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## THE CABINET

**Thursday, 13th July, 2017 at 8.15 pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA**

### **Membership:**

Councillors : Doug Taylor (Leader of the Council), Achilleas Georgiou (Deputy Leader of the Council), Daniel Anderson (Cabinet Member for Environment), Yasemin Brett (Cabinet Member for Community, Arts & Culture), Alev Cazimoglu (Cabinet Member for Health & Social Care), Krystle Fonyonga (Cabinet Member for Community Safety & Public Health), Dino Lemonides (Cabinet Member for Finance & Efficiency), Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection), Ahmet Oykenen (Cabinet Member for Housing and Housing Regeneration) and Alan Sitkin (Cabinet Member for Economic Regeneration & Business Development)

### **Associate Cabinet Members**

Note: The Associate Cabinet Member posts are non-executive, with no voting rights at Cabinet. Associate Cabinet Members are accountable to Cabinet and are invited to attend Cabinet meetings.

Bambos Charalambous (Associate Cabinet Member – Non Voting), George Savva MBE (Associate Cabinet Member – Non Voting) and Vicki Pite (Associate Cabinet Member – Non Voting)

### **NOTE: CONDUCT AT MEETINGS OF THE CABINET**

Members of the public and representatives of the press are entitled to attend meetings of the Cabinet and to remain and hear discussions on matters within Part 1 of the agenda which is the public part of the meeting. They are not however, entitled to participate in any discussions.

Cabinet are advised that any recommendations included within the reports being considered by Cabinet as part of this agenda, that are for noting only, will not be subject to the Council's call-in procedures. Such recommendations are not deemed to be decisions of the Cabinet, but matters of information for the Executive.

## **AGENDA – PART 1**

### **1. APOLOGIES FOR ABSENCE**

### **2. DECLARATIONS OF INTEREST**

Members of the Cabinet are invited to identify any disclosable pecuniary, other pecuniary or non pecuniary interests relevant to items on the agenda.

## **DECISION ITEMS**

### **3. URGENT ITEMS**

The Chair will consider the admission of any reports (listed on the agenda but circulated late) which have not been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012.

Note: The above requirements state that agendas and reports should be circulated at least 5 clear working days in advance of meetings.

### **4. DEPUTATIONS**

To note, that no requests for deputations have been received for presentation to this Cabinet meeting.

### **5. ITEMS TO BE REFERRED TO THE COUNCIL**

To agree, that the following reports be referred to full Council:

1. Report No.16 – Annual Treasury Management Report 2016/17
2. Report Nos. 21 and 24 – Small Housing Sites Update
3. Report Nos. 20 and 23 – Estate Renewal Programme Update

### **6. ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE (Pages 1 - 20)**

#### **Land Planning at Meridian Water Scrutiny Work Stream**

A report from the Scrutiny Work Stream is attached.

(Report No.14)  
(8.20 – 8.25 pm)

**7. REVENUE & CAPITAL OUTTURN 2016/17** (Pages 21 - 42)

A report from the Executive Director of Finance, Resources and Customer Services is attached. **(Key decision – reference number 4530)**

(Report No.15)  
(8.25 – 8.30 pm)

**8. ANNUAL TREASURY MANAGEMENT REPORT 2016/17** (Pages 43 - 52)

A report from the Executive Director of Finance, Resources and Customer Services is attached. **(Key decision – reference number 4527)**

(Report No.16)  
(8.30 – 8.35 pm)

**9. MAY 2017 REVENUE MONITORING REPORT** (To Follow)

A report from the Executive Director of Finance, Resources and Customer Services **will be circulated as soon as possible.**

**(Key decision – reference number 4529)**

(Report No.17)  
(8.35 – 8.40 pm)

**10. ESTATE RENEWAL PROGRAMME UPDATE** (To Follow)

A report from the Executive Director of Regeneration and Environment will be published as soon as possible. (Report No.23, agenda part two also refers). **(Key decision – reference number 4497)**

(Report No.20)  
(8.40 – 8.45 pm)

**11. SMALL HOUSING SITES UPDATE** (To Follow)

A report from the Executive Director of Regeneration and Environment will be published as soon as possible. (Report No.24, agenda part two also refers) **(Key decision – reference number 4298)**

(Report No.21)  
(8.45 – 8.50 pm)

**12. CABINET AGENDA PLANNING - FUTURE ITEMS** (Pages 53 - 56)

Attached for information is a provisional list of items scheduled for future Cabinet meetings.

**13. MINUTES** (Pages 57 - 68)

To confirm the minutes of the previous meeting of the Cabinet held on 21 June 2017.

## **INFORMATION ITEMS**

### **14. ENFIELD STRATEGIC PARTNERSHIP UPDATE**

To note that there are no written updates to be received.

### **15. DATE OF NEXT MEETING**

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 26 July 2017 at 7.00pm.

## **CONFIDENTIAL ITEMS**

### **16. EXCLUSION OF THE PRESS AND PUBLIC**

To consider passing a resolution under Section 100(A) of the Local Government Act 1972 excluding the press and public from the meeting for the items of business listed on part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).  
(Members are asked to refer to the part 2 agenda)

## MUNICIPAL YEAR 2017/2018 - REPORT NO. **14**

**MEETING TITLE AND DATE :**  
**Overview and Scrutiny Committee,**  
**27<sup>th</sup> April 2017**  
**CMB, 20<sup>th</sup> June 2017**  
**Cabinet, 13<sup>th</sup> July 2017**

**REPORT OF:**

Contact officer and telephone number:  
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<b>Agenda - Part: 1</b>	<b>Item: 6</b>
<b>Subject: Land Planning at Meridian Water Scrutiny Workstream</b>	
<b>Wards: Upper Edmonton and Edmonton Green</b>	
<b>Non key</b>	

### **1. EXECUTIVE SUMMARY**

- 1.1 Meridian Water is an ex-industrial site of 85 hectares located in the far south-east of the London Borough of Enfield.
- 1.2 The Council's objective is to create a new neighbourhood of over 8,000 new mixed tenure homes, deliver up to 3,000 new permanent jobs by 2030 and 10,000 jobs in the construction industry during the lifetime of the development. The overall capital cost of regenerating this area is put in the region of £3.5bn. Barratts were selected recently to be the master developer and have promised to develop 10,000 new homes and create 6,000 new jobs.
- 1.3 The workstream was set-up to examine the robustness of the plans. The recommendations within this report are based around the evidence received by the work stream which looked at progress to date, major ongoing risks that need to be mitigated, the residential proposals, and further information that will be required in order for the Council to maintain a strategic oversight of this complex and important project.

## **RECOMMENDATIONS**

- 2.1 OSC to receive future updates on Meridian Water, particularly on:
- the financial viability of the development as it progresses,
  - the realism of the jobs offer,
  - detailed updates on the visual appearance and density, of the development,
  - the Local First principle and the risk register.
- 2.2 OSC to receive and comment on the final version of the Meridian Water Regeneration Strategy and Action Plan including the provision of education and health facilities.
- 2.3 OSC to receive updates on the progress towards 4 trains per hour, and any additional costs incurred by the Council.

### **Workstream Membership**

The Workstream consisted of the following Councillors:

Cllr. Edward Smith (Chair), Cllr. Don McGowan (Vice Chair), Cllr. Lee Chamberlain, Cllr. Chris Bond, Cllr. Guney Dogan and Cllr. Adeline Kepez.

The Workstream members would like to thank the following officers for their contribution to the work of the review:

Peter George (Programme Manager, Meridian Water), Ian Guest (Technical Director, Lee Valley Heat Network), Dave Rutherford (Associate Director, Remediation & Ground Engineering, Amec Foster Wheeler Environment & Infrastructure UK Ltd), John Baker (Infrastructure Manager, Meridian Water).

## **3. BACKGROUND**

- 3.1 The Workstream to investigate land planning issues at Meridian Water was set up under the aegis of the Council's Overview and Scrutiny Committee.

## **4. Terms of Reference**

- 4.1 Using the Meridian Water Master Plan as a starting point, members of the workstream agreed the following terms of reference:
- examine the proposed tenure mix of housing on the site with a view to commenting on how it meets future housing demand and need and its economic viability;
  - review the planned interface between the development and the proposed Lee Valley Heat Network and sustainability requirements generally;

- review proposed housing densities, building heights, design standards, including environmental enhancements, methods of construction and visual appearance;
- review the proposed provision and location of communal facilities such as primary health care and schools and open space; review the nature and viability of the existing industrial uses and employment on the site and make recommendations as to their future location and growth.

4.2 Members also looked at the procurement process of the master developer, this was an addition to the original scope.

## 5. **Meetings held**

5.1 The Workstream held six meetings. All meetings were attended by Peter George, the Programme Manager for Meridian Water. Ian Guest, Technical Director, Lee Valley Heat Network, Dave Rutherford, project manager, Amec Foster Wheeler and John Baker, Infrastructure Manager, Meridian Water all attended for one meeting each.

5.2 This was a large and complex area to review, not only due to the size of the project, but also due to the difficulty in receiving some of the information requested, due to the timelines of the project. Some of the information requested by the Workstream was not available either because the design work had not yet been undertaken or because it was deemed by officers to be commercial in confidence. In particular, detailed financial appraisal information was not forthcoming because of concerns that the procurement of the master developer would be compromised. This meant that the Workstream were not able to comment on the overall financial viability of the proposed scheme.

5.3 At the outset of the review, members of the work stream were asked to sign a confidentiality agreement preventing any disclosure of financial information to third parties. This was felt by some members of the work stream to conflict with or be unnecessary under their duties as elected members under the Local Government Act 1972. Legal advice was sought that concluded that the requirements were similar but that there were greater sanctions available under a confidentiality agreement. Cllrs. Smith and Chamberlain declined to sign the agreement as they thought by doing so could inhibit their freedom to carry out the review.

