seek, subject to Full Council approval, an increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of Meridian Water.
- 3.3 Following appointment of specialist consultants JLL, ARUP and PWC a comprehensive financial model has been developed which illustrates how the Council will receive a return on its investment. Further detail is set out in the part 2 report.
- 3.4 This report also provides Cabinet with an update on progress across the wider neighbourhood regeneration programme and sets out the requirements for the future programme, subject to Cabinet and full Council approval.
- 3.5 The report does not include all of the regeneration team's activities which also include supporting the delivery of rail improvements, in particular Crossrail 2, as well as working successfully with other council teams to deliver broader regeneration objectives including schools, health facilities, culture and economic development.

4 Meridian Water

4.1 Site Acquisition

- 4.1.1 The Council has adopted a proactive strategy of coordinating the delivery of the Meridian Water development following feedback from developers that multiple landownerships were a barrier to development. The Council's strategy is to acquire all developable land at Meridian Water. This not only ensures the delivery of the project it also ensures that the Council has control at every stage of the development process which is crucial to ensure quality is maintained.
- 4.1.2 In April 2015 the Council completed the acquisition of three former National Grid sites which can collectively provide approximately over 2,000 new homes at Meridian Water. In June the Council completed the acquisition of a further 6 hectares meaning the Council now has enough land under its control to deliver over 4,000 new homes.
- 4.1.3 The Council's land buying agent, JLL, is negotiating the acquisition of a number of other sites at Meridian Water and during the spring of 2016 a fifth site is expected to be under the Council's control resulting in land for another 1,000 homes. The Council's proactive land acquisition strategy has unlocked Meridian Water's potential.
- 4.1.4 The draft Meridian Water Master Developer Framework Agreement describes the process of how the Council will dispose of land to the master developer,

once appointed. The Council will lease plots of land to the developer only once a planning consent has been obtained and all other conditions satisfied. At this point the market value of the land will be determined and the Council will benefit 100% from the market value at this point as well as potentially benefitting from overage. This mechanism optimises the Council's ability to obtain profits from disposing of sites. The part 2 report sets out further detail of the Council's financial model which underpins the approach to delivery in Meridian Water.

- 4.1.5 The Council is already in discussion / negotiating with the vast majority of Meridian Water landowners and following approval of this report formal contact will now be made with all of the affected landowners. If it is not possible to purchase all land required by negotiation, the Council may commence work on preparing a compulsory purchase order (CPO). It is hoped that this preparatory work will be abortive because the Council would have been able to secure control over the land via negotiated settlements. Should a CPO be required, a separate report will be prepared.

4.2 Remediation and site investigation

- 4.2.1 The sites the Council has acquired from National Grid are contaminated and extensive work has been undertaken working with the Environment Agency and specialist environmental consultants to understand how these sites can be remediated to residential standards.
- 4.2.2 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. Early remediation of the site enable the Council to realise a greater return on its investment and accelerate delivery of homes, by ensuring that the newly appointed developer partner can gain early access to a developable site.
- 4.2.3 A remediation planning application for Phases 1 and 2 was approved by Planning Committee in November 2015. The Council has also posted an OJEU Notice to establish a remediation framework and appoint a remediation contractor, and is expected to confirm appointments in March 2016. This would enable remediation works to begin later in 2016 in preparation for construction to commence later in 2016/early 2017.

4.3 Meanwhile uses

- 4.3.1 The foundations for Meridian Water will be built in the early stages. The perception of the site will be changed, focussing on its advantages through targeted pioneer uses during pre-construction and through the development of Phase 1. These uses will be flexible, move as the development is built out and reflect the growing prosperity of the area. The Pioneering stage will establish Meridian Water as an acknowledged destination for residents seeking the

benefits of a new lifestyle offer, establishing a community and starting the roadmap to provide a step change in the commercial offer.

- 4.3.2 The establishment of meanwhile uses forms an essential part of this pioneering approach, activating vacant land to support the transition from current industrial uses to promote entrepreneurship which includes maker space and artistic uses. Early meanwhile projects for Meridian Water include the interventions contained in the Council's successful London Regeneration Fund bid (endorsed by Cabinet in October 2015), and proposals for vacant plots in Phase 1 reserved for future phased delivery to contain a tree nursery supplying trees which will be planted out as part of the landscaping strategy for Meridian Water.