5.4 The principal issues that the workstream examined were the procurement of the Master Developer, site acquisition, remediation, financial viability, infrastructure including Lee Valley Heat Network and transport, provision of health, education and open place facilities, housing issues such as planning, tenure, technical standards, aesthetics, the creation of new jobs and training and skills opportunities, timescales of the development and how the community have been engaged in this process.

## **6. Introduction**

- 6.1 Meridian Water is the largest regeneration priority area identified in the Council's adopted Core Strategy (2010). The Meridian Water Masterplan provided a framework for managing change and development in the area. It was adopted as Planning and Urban Design Guidance on 17th July 2013 at full Council.
- 6.2 The Council's vision for the redevelopment of this ex-industrial land in Enfield should see the creation of a new neighbourhood of over 8,000 new mixed tenure homes, 3,000 new permanent jobs in higher paid sectors, new educational and health facilities, and a new railway station (replacing Angel Road) by 2030. In addition to this, 10,000 jobs will be created in the construction industry during development.
- 6.3 One of the aims of the Meridian Water redevelopment scheme is to make local people the main beneficiaries of the new homes, jobs, training, infrastructure and facilities provided.

## **7. Additional Funding- Housing Zone and London Regeneration Zone monies**

- 7.1 The workstream were informed that the Meridian Water scheme was not sufficiently advanced to be selected for the Mayor's original list of Housing Zone areas in February 2015. But after the Council had completed its first acquisition of 9 hectares of Land at Meridian Water in April 2015, the Council submitted the final Meridian Water Housing Zone proposal seeking £25m from the GLA. This was approved in principle on 25 June 2015.
- 7.2 Enfield was also successful in obtaining London Regeneration Zone funding from the GLA to deliver a £2.7m investment in Meridian Water's commercial future. The "Meridian Works" project will support the relocation and expansion of Building BloQs to become London's largest open workshop for skilled workers, a new artist studios managed by ACAVA and a new Sky Café viewing gallery. This is intended to provide over 300 jobs and a built environment Training Centre from 2017.

## **8. Procurement of a Master Developer**

- 8.1 The workstream was interested in the process to procure a master developer to oversee the development of the whole of the Meridian Water site.
- 8.2 It was necessary to identify a partner with the skills, experience, expertise and financial capacity to develop the site to meet the Council's objectives.



- 8.3 The workstream were informed that an OJEU compliant procurement process was followed to achieve sufficient control over the procurement process. The Council appointed Jones Laing LaSalle (surveyors), PricewaterhouseCoopers (Accountants) and Trowers and Hamlin (lawyers) to support its internal team.

The stages in the procurement process were as follows:

- a. OJEU Contract Notice and the release of PQQ
  - b. Pre-qualification Questionnaire (selection stage)
  - c. Invitation to participate in dialogue and submit Outline Solutions (ISOS)
  - d. Invitation to submit Final Tender Solutions (ISFTS)
  - e. Submission of Final Tender Solutions
  - f. Evaluation and award
- 8.4 The process formally commenced on the 29<sup>th</sup> May 2015 with the issuing of the Contract Notice and the release of the PQQ. Five developers were shortlisted for the ISOS stage although only 4 of these submitted tenders.
- 8.5 The Invitation to Continue Dialogue (ICD) was subsequently issued to three developers: Barratts, Berkeley Homes and PCPD. This document detailed the Council's aspirations for the site and the minimum project requirements for; design place making and construction; employment offer; residential units; planning, phasing and deliverability; management and maintenance; residential involvement and community offer; environmental sustainability; socio-economic regeneration; finance and legal. The workstream examined this document in detail.
- 8.6 The final selection of the development partner was due to take place in January 2016. The report recommending who should be chosen finally went to Cabinet in May 2016. The work stream were advised that there had been delays to the procurement process due to a number of factors: the Council wished to complete site visits for each bidder one of which was delayed and one of the bidders had requested an extension of time.
- 8.7 The Workstream explored the jobs offer in the Invitation to Continue Dialogue , they were assured that the new jobs created would be new and not relocated jobs from other areas and that there would be sufficient training provided for local people to enable them to access the new opportunities. The intention was that the new jobs created would

be in higher paid sectors. The workstream felt it important that these aims were monitored and realised.

- 8.8 The Workstream raised a number of potential issues on the minimum project requirements set out in the ICD including:
- the possibility of overseas investors buying up properties;
  - local people not being able to access the homes;
  - the amount of proposed affordable housing;
  - the amount of smaller properties available for young people to buy;
  - further information on the size and tenure of the proposed properties;
  - and preventing buy to let, possibly on a large scale. The work stream were not convinced that the developers fully understood that if large scale buy to let occurred on the earlier phases then the attractiveness of later phases to owner occupiers as time went on might be jeopardised.
- 8.9 The Programme Manager advised that: the properties would be marketed on a putting local people first principle; sales to any one individual would be restricted; the minimum threshold for affordable housing was 25% across the development; and the definition of affordable homes may include a requirement for starter homes. There will be range of dwelling sizes across the development, including a minimum of 25% of 3bed +. Although there was no prohibition on overseas purchasers or buy to let, the developer is making a 20 year investment in Meridian Water so it is in their interests for the early phases to be sustainable and to create the right market perception.
- 8.10 The Workstream wanted details of the aesthetics of the scheme and how the site might look particularly the more dense and high rise areas. A 3 D model was shown to the Work stream, but was indicative only and subject to change. It was felt that wind resistance should be modelled to assess air flow at ground level.
- 8.11 The Workstream were advised that bids were assessed by three separate Tender evaluation panels; these being Legal, Finance and Technical to select the winning bidder. These panels received advice from the Council's consultants as follows: Jones Lang LaSalle – technical and commercial; Trowers and Hamlins – legal; Pricewaterhouse Cooper – financial and accountancy.
- 8.12 In addition, Ernst and Young provided interim Corporate Procurement services and KPMG had acted as Quality Assurance Observers. The

Council also engaged Browne Jacobson Solicitors to receive the final tenders to ensure due diligence and to reduce the risk of a challenge.

- 8.13 The approval of Barratt London & SEGRO as the development partner was agreed at Cabinet on the 18th May 2016. The Workstream were advised it may take 6 to 12 months to agree the detailed final contract.
- 8.14 The Programme manager advised that the winning bid includes the provision of 10,000 homes, 6,000 permanent jobs, and 10,000 jobs in the construction industry over a 20 year period alongside supporting infrastructure. This represents 2,000 more homes and double the amount of permanent jobs stated within the original objectives set by the Council.

## **9. Financial viability**

- 9.1 The Council intended to enter into a 250 year lease with the master developer. The Council were in the process of buying individual sites at Meridian Water from the current landlords, which in due course would be sold on to the master developer who would develop out the sites themselves or arrange for them to be developed by third parties. One of the conditions precedent in the development agreement was that the council would receive a minimum of £30,000 per plot or more if house prices increased over the lifetime of the project (overage).
- 9.2 The main factors within the overall financial appraisal of the scheme are subject to change over time, e.g.:
- The tenure breakdown between owner occupation, private renting and affordable housing
  - The level and type of affordable housing
  - The residential density achieved, which is linked to the projected height and dwelling types agreed
  - The amount of the overall site devoted to residential, commercial, education, health and green spaces
  - The cost of future land purchases
  - The construction cost and income generated by these different forms of development
  - Phasing and timescale
- 9.3 The Workstream fully recognised that this was a very complicated financial exercise. However, the Workstream were not shown the detailed appraisal work that had been carried out by consultants due to the commercially sensitive nature of the information and the timing which was during the master developer procurement process. This has meant that the Workstream cannot comment on whether the Councils

estimates on things such as cost of construction, timescales and projected income were accurate and reasonable.

- 9.4 At the final meeting at the end of May, the Workstream were made aware that there was a financial plan for the whole programme, including viability and phasing although again they were not given detailed sight of this.

## **10. Site Acquisition**

- 10.1 The land on the Meridian Water site has multiple owners, and the Council is in the process of buying this land. The Council has purchased some of these sites and is in negotiation with other owners.
- 10.2 At the time of writing this report the Council had already acquired 18 hectares of land, including the recent Phoenix Wharf purchase, out of circa. 55 hectares of developable land at Meridian Water. The Council is hoping to purchase the remaining land which is held by some half a dozen different major landowners over the course of the next few years. Given the Council needed urgently to proceed and the landowners did not, there is a natural concern about paying over the odds for these sites. However, owing to the commercial in confidence nature of these negotiations, the Workstream were not in a position to investigate this issue further.
- 10.3 The workstream were informed that the Council plans to release the land it holds to the master developer in stages to retain greater control and safeguard its financial position. The developer will need to apply to the local authority for planning permission at each stage the land is required. A plot value for both residential and commercial development, and an uplift mechanism if prices rise, is provided for in the Final Tender documentation.
- 10.4 The Workstream noted that mitigating these risks by using a CPO process was not considered appropriate by the Council and the issues involved are discussed in the next section.

## **11. Compulsory Purchase Order process**

- 11.1 A compulsory purchase order (CPO) is a legal function in the United Kingdom and Ireland that allows certain bodies which need to obtain land or property to do so without the consent of the owner. The Council has power under section 226 of the Town and Country Planning Act 1990 to apply for a CPO.
- 11.2 The Workstream queried why a CPO was not applied for after the adoption of the Meridian Water Masterplan in 2013 to safeguard the Council's position.

- 11.3 The Programme manager advised the work stream that putting in place a CPO required the agreement of the Secretary of State. The applying authority had to be able to demonstrate beyond reasonable doubt that they had the ability to deliver the planned development. The Council considered that the Meridian Water Framework was not sufficient in this respect. It took the view that it needed to have a master developer on board with the capabilities to develop the site and access to the necessary levels of funding before a CPO could be applied for.
- 11.4 The alternative view was that the CPO process was designed to allow public bodies to assemble land under different ownerships for public purposes to prevent values increasing over time as the project proceeded. It could be argued that the Council's expenditure of several million pounds on various site purchases evidenced a sufficient commitment and capability to proceed.

## **12. Remediation**

- 12.1 Willoughby Lane and Meridian Way constitute land that was formerly used for the Edmonton Gas Works. This was decommissioned in the early 1970s, and the land has been subject to remediation works throughout the years. However, in order to prepare the sites for residential development, further remediation work is required both to the contaminated soils and the contaminated ground water.
- 12.2 Willoughby Land is the most contaminated and is also the first site scheduled for development (Phase 1).
- 12.3 The Council appointed Amec Foster Wheeler to advise on environmental matters relating to the Meridian Water sites. Work including site investigation has been undertaken with both the Environment Agency and the environmental consultants to understand what is required.
- 12.4 The results from the site investigation enabled Amec Foster Wheeler to produce Remediation Strategies for Willoughby Lane and Meridian Way.
- 12.5 A remediation specification has been prepared for phase 1 including the removal of existing underground structures up to a depth of 1.6 metres.
- 12.6 Amec Foster Wheeler has undertaken various site reviews since 2013 to look at the constraints of the site, the conceptual site model, soils turnover, removal of gross contamination, removal of recoverable Non-Aqueous Phase Liquids (NAPL) in shallow groundwater and conceptual redevelopment in cross sections. Given that Phase 1 is a former

gasworks site it is known that there will be gross contamination. There will also be soil conditions issues requiring more complex and expensive piling systems.

- 12.7 The workstream received detailed information on the remediation planned and the cutting edge technologies to be used on phase 1 of the site.
- 12.8 The Council has allowed £12million for remediation to cover this. Currently all proposed work is contained within the existing budgets for remediation. It was thought that it would take around 12 months for the remediation works to be completed.
- 12.9 The site must be completely safe after remediation. Contamination must therefore either be removed or capped. The work stream discussed problems with contamination that had occurred on other sites in Enfield, e.g. the Enfield Island Village site, and were keen to see that lessons had been learned. The Workstream were advised that the type of contamination on site (largely sticky oil) does not dissolve easily and is not a problem for the River Lee. Furthermore, the proposed non-contaminated layer of 1 metre is a recognised thickness with regulators across the UK including gardens and was deemed safe.
- 12.10 The Workstream also expressed concern over the marked disparity in tender prices for the remediation. They were advised that the Council intended to carry out a reality and quality check and unrealistic bids would be removed.
- 12.11 There was also concern regarding ground conditions (i.e. the capability of the soil to withstand heavy loading) because of difficulties experienced on an adjacent school site where special piling had been required.

### **13. Infrastructure 1 - Transport Links**

- 13.1 A new Meridian Water station is due to open in 2018; this will relocate and replace the existing Angel Road station. The new station will also have an additional railway track with a regular service direct to Stratford and Tottenham Hale.
- 13.2 Good transport links including the promise of regular high speed trains is important to attract investors and residents; the Council's vision for Meridian Water included an improved train service with 4 trains an hour. The Master Plan assumed an increased frequency of trains with the three tracking of the London – Stansted line would create more

efficient connections with the capital transforming the residential, retail and employment outlook for the site.

- 13.3 However, whilst the Council were led to believe that there would be 4 trains an hour to the new station from 2018, the Department for Transport (DfT) had not formally agreed to this. The franchise document recently issued by DfT for the train line specified 2 trains an hour, with the new operator to be awarded a ten year contract. The Council challenged the Department in court but were unsuccessful.
- 13.4 All of the developers confirmed that they would work with the Council on this issue and were asked within the final tender submissions for proposals to mitigate for this. The master developer, Barratts, does not have a contractual obligation to enter into contract if the Council cannot fulfil the requirement of 4 trains an hour.
- 13.5 The Workstream were advised that the Council are working to resolve this with together with the Greater London Authority, Transport for London and Haringey Council (as they also require 4 trains an hour into Northumberland Park). However, DfT will not pay for any additional trains so funding would need to be found from elsewhere.
- 13.6 The Workstream was informed that details on the cost, timescales and who will be financing achieving four trains per hour were not known.
14. **Infrastructure 2- Lee Valley Heat Network**
- 14.1 Lee Valley Heat Network (LVHN) is an energy service company and an energy savings company run and wholly owned by the Council. LVHN has a holding company to take the strategic decisions and an operational company to take operational decisions. The trading name for LVHN is 'Energetik'.
- 14.2 The network is a system of highly insulated underground pipes that supply heat in the form of hot water from the low carbon, low cost heat source at the Eco-Park at Edmonton (energy from waste).
- 14.3 Upon decommissioning of the existing energy from the current waste site, LVHN will continue to receive heat from the proposed new energy recovery facility that North London Waste Authority (NLWA) is seeking permission to build.
- 14.4 The workstream were advised that there is a strong case for a CPO on the site or a nearby site if pipework needs to be extended.

- 14.5 LVHN will not manage the heating system once it is up and running but they will retain ownership of all equipment and assets. The Heat Interface Unit and the meters will be maintained and repaired by LVHN. LVHN will use very high quality materials providing a minimum lifespan of 50 years.
- 14.6 The developer will provide the network to the site of the new homes and must comply with the specification set by LVHN. The developer will have to pay LVHN a connection charge for each dwelling.
- 14.7 The customer will be metered on the amount of energy they consume; any losses in the system will be absorbed by LVHN. The workstream were informed that this risk will be managed through quality operational modelling, taking into account revenue streams. The scale of the product and the quality and resilience of the energy centre will provide mitigation for this risk.
- 14.8 The first phase of the district heating system will require an anticipated initial capital investment (£15 - £20m) and to extend the pipe work (£8 million). In the first phase of the residential development, the developer will be required to provide an interim boiler plant unit comprising 2 self-contained boiler rooms to serve 750 homes should the LVHN pipes not be ready for connection.
- 14.9 LVHN is scheduled to have the temporary boiler plant in place by early 2018 and the Energy centre and the community energy network running by mid-2019. This is based on the assumption that by the end of 2018 there are 350 homes on site.
- 14.10 Another risk factor is that district heating systems are inefficient because of transmission losses (estimated to be approx 10% in the case of this system). (It was noted that the Olympic Village system incurred an average heat loss of 35-45%). They become more efficient the more dwellings are connected to the system. The Workstream were assured that the LVHN specification would be 250% above British Standards and that any system losses would be absorbed by LVHN.
- 15. **Phase 1 Outline Planning Application Meridian Water**
- 15.1 The Workstream heard that the Council took the lead with the Phase 1 outline planning application which includes key ambitions and planning objectives. It was unusual for a local authority to take this kind of planning application forward, but this was done to expedite the process.



- 15.2 As Meridian Water has been designated a Housing Zone there are requirements set within the Housing Zone Agreement for at least 300 homes to be delivered and occupied by May 2018. The Phase 1 application allows the local authority to expedite housing delivery by obtaining permission in parallel with the development partner procurement process.
- 15.3 The provision of a parking ratio of 0.4 spaces per unit was flagged as a potential area of concern by the work stream in that it might deter future owner occupiers. They were advised that the master developer supported this approach and that the Council is working on a wider strategy for transport improvements, including highway and bus improvements, which is being coordinated with other boroughs and TfL.
- 15.4 The programme manager advised that the Strategic Housing Market Assessment carried out in 2015 identified an emerging trend for smaller properties, particularly 2 bed properties. Concern was expressed at the lack of studio accommodation in the planning application which was more affordable for single people. The latest market assessment was due to be signed-off in May and would be circulated to the work stream for information.
- 15.5 This outline planning application was submitted in March and agreed in June 2016. The anticipated date of the detailed planning application to be submitted by the developer is by the end of the year.

## **16. Community Engagement**

- 16.1 The Workstream were told that the Council has sought to engage with the local community living near Meridian Water in a number of ways from instituting a specific website, producing updates and newsletters through to targeted events, open door sessions with individuals, schools and community groups and a wider section of the community. The Workstream were informed that over 400 people had attended sessions and that the council have also engaged with Haringey residents and councillors.
- 16.2 The community provided their views on open space, rail infrastructure and the Willoughby Rd planning application. Following the receipt of these views action had been taken to increase the number of parks from one to two and to provide a new community facility.

**17. Meridian Water Regeneration Framework Strategy and Action Plan**

- 17.1 The Workstream was advised that the purpose of these documents is to ensure that early consideration is given to economic development, social regeneration, community requirements and green issues.
- 17.2 The Framework Strategy “Investing in Enfield’s Future” had been prepared by consultants Temple and Regeneris and details the Council’s vision and objectives for the Meridian Water project, the challenges, opportunities both now and in the future, the delivery mechanisms, actions needed in the short, medium and long term and the measures of success.
- 17.3 The overarching aim of the framework is to take Upper Edmonton and Edmonton Green out of the top 10% most deprived wards in England.
- 17.4 The draft framework and action plan were endorsed by Cabinet 19th February 2016. A final more comprehensive version will be developed with the developer and should be available by the end of 2016.
- 17.5 The Workstream were not clear as to the usefulness of commissioning such a high level strategic study, particularly given the lack of detailed information in it on future education and health provision. The Programme Manager confirmed to the work stream that there was likely to be a requirement for two more primary schools in addition to the new school at Ladysmith Park and potentially two new secondary schools. With regards to health provision, the Council had started a discussion with the NHS and other stakeholders to define what will be needed in the area. The Meridian Water scheme would need to have all essential neighbourhood facilities. The Programme manager envisaged that a comprehensive document covering these topics would be available at the end of the year.
- 17.6 The action plan was noted. The Workstream considered that it provided a useful check list of the principal action areas to be addressed in order to make the project a success and the detailed projects required to be undertaken in each area. It was however a piece of work in progress that will need considerable fleshing out.