4.4 Planning and Design

- 4.4.1 Following an OJEU procurement a multi-disciplinary team comprising architects, planners, landscape architects, surveyors, engineers, transport planners and environmental consultants were selected. 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 an outline planning application plan for 725 homes and facilities in Phase 1
- A feasibility exercise to consider the implications of 8,000 new homes at Meridian Water

- 4.4.2 In order to accelerate delivery of Phase 1, the Council is taking a lead role in developing a hybrid planning application for early 2016 which the appointed delivery partner will be expected to implement.

4.5 Strategic Infrastructure Delivery

- 4.5.1 The Council has made good progress coordinating essential infrastructure. Network Rail has approved funding to provide an additional third track to enable increased service capacity from 2018 and in March 2015 Cabinet approved a funding package to enable a new Meridian Water station to be constructed in 2018.

- 4.5.2 The money secured for station does however provide only for a very basic station design which crucially does not allow the public to cross over the railway line at all times. An enhanced station would not only provide 24 hour east-west connectivity over the railway line it would also provide a superior station design more in keeping with the quality of development which the Council is looking to deliver. It is recommended that the Council forward funds the cost of the enhanced station, with a requirement that the developer, once appointed repays the Council over a period of time. The additional costs for

the station forms part of the increase to the capital programme details of which are contained in the Part 2 report.

- 4.5.3 A new Meridian Angel primary school has been approved by Planning Committee and it is hoped that it will open in 2016. The first phase of Angel Gardens has been completed with the final phase expected to complete by the end of the 2016/17 financial year. The Council will retain a portion of open space adjacent to Kimberley Road, which will include the provision of new children's play equipment.
- 4.5.4 Plans for a new Meridian Boulevard have been progressed and reviewed as part of the developer partner procurement process. It is envisaged that work on early phases of the Boulevard will begin in 2016, subject to planning and necessary consents.
- 4.5.5 The Lee Valley Heat Network company has been established to supply energy to new homes at Meridian Water in preparation for the completion of new homes 2018.
- 4.5.4 Officers are currently scoping proposals to create a dedicated bus link to ensure connectivity to the new Meridian Water station from Edmonton Green. In addition, it will be necessary for the Council to forward fund strategic transport to ensure Meridian Water is fully integrated into its neighbouring communities.

5. Edmonton

- 5.1 As one of the borough's most deprived areas, Edmonton remains a priority area for regeneration initiatives. The Council's aspiration is to ensure the positive benefits of regenerating Meridian Water extend into the wider Edmonton area with the ultimate goal being to lift the Edmonton wards out of the top 10% most deprived. The Meridian Water Regeneration Strategy explains how this can be achieved.
- 5.2 Following the Council's successful Housing Zone bid for Meridian Water the Council has submitted an expression of interest to the GLA for a second Housing Zone in Edmonton to enable to development of 3,200 new homes. The bid seeks investment to purchase leaseholders on council estates approved for redevelopment; provide shared equity housing at Meridian Water for local people; improve the public realm and connectivity; as well as provide training and employment for local people. This report recommends the approval in principle of this bid.
- 5.3 Improving transport connectivity for bus, cycle and pedestrian access between Edmonton areas and Meridian Water is a crucial part of ensuring that local people are the principal beneficiaries of Meridian Water's future prosperity. The proposed budget includes a sum to enable a new direct bus link between Edmonton Green and Meridian Water station to be delivered.

- 5.4 A landscape study has been prepared for the wider Angel Edmonton neighbourhood to ensure that the existing community benefit from improvements to the wider neighbourhood ahead of phase 1 delivery. It is anticipated that the cost will be met by the developer partner.
- 5.5 Key Decision 3977 approved phased delivery of further improvements to the Angel Gardens Open Space and following the completion of phase 1 further money is set aside to complete the works.
- 5.6 Following completion of lift access works to Edmonton Green station, a scoping exercise has been undertaken to assess the potential for reopening the railway arches to accommodate a variety of start-up and community uses, linked to the station and activating the Green.