**18. Changes to be implemented by the New Mayor**

- 18.1 The Workstream commented that they were aware that a new London Plan is to be produced and changes within this could include the introduction of a living rent and changes to the proportion of affordable housing to be built on new developments. These will all have an impact

on future phases of the Meridian Water site and will need to be assessed and planned for once this information is available.

## **19. Findings**

- 19.1** On the basis of the information provided by officers the Work Stream were generally satisfied that the procurement process had been handled correctly and it was noted that Barratts had produced the best offer. The procurement process was signed off by the Council's legal advisers, Trowers and Hamlins and this was confirmed at Cabinet.
- 19.2 The work stream would have liked more information on the external appearance of the proposed scheme however this was not available. The workstream felt that detailed updates on the visual appearance and density of the scheme should be received by the Overview and Scrutiny Committee.
- 19.3 Because Barratts was not chosen until near the end of this review in May 2016, the Workstream were unable to assess their job offer of 6,000 new permanent jobs. Now that a master developer has been selected, the Workstream felt that further and detailed updates on the realism of the jobs offer needed to be regularly received by the Overview and Scrutiny Committee.
- 19.4 The workstream felt that the Local First principle is vital and that updates on this should be received by the Overview and Scrutiny Committee.
- 19.5 The workstream noted that that there were potential risks associated with undertaking a project over such a prolonged timescale including possible delays to start on site of the first phase; the financial viability of the project over a 20 year period; and the possibility that Barratts and SEGRO could have a change in focus over the course of the project. It is essential that the original specification, in particular the residential specification, is closely monitored against the final contractual position.
- 19.6 The Workstream were not able to comment on the overall financial viability of the proposed scheme as detailed financial appraisal information was not forthcoming because of concerns that the procurement of the master developer would be compromised. The workstream felt that the Council needs to be in a position to say at any given point in time going forward what profit/deficit the scheme is likely to make. The workstream felt that updates on the financial viability of the development as it progress should be received by the Overview and Scrutiny Committee.

- 19.7 Negotiations by any Council to buy parcels of land from private owners can be a slow process. The Council has purchased several major sites to date. These purchases involve a major potential risk for the Council until the master developer has signed the development agreement and committed itself to re-purchase the sites involved. There is also the likelihood as the scheme progresses of the price of the remaining land going up in value and costing the Council more than it wishes to pay. The Council should consider whether using compulsory purchase orders to secure the remaining sites at Meridian Water is a practical option.
- 19.8 The Workstream remained concerned regarding remediation despite the assurances that were provided. In particular, it recommended that ground conditions should be tested in areas where taller buildings were to be constructed.
- 19.9 The workstreams view is that the increase in the frequency of trains to four per hour is a fundamental element to the success of the Meridian Water development. A formal agreement with DfT should have been in place from the outset of the project, to increase the frequency of the trains. The workstream are concerned at the potential costs to the Council of achieving this following DfT's decision, and the fact that it is not clear who will be responsible for these costs (which could be several thousands of pounds per annum) and for how long. Should it not be achievable to negotiate with the new line provider for an increase in the number of trains per hour this will have an effect on: the saleability of the homes; the proposed night time economy and attracting businesses to the area. The workstream felt that updates on progress in negotiating 4 trains an hour, particularly as regards the extra cost and who would pay for this additional level of service, should come to the Overview and Scrutiny Committee.
- 19.10 Lee Valley Heat Network is a Council owned company and the financial risks involved in the construction and management of the district heating system are also ultimately risks to the Council. The NLWA is a partner in this enterprise and therefore proceeding with this project requires the support of the constituent local authorities. Given these risks, it is entirely appropriate that a localised boiler plant will be constructed as part of Phase 1 in case there are major delays to the installation of the district heating system. Quality operational modelling will be essential to ensure that heating charges for residents and businesses on the site are maintained at a competitive level.

- 19.11 The Workstream felt it is important that the detailed planning application for the first phase contained the right balance of tenure, bedroom mix and quality design and landscaping because this would set the tone for the development as a whole. It would have been useful to have seen the latest Strategic Housing Market Assessment to confirm the tenure and size mix aspects of the planning application.
- 19.12 The Workstream felt that that the Council had engaged with a number of different resident groups (e.g. REACT) and individuals and that there was evidence to show that the communities views had influenced parts of the outline planning application. The workstream recommended continued engagement with the community particularly with a view to keeping them informed of any changing circumstances as the project moves forward.
- 19.13 The work stream felt that a considerable amount of work was still required to quantify the demand for education and health provision generated by the projected population at Meridian Water. The final version of the Meridian Water Regeneration Strategy and Action Plan including the provision of education and health facilities should come to the Overview and Scrutiny Committee for comment.

**20. ALTERNATIVE OPTIONS CONSIDERED**

None

**21. COMMENTS FROM CMB (CORPORATE MANAGEMENT BOARD)**

CMB noted the report and the comments made by the Cabinet Members and the Assistant Director in response to the recommendations.

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**22. REASONS FOR RECOMMENDATIONS**

To monitor and comment on the development at Meridian Water.

**23. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

**23.1 Financial Implications**

There are no financial implications arising from the recommendations within this report which are reporting requirements and do not commit the Council to any additional expenditure.

**23.2 Legal Implications**

The recommendations within this report for continued oversight of Meridian Water are lawful and will help support the Council in meeting its statutory obligations for effective overview and scrutiny. The Council

has statutory duties within an existing legal framework to make arrangements for scrutiny of its decisions and service delivery.

The Overview and Scrutiny Committee are responsible for recommending their own work programme, which will be adopted by the Council following consultation with the Cabinet and the Council's Management Board. These requirements are set out in the Council's Constitution.

### **23.3 Property Implications**

The Report recommendations request further information regarding the property aspects of this important regeneration project.

With regards to recommendation 2.1 and 2.2, any future information must show how the viability of the scheme justifies the acquisition of land and property, and the disposal of the assets once developed.

### **24. KEY RISKS**

The recommendations within this report detail the risks identified by the workstream. The Overview and Scrutiny Committee (OSC) will continue to monitor and comment on this important project, this should reduce these risks by enabling the committee to continue to scrutinise the development of the project.

### **25. IMPACT ON COUNCIL PRIORITIES**

#### **Fairness for All, Growth and Sustainability, Strong Communities**

A key aim of the Land Planning at Meridian Water Scrutiny Workstream was to seek assurance that the Council's Meridian Water Plans would make a major contribution to achieving the Council's priorities and positively improve the lives of local people.

### **26. EQUALITIES IMPACT IMPLICATIONS**

Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics or disadvantage those due to socio-economic conditions.

Meridian Water has completed an Equalities Impact Assessment and continues to review and monitor the work programme to ensure that the residents and service users' needs are met.

### **27. PERFORMANCE MANAGEMENT IMPLICATIONS**

Regular updates to the Overview and Scrutiny Committee on the progress being made in delivering the Meridian Water Plans will enable effective scrutiny of the Meridian Water Plans as the development proceeds.

### **28. PUBLIC HEALTH IMPLICATIONS**

There are no direct public health implications of this report but rather implications relate to development of Meridian Water itself. Here it is

useful that members are concerned about the impact upon local residents, young people, buy-to-let and education and health facilities. The potential for Meridian Water to improve and maintain health through the promotion by design of healthy lifestyles should continue to be considered.

**Background Papers**

None

**Appendix A**

**CABINET MEMBERS' AND ASSISTANT DIRECTORS' RESPONSE  
TO THE LAND PLANNING AT MERIDIAN WATER SCRUTINY  
WORKSTREAM REPORT & RECOMMENDATION**

<b>Recommendations</b>	<b>Director/Cabinet Members Response</b>
Recommendations referred to the Cabinet Members for Economic Regeneration and Business Development; and for Housing and Housing Regeneration	<b>Meeting with Cllrs Sitkin, Oykenner, Smith and Peter George 16<sup>th</sup> May 2017</b>
<p>OSC to receive future updates on Meridian Water, particularly on:</p> <ul style="list-style-type: none"> <li>• the financial viability of the development as it progresses,</li> <li>• the realism of the jobs offer,</li> <li>• detailed updates on the visual appearance and density, of the development,</li> <li>• the Local First principle and the risk register.</li> <li>•</li> </ul>	Agreed
OSC to receive and comment on the final version of the Meridian Water Regeneration Strategy and Action Plan including the provision of education and health facilities.	Agreed
OSC to receive updates on the progress towards 4 trains per hour, and any additional costs incurred by the Council.	Agreed



**MUNICIPAL YEAR 2017/2018 – REPORT NO. 15****MEETING TITLE AND  
DATE****Cabinet:** 13<sup>th</sup> July 2017**REPORT OF:****Executive Director of Finance,  
Resources and Customer Services****AGENDA PART 1****ITEM: 7****SUBJECT - REVENUE & CAPITAL  
OUTTURN 2016/17****Key Decision No: 4530****Cabinet Member consulted:**  
Councillor Lemonides

Contact: Stephen Fitzgerald Tel: 0208 379 5910

**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out the overall Council General Fund and Housing Revenue Account revenue and capital outturn position for 2016/17.
- 1.2 The report also provides information on the Council's current level of reserves.

**2. RECOMMENDATIONS**

It is recommended that Cabinet:

- 2.1 Notes the General Fund and Housing Revenue Account (HRA) revenue and capital outturn for 2016/17.
- 2.2 Agrees specific changes to reserves as set out in paragraph 4.3 and detailed in the service appendices.
- 2.3 Notes the capital outturn and agrees the funding of the Council's capital expenditure for 2016/17 as set out in this report (paragraph 6.3).

**3. INTRODUCTION**

- 3.1 This report sets out the overall Council General Fund and Housing Revenue Account revenue and Capital Outturn position for 2016/17, with detailed service information provided in the Appendices.

**2016/17 REVENUE OUTTURN POSITION****4. GENERAL FUND**

- 4.1 The final outturn position is set out in Table 1 below. It provides a comparison between the latest budget and final outturn (subject to Cabinet confirming the carry forward of reserves for non-ring-fenced grants in 2016/17). A more detailed explanation of budget variations is included in Appendices A to F.

<b>Table 1: Service Departments Revenue Outturn Position 2016/17</b>	<b>Budget £'000</b>	<b>Net Spend £'000</b>	<b>Variance £'000</b>
Chief Executive	3,948	3,508	(440)
Regeneration & Environment	26,009	24,849	(1,160)
Finance, Resources & Customer Services	47,448	47,562	114
Health, Housing & Adult Social Care	77,194	80,658	3,464
Schools & Children's Services	46,327	49,241	2,914
<b>Service Net Costs</b>	<b>200,926</b>	<b>205,818</b>	<b>4,892</b>
Corporate	36,865	30,820	(6,045)
<b>Net Expenditure</b>	<b>237,791</b>	<b>236,638</b>	<b>(1,153)</b>
Revenue Support Grant	(46,554)	(46,477)	77
Business Rates	(70,073)	(68,660)	1,413
Collection Fund	(1,319)	(1,319)	0
Other non-ring-fenced Government Grants	(11,930)	(12,262)	(332)
Council Tax	(107,915)	(107,920)	(5)
<b>General Fund Corporate Financing</b>	<b>(237,791)</b>	<b>(236,638)</b>	<b>1,153</b>
<b>General Fund Grand Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

The outturn position for 2016/17 is within budget. It should be noted that the final approved estimate figures included in Table 1 are controllable departmental budgets excluding capital and asset impairment charges. Table 1 shows the net budget that is directly controlled by departments.

#### 4.2 Statement of Accounts

The draft statements will be certified by the Executive Director of Finance, Resources and Customer Services and shared with BDO (External Auditors) at the end of June.

#### 4.3 Earmarked Reserves

The overall level of General Fund earmarked reserves at 31<sup>st</sup> March 2017 has increased by £6.8m to £45.4m (£38.6m 31<sup>st</sup> March 2016). This excludes ring-fenced reserves such as Public Health and Dedicated Schools Grant reserves. The HRA reserves have decreased by £5.1m from £25.8m to £20.7m.

#### 4.4 Details of total reserves as at 31<sup>st</sup> March 2017 and the planned use of these over the MTFP period are set out in Appendix G.

#### 4.5 Non-ring fenced grants

The following contributions to reserves in respect of non-ring fenced grant funding provided for specific services are set out below for noting and approval.

<b>Table 2: Non-ring fenced Grant Reserves</b>	<b>£'000's</b>
<b>Schools and Children's Services Grants</b>	
Troubled Families Grant	1,363
Assessed and Supported Year in Employment (ASYE) grant for all Newly Qualified Social Workers (NQSWS)	96
	<b>1,459</b>

#### 4.6 Collection Fund

The Collection Fund covers both council tax and business rates. The Collection Fund recorded the following performance in 2016/17:

- A total council tax surplus balance on the fund of £2.554m at 31<sup>st</sup> March 2017 (Enfield's share is 81.1%, £2.072m). The surplus is due to collection levels exceeding budgeted targets over the last two years.
- A total business rate surplus balance of £2.137m (Enfield's share is 30%, £0.641m). Good collection rate and a reduced requirement of appeals provision for business rates appeals has created a surplus in this year's accounts.

Enfield's share (% in columns) of the Collection Fund balances is as follows:

<b>Table 3: Enfield Collection Fund Balances</b>	<b>Council Tax (81.1%)<sup>1</sup> £'000</b>	<b>Business Rates (30%) £'000</b>	<b>Total £'000</b>
Final accounts balance brought forward	(3,027)	2,307	(720)
In Year Movement	955	(2,948)	(1,993)
<b>Balance carried forward 31 March 2017</b>	<b>(2,072)</b>	<b>(641)</b>	<b>(2,713)</b>

#### 4.7 General Fund Balance

The level of the General Fund balances at 31 March 2017 was unchanged at £14m. This level of balances excludes the amount attributable to schools' delegated budgets and is in line with the assumptions included in the Budget 2017/18 and Medium Term Financial Plan report considered by Council in February 2017.

School revenue balances reduced from £9.9m at 31st March 2016 to £6.8m at 31st March 2017. The balances retained by individual schools reflect their decisions in the use of their resources. School balances are reported separately to the remainder of the General Fund as they are held for specific school purposes; they are monitored in detail by the Schools Forum.

### 5. HOUSING REVENUE ACCOUNT

5.1 2016/17 is the second year that budgets, which were previously managed by Enfield Homes, came back under the management of the Council:

- During 2016/17, a project was in place to identify ongoing savings of £2m per annum from the HRA, which will start to have a full year effect in 2017/18. The HRA achieved £2.3m of savings which are in addition to the savings of £1.955m identified in 2015/16.
- The 2016/17 cost of services budget anticipated less income than that in 2015/16, this was due to the Welfare Reform and Work Act coming into force in March 2016. The act required landlords of social housing to reduce General Needs social housing rents by 1% for four years. In 2017/18 Sheltered Accommodation rents, will also be reduced by 1%, for the three years.

<sup>1</sup> Increased share for Enfield from 80.57% to 81.10% following Enfield's precept increase which was proportionally higher than GLA's increase in council tax precept. In total, there was a 4.99% increase in Enfield's council tax for 2017/18.

- c) In 2016/17 for example, unplanned expenditure was required to review the proposed new Government policy “Sale of “High Value void properties”. It is important that all potential policy is assessed to understand the impact on the HRA 30-year Business Plan

A balanced budget was predicted in the January 2017 monitor and although it is still the same position at 31<sup>st</sup> March 2017, the HRA has carried forward an additional surplus of £0.573m to fund future years' expenditure.

## 5.2 HRA Outturn Variances 2016/17

<b>Table 4: Housing Revenue Account - Outturn Variances 2016/17</b>		<b>Variance £'000</b>
<b>Dwelling Rents</b> Rental income was lower than predicted partly because there were fewer properties than expected in the HRA in 2016-17 caused by additional Right to Buys and Tenant Decants.		678
<b>Non-Dwelling Rents</b> During the year, some shops were not re-let which led to lower income levels than predicted. This under recovery of income has also been affected by higher costs to our non-dwelling managing agents, Spencer Craig Partnership.		139
<b>Repairs</b> The main underspends were on Planned maintenance (£420k) as a result of delays in delivering the programme which will now be delivered in 2017/18. Voids and Responsive Repairs also underspent by £277k and £460k respectively due to a reduction in unit costs.		(1,230)
<b>Supervision and Management General</b> The main overspends are due to residual early retirement costs from the transformation programme of £104k, Civica System implementation costs of £487k and the refurbishment costs at Edmonton Green of £75k all of which had not been budgeted for. Legal costs account for the remainder of the overspend as a result of dealing with a higher volume of Right to Buy applications and also through counsel costs for court cases.		813
<b>Bad Debt provision</b> The original bad debt budget included a provision for the Welfare Reform which is now which is now likely to be implemented in November 2017, thus the provision required was £242k lower than anticipated.		(242)
<b>Capital Financing</b> In 2015-16, the Council moved to component accounting to arrive at its depreciation charge. These workings were revised in 2016-17 which led to a depreciation charge which was £724k lower than expected. This lower charge was also affected by a higher level of HRA properties sold than anticipated (138 properties were sold in the year against an estimated 120). It should be noted that depreciation is used to fund future capital expenditure and will benefit the HRA 30-year business plan.		(724)
<b>HRA Surplus</b> Contribution to balances to be used in funding future years' expenditure.		573
<b>Other Items</b>		(7)
<b>Service Net Costs</b>		<b>0<sup>2</sup></b>

<sup>2</sup> The HRA statement of Accounts shows nil variance in 2016/17 (a deficit of £4.376m was shown in 2015/16). This is due to the statutory adjustments which have to be included in the Accounts and includes additional depreciation and contributions to and from earmarked reserves.

## 6. 2016/17 CAPITAL OUTTURN POSITION

6.1 The Council's Capital Programme for 2016/17 to 2019/20 was agreed by Council in February 2016. The Capital Programme has been monitored on a quarterly basis and quarterly reports presented to Cabinet. This capital outturn represents the 4th quarterly monitoring report for 2016/17.

The table below shows a summary of the capital expenditure incurred in 2016/17 compared to the updated programme which was approved by Cabinet in February 2017 (Capital Programme Monitor Third Quarter). Detailed outturn expenditure and variances by project are shown in Appendix H.