6. Ponders End

6.1 Electric Quarter

- 6.1.1 Following the acquisition of the former Middlesex University land by the Education Funding Agency to create a school, officers have worked in partnership with the Council's developer partner Lovell to redesign the Electric Quarter, and a planning application was submitted in 2015. The Council has undertaken to acquire the land needed to support comprehensive development, and the Council KD4076 approved a resolution to make a CPO in June 2015. The Council continues to acquire land through voluntary negotiation where it is possible to do so, however as land assembly no longer takes into account the whole of the former Middlesex University land, projections for land assembly have been revised.
- 6.1.2 The Council has entered into an Agreement for Lease with Lovell Partnerships Limited to deliver the Electric Quarter. The Agreement for Lease is Conditional and all Conditions must be satisfied before a Lease can be granted by the Council to Lovell. One Condition is that Lovell must secure a satisfactory planning permission for the Electric Quarter. A detailed planning application was approved by Planning Committee on 26th January 2016; the approved scheme provides for a mixed use scheme comprising 167 residential units, in addition to new high street facilities including retail units, crèche and community space including a relocated library on the High Street frontage.
- 6.1.3 The Council's delivery partner Lovell will work with the Ponders End community to deliver the Meanwhile Use Building, on the former Middlesex Police Station site. It is anticipated that the Meanwhile Use building will be installed early in 2016, subject to planning.
- 6.1.4 Lovell Partnerships are projecting a start on site before April 2016, starting with the demolition of buildings on the former Middlesex University site, now owned by the Council. Planning permission and quotations have been secured for the demolition. At October 2015 Cabinet, Members agreed to underwrite the cost of both the meanwhile use building and demolition in the

event that that the Council does not enter into a lease with Lovell Partnerships Ltd.

6.2 Ponders End High Street

6.2.1 The Electric Quarter will positively signal change and investment into Ponders End High Street but it is too small an intervention on its own to regenerate this part of Ponders End. In October 2015, Cabinet approved proposals to undertake further feasibility studies in consultation with the Lead Member for Economic Regeneration & Business Development to bring forward wider sites on Ponders End High Street. An allowance has been made in the budget to assemble land on the High Street as well as rejuvenate Swann Annex.

6.3 Wider Ponders End Initiatives

6.3.1 Following completion of South Street safety improvement works in 2013, officers continue to work in conjunction with the Estate Regeneration team and the delivery partner Countryside, to integrate designs for improved public realm and station approach into the Alma estate regeneration programme. It is also envisaged that existing community facilities in South Street will be re-provided by Countryside, to complement the housing offer. At the junction between South Street and the High Street, the Two Brewers memorial garden is completed.

6.3.3 Plans to transform the changing rooms in Ponders End Park into a pavilion will be progressed during 2016 in conjunction with local stakeholders. It is envisaged that the project will require match funding to create a fully accessible and flexible space which meets the requirements of current and future users.

7. New Southgate

7.1 A series of public realm improvements known as "Take the High Road" completed in spring 2015, which have included improvements to the Red Brick estate, High Road open space, and Millennium Green open space. These improvements complement the redevelopment of the Ladderswood estate which is now underway, and the Garfield school expansion project.

7.2 Following extensive dialogue with landowners on the Western Gateway, it is envisaged that the private sector will bring forward proposals for this site, which will complement the Ladderswood Estate renewal programme.

7.3 It is envisaged that future interventions could be brought forward where the market is unable to deliver, and where the Council can generate additional housing growth.

8. Enfield Town

- 8.1 The Council is preparing a masterplan to support future development in Enfield Town, linked to infrastructure improvements around Enfield Town station, and the introduction of Cycle Enfield proposals.
- 8.2 Where opportunities are identified to secure comprehensive development, the team will bring forward opportunity sites to accelerate the delivery of new homes and to increase the vibrancy of Enfield town centre.

9. Neighbourhood Regeneration resourcing

- 9.1 In April 2015, Portfolio report KD3258 approved a restructure of the Neighbourhood Regeneration Team, to address the lack of capacity within the team to meet the scale of challenge and accelerate delivery in Meridian Water alongside its wider regeneration programmes.
- 9.2 This report recommends approval of the capitalisation of the entire team structure and associated project development expenditure against the capital programme, details of which are set out in the part 2 report.