<b>Table 5: Capital Outturn</b>	<b>2016/17 Budget £000's</b>	<b>2016/17 Outturn £000's</b>	<b>Re- profiling £000's</b>	<b>(Under) / overspend £000's</b>	<b>Total Variance £000's</b>
<b><u>General Fund</u></b>					
Schools & Children's Services	27,436	19,021	(8,408)	(7)	(8,415)
Environment	31,544	31,162	(2,223)	1,841	(382)
Regeneration	44,536	52,760	8,207	18	8,225
Health & Adult Social Care	8,278	7,266	(913)	(100)	(1,013)
Companies (Housing Gateway & Enfield Innovations)	92,809	59,561	0	(33,248)	(33,248)
Community Housing	2,471	2,324	(146)	(1)	(147)
Corporate	19,557	26,354	5,248	1,549	6,797
<b>Sub-total</b>	<b>226,631</b>	<b>198,448</b>	<b>1,765</b>	<b>(29,948)</b>	<b>(28,183)</b>
Schools Devolved Funding	6,000	4,051	0	(1,949)	(1,949)
<b>Total General Fund</b>	<b>232,631</b>	<b>202,499</b>	<b>1,765</b>	<b>(31,897)</b>	<b>(30,132)</b>
Housing Revenue Account	55,256	46,025	(9,211)	(20)	(9,231)
<b>Total Capital Expenditure</b>	<b>287,887</b>	<b>248,524</b>	<b>(7,446)</b>	<b>(31,917)</b>	<b>(39,363)</b>

6.2 A breakdown of the variances is shown below:

<b>Table 6: Main Capital Budget Variations</b>	<b>Re-profiling £'000</b>	<b>(Under) / overspend £'000</b>
<b><u>Main variations</u></b>		
Highways Programme	(877)	33
Electric Quarter	(1,297)	0
Meridian Water	9,512	(0)
Enfield 2017	5,057	(0)
Civic Centre (BIP)	0	1,540
Residential and Social Care Provision - Elizabeth House	(850)	(0)
energetik	0	1,587
Children's Centres	(646)	(8)
Schools Conditioning Funding	(2,885)	1
Basic Need - Primary School Places	(472)	(119)
Primary Expansion Plan Phase 1	(1,424)	0
Minchenden	(1,051)	0
HRA	(9,211)	(20)
Schools Devolved Funding	0	(1,949)
Companies	0	(33,248)
Other Projects	(3,300)	265
	<b>(7,445)</b>	<b>(31,918)</b>
<b>Overall Variance</b>		<b>(39,363)</b>

The Quarter 1 monitor in the new financial year will include details of re-profiling from 2016/17. The latest 2017/18 programme, including re-profiling, will be reviewed as part of the budget process to ensure all schemes are affordable with the Medium Term Financial Plan and meet corporate priorities.

- 6.3 The capital expenditure was financed as set out in the following table:

<b>Table 7: Source of Funding</b>	<b>£000</b>
Borrowing	107,311
Capital Grants and Contributions	32,943
Capital Receipts	11,397
Borrowing funded by Deferred Capital Receipts	59,561
Direct Revenue Contributions	2,978
Major Repairs Allowance	15,282
Earmarked and Capital Receipts	19,052
<b>Total Funding required to finance Capital Expenditure</b>	<b>248,524</b>

Prudential borrowing is funded from within the overall Council budget under the Prudential Code framework. Further information is included in the Treasury Management Outturn Report also on this Cabinet meeting agenda.

## **7. ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 Not relevant in the context of this report.

## **8. REASONS FOR RECOMMENDATIONS**

- 8.1 To ensure that members are aware of the outturn position for the authority including all major variances which have contributed to the outturn position.

## **9. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES**

### **9.1 Legal implications**

The Council has a statutory duty to ensure the proper administration of its financial affairs and a fiduciary duty to tax payers to use and account for public monies in accordance with proper practices. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

### **9.2 Financial Implications**

Financial implications are implicit in the body of the report. The variances and risks identified through the closure of accounts will be taken into account in the financial monitoring process for 2017/18.

### 9.3 Key Risks

The budget risks during 2016/17 were managed through detailed revenue monitoring reports provided monthly to Cabinet. Departments took action to minimise budget pressures and align departmental spend to budget. Some of these pressures will also affect 2017/18 and departments are already taking action to contain current year spending pressures, examples include:

- A reduction in fee income across all service areas has continued due to the recession and is being monitored in 2017/18 as part of the monthly budget monitoring regime.
- Welfare reforms especially relating to homelessness.
- Increased demand for services which is subject to tight financial control in all areas of spend
- Other pressures arising from the state of the UK economy and the continuation of the Government's debt reduction programme.

## 10. EQUALITIES IMPACT IMPLICATIONS

10.1 The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

10.2 Financial reporting and planning is important in ensuring resources are used to deliver equitable services to all members of the community.

## 11. PERFORMANCE MANAGEMENT IMPLICATIONS

11.1 The report provides clear evidence of sound financial management and efficient use of resources.

## 12. IMPACT ON COUNCIL PRIORITIES

12.1 Fairness for All – The recommendations in the report fully accord with this Council priority.

12.2 Growth and Sustainability – The recommendations in the report fully accord with this Council priority.

12.3 Strong Communities – The recommendations in the report fully accord with this Council priority.

## 13. PUBLIC HEALTH IMPLICATIONS

13.1 There are no public health implications directly related to this report.

Background Papers: None

**Chief Executive's Department Revenue Outturn Position 2016/17**
**APPENDIX A**

Notes	Chief Executive	Latest Budget	Service Net Expenditure	Budget Variation	Service Net Expenditure & Transfers	Outturn Variation to Latest Budget
		£000's	£000's	£000's	£000's	£000's
1	Communications	920	769	(150)	769	(150)
2	Human Resources	(629)	(803)	(173)	(803)	(173)
	Chief Executive	477	481	4	481	4
	Design & Print Trading Service	(239)	(201)	38	(201)	38
3	Organisational Development	1,004	1,058	54	1,058	54
4	Performance Management	2,415	2,202	(213)	2,202	(213)
	<b>2016/17 Net Expenditure</b>	<b>3,948</b>	<b>3,507</b>	<b>(440)</b>	<b>3,507</b>	<b>(440)</b>
<b>Explanation of Chief Executive's Department variances greater than £50k:</b>						<b>Variance £000's</b>
1	<b>CEX-COMMUNICATIONS</b>					<b>(150)</b>
	Communications was underspent on salaries and general supplies					
2	<b>CEX-Human Resources</b>					<b>(173)</b>
	Variance reflects savings achieved through HR – a minor two phase restructure of the HR Business Partner Team and overachievement in schools income.					
3	<b>CEX-Organisational Development</b>					<b>54</b>
	Variance has resulted from an overspend on salaries.					
4	<b>CEX-Performance Management</b>					<b>(213)</b>
	Underspend in grants paid within the Voluntary & Community Sector.					
5	<b>Other Minor Variations</b>					<b>42</b>
	<b>2016/17 Service Budget Variance</b>					<b>(440)</b>



# Regeneration & Environment Revenue Outturn Position 2016/17

## APPENDIX B

Notes	Regeneration & Environment	Latest Budget	Service Net Expenditure	Budget Variation	Service Net Expenditure plus Reserves	Outturn Variation to Latest Budget
		£000's	£000's	£000's	£000's	£000's
1	<b>Director &amp; Programme Office</b>	1,306	1,099	(208)	1,099	(208)
2	<b>Community Safety</b>	1,625	1,492	(133)	1,492	(133)
	<b>Planning, Highways &amp; Transportation</b>					
	Assistant Director Planning, Highways & Transportation	193	193	0	193	0
	Env Protection & Regulatory Services	1900	1,900	0	1,900	0
3	Corporate Health & Safety	437	331	(106)	331	(106)
	Corporate Maintenance & Construction	(126)	(151)	(25)	(151)	(25)
	Development Management	265	233	(32)	233	(32)
	Highways Services	1,403	1,365	(37)	1,365	(37)
	Street Lighting	2,632	2,673	41	2,673	41
4	Parking	(4,079)	(4,152)	(73)	(4,152)	(73)
5	Traffic & Transportation	383	253	(130)	253	(130)
	People Transport Service	(740)	(787)	(47)	(787)	(47)
	<b>Public Realm</b>					
	AD Public Realm & Sustainability	(31)	(35)	(4)	(35)	(4)
	Vehicle Lease	1,100	1,100	0	1,100	0
	Head of Waste Services	82	79	(4)	79	(4)
	Fleet Management	(228)	(218)	10	(218)	10
	Waste Operations	6,157	6,143	(13)	6,143	(13)
	Morson Road Depot	1313	1316	3	1,316	3
6	Head of Commercial Services	139	90	(50)	90	(50)
7	Cemeteries	(162)	(313)	(151)	(313)	(151)
8	Waste Client	2,806	3,089	284	3,089	284
	Parks Client	210	211	1	211	1
9	Commercial Waste	(1,043)	(1,231)	(188)	(1,231)	(188)
10	Commercial Services (Parks)	490	386	(104)	386	(104)
	Sustainability	635	639	4	639	4
	Street, Parks, Garden Enfield & Depot Operations	7,483	7,499	16	7,499	16
	<b>Economic Development</b>					
	AD Economic Development	140	117	(23)	117	(23)
	Skills for Work	(23)	(24)	(1)	(24)	(1)
	Growth & Inward Investment	233	233	(0)	233	(0)
	Economic Development	371	359	(12)	359	(12)
	<b>Regeneration &amp; Planning</b>					
	Regeneration, Planning & Programming	1	2	0	2	0
11	Neighbourhood Regeneration	149	(23)	(172)	(23)	(172)
	Strategic Planning & Design	976	976	0	976	0
	<b>Housing Strategic Services</b>	10	4	(6)	4	(6)
	<b>2016/17 Net Expenditure</b>	<b>26,009</b>	<b>24,849</b>	<b>(1,160)</b>	<b>24,849</b>	<b>(1,160)</b>

Regeneration & Environment Department Outturn 2016-17

APPENDIX B

		Variance
<b>Explanations of variances greater than £50k:</b>		<b>£000's</b>
1	<b>Director &amp; Programme Office</b> Favourable variance is as a result of an on-going project to review efficiencies across the Regeneration and Environment department.	<b>(208)</b>
2	<b>Community Safety</b> Mainly due to the police contract underspend, Community Safety salaries underspend and additional budget contribution from Environment efficiencies to offset the loss of a grant from the Home Office	<b>(133)</b>
3	<b>Corporate Health &amp; Safety</b> This is due to contract and salary underspend, additional income received from undertaking asbestos surveys, additional income from Schools SLAs and other minor underspends.	<b>(106)</b>
4	<b>Parking</b> Underspend due to a business rates refund received in 2016/17.	<b>(73)</b>
5	<b>Traffic &amp; Transportation</b> Favourable variance is mainly due to increased salary recharges to capital schemes and additional Temporary Traffic Order income.	<b>(130)</b>
6	<b>Head of Commercial Services</b> Salary costs underspend.	<b>(50)</b>
7	<b>Cemeteries</b> Overachievement on Cemeteries income.	<b>(151)</b>
8	<b>Waste Client</b> The overspend is due to the waste commodities, composition and contamination costs reflecting current difficult commodity and trading conditions, plus contributions to fund an extensive contamination communication campaign to support & implement the contamination policy (Dry Recycling Contamination Proposal). The pressure has been addressed during the year following contractual negotiations and a successful campaign.	<b>284</b>
9	<b>Commercial Waste</b> Variance is due to additional income generated from the successful marketing of the commercial waste services, coupled with efficiencies in the service.	<b>(188)</b>
10	<b>Commercial Services (Parks)</b> Parks Events, Allotments and Parks Assets income over achievement and minor efficiencies in Whitewebbs Golf Course.	<b>(104)</b>
11	<b>Neighbourhood Regeneration</b> This is mainly due to an underspend in the revenue cost of consultancy, advertising and publications, plus salary recharges to capital projects (Meridian Water, Estates Renewal and Ponders End Project).	<b>(172)</b>
	<b>Other Minor Variations</b>	<b>(129)</b>
	<b>2016/17 Service Budget Variance</b>	<b>(1,160)</b>

**Finance, Resources & Customer Services Outturn Position 2016/17**
**APPENDIX C**

Notes	Finance, Resources and Customer Services	Latest Budget	Service Net Expenditure	Budget Variation	Service Net Expenditure plus Reserves	Outturn Variation to Latest Budget
		£000's	£000's	£000's	£000's	£000's
1	Property Services	167	942	775	942	775
2	Legal & Corporate Governance	3,776	4,030	254	4,030	254
3	Other Variations	43,505	43,090	(415)	43,090	(415)
4	Use of Capital Receipts	0	(500)	(500)	(500)	(500)
	<b>2016/17 Net Expenditure</b>	<b>47,448</b>	<b>47,562</b>	<b>114</b>	<b>47,562</b>	<b>114</b>

<b>Explanation of variances greater than £50k:</b>		<b>Variance £000's</b>
<b>1</b>	<b>Property</b>	<b>775</b>
	Shortfall in rental income on admin buildings and a delay in anticipated bund income due to the initiative being delayed in the planning process.	
<b>2</b>	<b>Legal &amp; Corporate Governance</b>	<b>254</b>
	External legal costs, VAT liability, Home Office grant income shortfall & salary overspend.	
<b>3</b>	<b>Other Variations</b>	<b>(415)</b>
	Favourable variance is due to vacant posts and an underspend in operating expenditure in Customer Solutions and Operational Support as well as favourable outturn in Revenues & Benefits.	
<b>4</b>	<b>Use of Capital Receipts</b>	<b>(500)</b>
	Capital Receipts applied for transformation schemes across the service areas.	
	<b>2016/17 Service Budget Variance</b>	<b>114</b>

Notes	Health, Housing and Adult Social Care	Latest Budget	Service Net Expenditure	Budget Variation	Service Net Expenditure plus Reserves	Outturn Variation to Latest Budget
		£000's	£000's	£000's	£000's	£000's
1	Strategy & Resources	4,190	4,206	16	<b>4,206</b>	<b>16</b>
	Other Control Measures	(3,581)	(7,837)	(4,256)	<b>(7,837)</b>	<b>(4,256)</b>
	<b>Adults Division</b>					
2	Customer Pathway	30,573	35,548	4,975	<b>35,548</b>	<b>4,975</b>
3	Adult Mental Health	6,248	6,593	345	<b>6,593</b>	<b>345</b>
4	Independence and Wellbeing	9,016	9,228	212	<b>9,228</b>	<b>212</b>
5	Learning Disabilities	20,364	23,081	2,718	<b>23,081</b>	<b>2,718</b>
	<b>Public Health</b>	(1,893)	(1,893)	(0)	<b>(1,893)</b>	<b>(0)</b>
	<b>Community Housing</b>					
6	Housing Related Support / HHASC Other	5,872	6,712	840	<b>6,712</b>	<b>840</b>
	Assistant Director	108	113	5	<b>113</b>	<b>5</b>
7	GF Temp Accommodation team	6,292	4,907	(1,386)	<b>4,907</b>	<b>(1,386)</b>
	Housing Gateway	5	0	(5)	<b>0</b>	<b>(5)</b>
	<b>2016/17 Net Expenditure</b>	<b>77,194</b>	<b>80,658</b>	<b>3,464</b>	<b>80,658</b>	<b>3,464</b>

**Health, Housing & Adult Social Care Outturn Position 2016/17**

		Variance £000's
<b>Explanation of variances greater than £50k:</b>		
<b><u>Adults Social Care Division</u></b>		
1	<b>Other Control Measures</b>	<b>(4,255)</b>
	Use of the Better Care Fund (£1.5m) and the use of one-off monies and further monies and further management actions (£2.755m).	
2	<b>Customer Pathway</b>	<b>4,975</b>
	The service has overspent on demand led care purchasing budgets for Residential (+£3.43m) and Non-Residential (+£1.5m) care packages due to an increase in the average cost of packages (minimum wage and contract inflation) and demand for services as a result of demographic changes.	
3	<b>Adult Mental Health</b>	<b>345</b>
	The service overspend is a result of the net cost of care purchasing placements in year.	
4	<b>Independence and Wellbeing</b>	<b>212</b>
	Client income at the two in-house residential homes was less than expected.	
5	<b>Learning Disabilities</b>	<b>2,718</b>
	Overspend is the result of managing demand-led services. Substantial savings have been made in year, however demand for services continues to rise as a result of demographics and Ordinary Residence clients.	
<b><u>Community Housing Division</u></b>		
6	<b>Housing Related Support</b>	<b>840</b>
	The savings in 16/17 were £2.6m in Housing Related Support. The overspend is from Housing Related Support contracts. The variance is as a result of delayed savings.	
7	<b>Homelessness &amp; Temporary Accommodation</b>	<b>(1,386)</b>
	Temporary Accommodation costs were lower than originally budgeted for predominantly due to the more expensive TNPA property rents showing no significant increase throughout the year	
	<b>Other Minor Variations</b>	<b>15</b>
	<b>2016/17 Service Budget Variance</b>	<b>3,464</b>

**Schools & Children's Services Outturn Position 2016/17**
**APPENDIX E**

Notes	Schools & Children's Services	Latest Budget	Service Net Expenditure	Budget Variation	Ring-Fenced Grant	Service Net Expenditure plus Reserves	Outturn Variation to Latest Budget
		£000's	£000's	£000's	£000's	£000's	£000's
	<b>Children's Services</b>						
	Children's Services -Assistant Director	1,089	1,046	(43)	0	1,046	(43)
	Social Work Training Grant	0	(7)	(7)	0	(7)	(7)
1	Looked After Children	12,818	13,957	1,139	0	13,957	1,139
	Children in Need	7,855	7,871	16	0	7,871	16
2	Cheviots	2,415	2,288	(127)	0	2,288	(127)
	Safeguarding & Quality Assurance	787	682	(105)	96	778	(9)
	Early Intervention Support Services	87	77	(10)	0	77	(10)
3	Youth Management & Business Support	3,654	1,728	(1,926)	1,363	3,091	(563)
	<b>Education Services</b>						
	Behaviour Support	82	82	0	0	82	0
	Community Access, Childcare & Support	3,429	3,411	(17)	0	3,411	(17)
4	Admission Service	274	180	(94)	0	180	(94)
5	Asset Management	(143)	76	219	0	76	219
6	Catering Services	(602)	(727)	(125)	0	(727)	(125)
	Human Resources	2,122	2,091	(31)	0	2,091	(31)
	Departmental Management Team	155	162	7	0	162	7
	Children & Adolescent MH & EPS Services	1,169	1,170	2	0	1,170	2
7	Special Needs & Inclusion / Transport	3,454	5,790	2,336	0	5,790	2,336
	Schools Sports	(41)	(8)	32	0	(8)	32
	College Pension costs	74	73	(1)	0	73	(1)
	School Improvement Service	488	524	36	0	524	36
	Children & Family Commissioning	1,029	1,026	(3)	0	1,026	(3)
8	Central Charges	96	10	(87)	0	10	(87)
	Commissioning Management Team	65	17	(49)	0	17	(49)
9	Enfield Art Support Service	16	(82)	(98)	0	(82)	(98)
10	Residential Care Purchasing (Children)	5,270	5,642	372	0	5,642	372
	Learning Skills for Work	369	367	(2)	0	367	(2)
	Business Improvement	33	32	(1)	0	32	(1)
	Director	283	305	22	0	305	22
	<b>2016/17 Net Expenditure</b>	<b>46,327</b>	<b>47,782</b>	<b>1,455</b>	<b>1,459</b>	<b>49,240</b>	<b>2,914</b>