10. REASONS FOR RECOMMENDATIONS

- 10.1 This report provides an update on progress of the wider neighbourhood regeneration delivery programme, and identifies the financial resources required for continued programme delivery up to 2018/19. The resources identified in the part 2 are necessary to ensure delivery of the objectives set out within this report.

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 recommendations in this report are in accordance with the Council's competence power in s1 of the Localism Act 2011.
- 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.

10.3 Property Implications

- 10.3.1 Strategic Property Services support the delivery of a further 2,000 homes and employment uses within the Meridian Water area.
- 10.3.2 The Council have appointed external property consultants Jones Lang La Salle (JLL) to provide property, valuation appraisal and consultancy advice. Strategic Property Services commentary is therefore limited to Governance arrangements and high level implications arising from the Part 1 and Part 2 reports as stated.
- 10.3.3 It is noted that the clear preference of the Council is for acquisition of the land by mutual agreement or as a final resort, Compulsory Purchase, rather than the use of other mechanisms including Implementation Agreements or reliance upon acquisitions made to date to pump prime the market and deliver the desired outcomes using market forces.
- 10.3.4 The Council's property consultant (JLL) need to satisfy themselves and the Council that thorough and comprehensive due diligence investigations and risk appraisals will be completed on any sites earmarked for acquisition prior to an exchange of contracts . If such investigations are outstanding or unable to be produced prior to exchange of contracts then the acquisition report should explicitly state what risks have yet to be quantified and their potential severity and impact on viability and delivery of the Council's expected rate of return.
- 10.3.5 The assumptions underpinning the financial model have been prepared exclusively by property consultants – Jones Lang LaSalle however, it is recommended that these are reviewed and tested for robustness.
- 10.3.6 Strategic Property Services supports the use of sensitivity testing to both underlying assumptions and whole scheme financial analysis (including financial modelling) together with the inclusion of a set of tolerances as a means of managing risk and providing additional levels of comfort to the Council. We do however await receipt of the exact details of the scenario testing and tolerances deemed appropriate to the scheme.
- 10.3.7 The risks and opportunities associated with the Meridian Water scheme are many and varied. It is recommended that the risk register contains sufficient detail and clarity to ensure successful management and mitigation of all key risks over the lifetime of the project.
- 10.3.8 The Council's property consultant (JLL) need to satisfy themselves and the Council that any environmental risks associated with land remediation and other decontamination costs, liabilities and claims from third parties either now or in the future have been mitigated as far as is reasonably practicable.
- 10.3.9 Ponders End – Electric Quarter: It is noted that the financial viability of the scheme is to follow.

10.3.710 All other initiatives in New Southgate, Edmonton, Ponders End High street, and the wider Ponders End area are supported by Strategic Property services although there are no particular Property Implications arising at this stage.

11. KEY RISKS

11.1 The key risk in relation to the recommendations within this report is that the Council does not recover its investment. This risk is mitigated through the preparation of financial models which demonstrate how the Council can recover investments.

12 IMPACT ON COUNCIL PRIORITIES

12.1 The work of the Neighbourhood Regeneration Team responds positively to all three of the Council's priorities. Growth is promoted by new housing, jobs and training opportunities. Fairness for all is addressed by focussing resources on lifting the prosperity of all areas and bridging the inequality gap. Stronger communities are invariably more stable and cohesive communities; policies that promote this underpin the working of the team.

13. EQUALITIES IMPACT IMPLICATIONS

13.1 An Equalities Impact Assessment has been prepared to accompany the revised capital programme. The overarching aim of the Neighbourhood Regeneration Service is to improve the quality of life for all, within the Council's priority regeneration areas. Individual PEQIA's are prepared for each project, setting out the equalities impacts for individual interventions.

14 PERFORMANCE MANAGEMENT IMPLICATIONS

14.1 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. To this end the Council is working closely with the Environment Agency to ensure that the all necessary precautions are taken.

- 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 HR IMPLICATIONS

- 16.1 Since April 2015 good progress has been made to increase the number of internal staff working on regeneration projects to address deficiencies identified in an audit report. The team's resources will need to be kept under review to manage peak workflows. This report proposes that the staffing costs can be met by capital budgets.

17 PUBLIC HEALTH IMPLICATIONS

- 17.1 Regeneration projects present 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 developments will take account of projects 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.

MUNICIPAL YEAR 2015/2016 REPORT NO. 177**MEETING TITLE AND DATE:**

**Cabinet – 10th February
2016**

REPORT OF:

Director of Finance,
Resources and Customers
Services

Agenda – Part: 1**Item: 12****Subject: IT Delivery****Wards: All****Key Decision No: U195/KD4263****Cabinet Member consulted: Cllr Taylor,
Cllr Stafford and Cllr Georgiou**

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1. EXECUTIVE SUMMARY

- 1.1 The council has long maintained a ‘mixed economy’ approach to its Information Technology (IT) provision. This model means that the council has worked with a wide range of software providers for its line of business systems (for example OLM provide our Adult Social Care System and Microsoft our core business suite of software) and retained a mix of in-house staff known as Corporate IT (CIT).
- 1.2 From 1999, this approach served the council well through a period of time where there was incremental change in the underlying technologies that support and enable public sector IT delivery. However, since 2014 there has been rapid development across public sector technology typified by the increase in mobile friendly technologies and secure, scalable cloud based data centres.
- 1.3 To help respond to these changes, the council adopted the nationally recognised Service Integration and Management (SIAM) model to delivery of IT, where end to end delivery responsibility is transitioned to one organisation who co-ordinate and deliver the required outcomes in the most cost efficient way. This was achieved by a renegotiation of the previous Serco contract and was approved by Cabinet on 12 February 2014.
- 1.4 This paper recommends the retention of the SIAM model of delivery for the needs of Enfield Council.
- 1.5 The council has made significant progress with the delivery of Enfield 2017, as noted by Cabinet in November 2015. The revised IT is working well and further enhancements will be deployed over the coming weeks.
- 1.6 In order to build on this development, and to seek to commercialise its investment in Enfield 2017, Cabinet note that officers will be registering a council owned IT company. Whilst the creation of the company is now timely, it will not commence trading until approval, at a future cabinet, of the appropriate business case.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the retention of a mixed model of IT delivery with a range of providers for its IT Service, based on the principles of the nationally recognised SIAM model.
- 2.2 That Cabinet approve the registration of a company, wholly owned by Enfield Council, to further develop, support and commercialise the Enfield 2017 offer. Further details regarding the exact make up and governance model for the company will be brought to a future cabinet, along with a full business case. This will be undertaken prior to the commencement of trading activity by the company.

3. BACKGROUND

- 3.1 Since 1999 the council has had a mixed model of IT delivery, with some functions delivered in house, some by external partners and some via individual suppliers.
- 3.2 This model developed overtime and in February 2014 the council and Serco agreed a move to a SIAM model. This approach was identified as best practice by government and reflected the increasing pace of change across the IT landscape.
- 3.3 A key element of the SIAM model is that it is designed to be flexible and responsive to change and since its adoption, the council has been able to introduce innovations such as a regular staff presence across all major sites (as opposed to just the Civic Centre) and move to the cloud based Office365 software package, delivering considerable savings and also increasing the range of core office software available to staff.
- 3.4 Serco have been integral to the success of the councils Enfield 2017 programme and in the identification, negotiation and delivery of many of the current savings that have been achieved across the IT service.
- 3.5 As reported to Cabinet on 18th November 2015, Enfield 2017 has made significant progress in relation to its digital development and associated structural changes and has done so within budget. The IT delivery has also been achieved in a shorter timescale than was originally predicted.
- 3.6 Further functionality will be added to the Enfield 2017 platform in the coming weeks, which will further increase the number of services available online to residents, in line with the STB agreed timelines.
- 3.7 Whilst there can be no guarantees of commercial success, especially in the technology field, should there be market interest in the Enfield 2017 products and digital platform, the council would need to move quickly to respond to these opportunities when they arose. Consequently, it is timely to register a wholly owned IT company that could, should the opportunity arise, commercialise Enfield 2017 IT developments and also provide

ongoing development and service desk support across the range of software that the Enfield 2017 products use and interface with.

- 3.8 The creation of an IT company, as with other Enfield companies, will allow greater flexibility within a public sector owned and directed model. It will also provide clarity for the partners that Enfield 2017 has worked with. Whilst much of the digital platform is unique and the intellectual property and code is owned by Enfield Council, other aspects exploit third party software and code and relationships with these providers will be clearer and more easily defined under a company based model than a direct provision model by the council.
- 3.9 Consequently, officers will now undertake the work necessary to register an Enfield Council IT company. The company will not commence trading until Cabinet have approved a subsequent business based on the broad aims of 3.7 and 3.8, however the final offer and mix of services will be determined by the business case and subsequent Cabinet approvals.
- 3.10 It is important to emphasise that the Enfield 2017 digital development will need to continue to evolve as technology and service delivery models require and the recommendations within this report are designed to ensure this occurs in the most robust and cost effective environment for the council.
- 3.11 A further example of a technology that has rapidly emerged within the customer services area is the cognitive based 'Artificial Intelligence' software that can automatically manage and respond to telephony and web based enquiries. Officers from the council have had preliminary conversations with providers of such products, given their capacity to further reduce costs whilst increasing the range of services and information that can be accessed by resident and at time and via the method that best suites them. It is hoped further progress in this area will be made over the coming months.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To cease the model of SIAM based delivery for IT. This would not be best practice. The retention of a mixed model of provision, which utilises a blend of in house and external resources, is clearly beneficial. The development of key relationships with major partners such of Microsoft is clearly beneficial to the council.
- 4.2 To wait before registering an IT company to commercialise Enfield 2017 developed code and integration. Registering the company does not force the council to accept any commercial opportunities, but it does allow it to position itself so that it could take advantage of an opportunity should one arise in line with previous Cabinet requests. It will also allow the council to create the most mutually beneficial and supportive models of partnership where Enfield 2017 relies on code or products that are not owned by the council and will simplify licensing and development arrangements. The inclusion of a development and service desk

capability would ensure that the council, and any future customers, benefit from an economy of scale and minimise duplication of effort.

5. REASONS FOR RECOMMENDATIONS

- 5.1 To ensure the council maximises the security and availability of its core IT systems, whilst maximising value for money.
- 5.2 To ensure that the council retains access to a skilled and knowledgeable IT service that is able to respond quickly, and appropriately, to the rapidly changing IT landscape.
- 5.3 To ensure that the council is able to respond to any opportunity to commercially benefit from the Enfield 2017 programme as previously identified by Cabinet.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The cost of the registration of an IT company will be met from within the IT budget.

6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 (“LGA”) gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions and the Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. The proposals set out in this report are consistent with this power.

- 6.2.3 The Council shall ensure that guidance is sought from its Legal department and that all contractual/associated documentation shall be in accordance with the Council’s Constitution, its Contract Procedure Rules and shall be in a form approved by the Assistant Director of Legal and Governance.

6.3 Property Implications

- 6.3.1 None.

7. KEY RISKS

- 7.1 To ensure the IT delivery does not stagnate, the Head of IT will ensure that the council’s on-going SIAM based delivery model retains a mixed model of provision utilising council staff and a range of external providers.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for all

8.1.1 Nothing in this report affects the council's commitment to treat everyone fairly and equally.

8.2 Growth and Sustainability

8.2.1 This report will not impact on the council's ability to support growth. However, it should be noted that cloud based IT solutions are more sustainable than traditional models of IT delivery.

8.3 Strong Communities

8.3.1 The recommendations across this report, and its accompanying part two report, will enhance support for Enfield 2017 and the benefits it brings to communities across Enfield.

9 EQUALITIES IMPACT IMPLICATIONS

9.1 Any IT company created by the council will need to operate in a manner that reflects the council's equality and employment policies.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 A new performance framework for IT will be agreed by CMB in April 2016.

11 HEALTH AND SAFETY IMPLICATIONS

11.1 It will be important for any IT company set up by the council to operate in a compliant manner with the council's health and safety policies.

12 HR IMPLICATIONS

12.1 None.

13 PUBLIC HEALTH IMPLICATIONS

13.1 None.

Background Papers

None.

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