## Schools &amp; Children's Services Departmental Outturn 2016-17

<b>Explanation of variances greater than £50k:</b>		<b>Variance</b>
		<b>£000's</b>
1	<b>Looked After Children</b> The 'Leaving Care' client costs budget has overspent by £643k which is partially due to the number of new clients that have complex and challenging behaviours who require a high number of support hours. In addition, existing client package costs have increased with delays in clients moving on to independence. There was also an overspend of £150k within the 'Unaccompanied Asylum Seeking Childrens' (UASC) budgets due to the increased number of clients and higher costs associated with the lack of suitable accommodation resulting in the usage of higher cost agency placements. A further overspend of £344k was within the Fostering and Adoption service due to higher than budgeted numbers of clients and additional special guardianship arrangements.	<b>1,139</b>
2	<b>Cheviots</b> A number of vacant cheviots centre worker posts had been held in advance of a service restructure which has meant savings of £57k being achieved. There was a further saving of £70k within the commissioned services budget as a result of the short break grant scheme.	<b>(127)</b>
3	<b>Youth Management &amp; Business Support</b> A planned spend reduction to reduce pressures elsewhere within the Children's Service together with the maximisation of grant funding, resulted in an underspend of £420k within the Youth Strategy and Support Service. An underspend of £143k within the 'Youth Offending Service' (YOS) was mainly within the staffing budget due to difficulties in recruiting to vacant posts.	<b>(563)</b>
4	<b>Admission Service</b> Overspend relates to staff vacancies within the Education Welfare	<b>(94)</b>
5	<b>Asset Management</b> Overspend relates to non-capitalisation of salary costs.	<b>219</b>
6	<b>Catering Services</b> Overachievement of income due to increase in meals take up in the	<b>(125)</b>
7	<b>Special Needs &amp; Inclusion / Transport</b> Overspend relates to Special Educational Needs Transport Costs.	<b>2,336</b>
8	<b>Central Charges</b> Relates to early achievement of 17/18 savings by Careers Service	<b>(87)</b>
9	<b>Enfield Art Support Service</b> Arts Grant not fully utilised in year and cannot be carried forward to	<b>(98)</b>
10	<b>Residential Care Purchasing (Children)</b> The Residential Care clients cost budgets has overspent by £372k, which is partially due to an increase in the number of Foster Care Agency placements due to lack of available in-house placements. Additionally, we have an increase in the number of complex needs clients requiring expensive residential placements.	<b>372</b>
Other	<b>Other minor variations</b>	<b>(58)</b>
<b>2016/17 Service Budget Variance</b>		<b>2,914</b>



**Corporate Items Outturn Position 2016/17**
**APPENDIX F**

Notes	Corporate	Latest Budget	Service Net Expenditure	Budget Variation	Service Net Expenditure plus Reserves	Outturn Variation to Latest Budget
		£000's	£000's	£000's	£000's	£000's
	<b>Levies</b>					
	North London Waste Authority	5,843	5,853	10	5,853	10
	Environmental Agency	214	214	(0)	214	(0)
	Lee Valley Regional Park	270	269	(0)	269	(0)
	London Pension Fund Authority	348	346	(2)	346	(2)
	LPFA Sub-Pension Fund	146	145	(1)	145	(1)
	London Borough Grants Scheme	324	324	0	324	0
	<b>Contingency</b>					
	Contingency and Contingent Items	6,575	6,575	0	6,575	0
	IT Investments Fund	(775)	(777)	(2)	(777)	(2)
1	<b>Capital Financing &amp; Treasury Management</b>					
	Treasury Management	11,391	8,894	(2,497)	8,894	(2,497)
	Minimum Revenue Provision (MRP)	13,376	8,970	(4,405)	8,970	(4,405)
2	Other Corporate Income & Expenditure	(846)	5	851	5	851
	<b>2016/17 Net Expenditure</b>	<b>36,865</b>	<b>30,820</b>	<b>(6,045)</b>	<b>30,820</b>	<b>(6,045)</b>

**Explanation of Corporate variances greater than £50k:**

	Variance £000's
<b>1 Capital Financing &amp; Treasury Management</b>	<b>(6,902)</b>
Reduction in Minimum Revenue Provision for capital financing following review of methodology. Saving on interest payments also achieved due to lower interest rates and higher than anticipated interest receipts, including interest charged to Council owned companies and major projects.	
<b>2 Other Corporate Income &amp; Expenditure</b>	<b>851</b>
Contribution to Redundancy and Early Retirement reserve to meet in-year costs resulting from the restructuring of the Council's workforce.	
<b>Other Minor Variations</b>	<b>6</b>
<b>2016/17 Service Budget Variance</b>	<b>(6,045)</b>

RESERVE	2017/21 Programmes					
	Balance 31 March 2016	Net Transfers 2016/17	Balance at 31 March 2017	Revenue	Capital	Forecast Reserves as at 31 March 2021
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>General Fund Reserves</b>						
<b>Projects / Programmes</b>						
Council Development Reserve	697	(214)	483	0		483
Regeneration Reserve	982	(80)	902	0		902
Vehicle and Equipment Replacement Fund	3,702	836	4,539	0	(3,170)	1,369
Capital Reserve - General Fund	73	124	197	0		197
ICT Investment Fund	2,932	(1,311)	1,621	0	(1,621)	0
Revenues & Benefits Systems	269	(269)	0	0		0
Homelessness Initiatives	566	(566)	(0)	0		(0)
Waste Recycling Reserve	0	337	337	(337)		0
European Social Fund match funding	342	0	342	0		342
Enfield Community Capacity Building Fund	899	(148)	750	(750)		0
NHS Social Care Grant	166	(166)	0	0		0
Project Carry Forwards	1,511	(33)	1,478	(1,478)		0
Industrial Estates Improvements	78	0	78	0		78
Empty Properties (New Homes Bonus 2011/12)	173	(60)	113	0		113
New Homes Bonus	1,555	(99)	1,456	(133)		1,323
Other General Fund Reserves for small projects	4,722	582	5,303	0		5,303
	18,666	(1,066)	17,600	(2,698)	(4,791)	10,111
<b>Risk / Smoothing</b>						
PFI Investment Reserves	992	(307)	685	(3,001)		(2,316)
Insurance Fund	5,942	(423)	5,520	(2,000)		3,520
Repair & Maintenance of Council buildings	637	(2)	635	1,220		1,855
Interest Rate Equalisation Reserve	2,913	0	2,913	0		2,913
Restructuring and redundancy reserve	0	39	39	165		204
Repairs Fund for private sector housing leased to the Council	979	(41)	937	(400)		537
Risk Reserve	3,180	9,671	12,851	0		12,851
Welfare Reforms & Hardship Fund	4,183	(946)	3,237	(800)		2,437
	18,827	7,991	26,817	(4,816)	0	22,001
<b>Other Reserves</b>						
Performance reward grant receivable (LSP)	374	0	374	0		374
Residents Priority Fund	690	(123)	567	0		567
Year end appropriation of underspends / contingency (estimated subject to outturn position)			0			0
	1,064	(123)	941	0	0	941
<b>GENERAL FUND RESERVES</b>	<b>38,557</b>	<b>6,801</b>	<b>45,358</b>	<b>(7,515)</b>	<b>(4,791)</b>	<b>33,053</b>
<b>Other Ring-Fenced Reserves</b>						
Dedicated Schools Grant	1,203	(4,205)	(3,001)	0		(3,001)
Public Health	1,602	(778)	823	0		823
S106 Receipts	504	(6)	498	0		498
HRA Repairs/Capital Reserve	25,795	(5,118)	20,677	0		20,677
<b>Total Earmarked Reserves</b>	<b>67,660</b>	<b>(3,306)</b>	<b>64,355</b>	<b>(7,515)</b>	<b>(4,791)</b>	<b>52,049</b>

APPROVED PROGRAMME BUDGET 2016/17	Capital Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Expenditure 2016/17 £'000	Total Variance £'000	Variance analysed as		
					Project Over/(Under) spend £'000	Underspend C/fwd to 2017/18 £'000	Overspend B/Fwd from 2017/18 £'000
					£'000	£'000	£'000
<b>REGENERATION &amp; ENVIRONMENT</b>							
<b>Transport for London funding:</b>							
TFL Major Schemes	3,433	4,601	4,601	0	0	0	0
Cycle Enfield	5,945	5,929	5,318	(611)	(611)	0	0
Corridor Impr Hertford Rd	219	219	0	(219)	0	(219)	0
<b>Highways &amp; Streetscene:</b>							
Programme	9,521	10,048	9,204	(844)	33	(1,006)	128
Environmental Protection	122	122	158	36	36	0	0
Community Safety	253	253	284	32	32	0	0
Waste & Recycling	364	364	471	108	(0)	(5)	113
Market Gardening	71	71	17	(54)	(54)	0	0
Parks	1,833	2,125	2,073	(52)	110	(163)	0
Vehicle Replacement Programme	853	853	238	(615)	0	(615)	0
Building Improvement Programme (BIP)	2,107	1,946	2,176	231	554	(484)	161
Housing Assistance Grants	175	175	223	47	47	0	0
Affordable Housing	4,675	4,675	4,710	35	35	0	0
Disability Access Programme	163	163	102	(61)	72	(133)	0
energetik	0	0	1,587	1,587	1,587	0	0
<b>Environment</b>	<b>29,734</b>	<b>31,544</b>	<b>31,162</b>	<b>(382)</b>	<b>1,841</b>	<b>(2,625)</b>	<b>403</b>
<b>Regeneration:</b>							
Electric Quarter	3,000	3,000	1,703	(1,297)	(0)	(1,297)	0
New Southgate	0	0	19	19	0	0	19
Meridian Water	41,339	41,400	50,912	9,512	0	(9,088)	18,600
Edmonton	71	0	0	0	0	0	0
Broomfield House	25	25	77	52	0	0	52
The Crescent - Edmonton	26	26	31	5	0	0	5
Business & Economic Development/Regeneration	84	84	18	(66)	18	(84)	0
<b>Regeneration</b>	<b>44,546</b>	<b>44,536</b>	<b>52,760</b>	<b>8,225</b>	<b>18</b>	<b>(10,469)</b>	<b>18,676</b>

APPROVED PROGRAMME BUDGET 2016/17	Capital Budget 2016/17 £'000	Revised Budget 2016/17 £'000	Expenditure 2016/17 £'000	Total Variance £'000	Variance analysed as		
					Project Over/(Under) spend £'000	Underspend C/fwd to 2017/18 £'000	Overspend B/Fwd from 2017/18 £'000
					£'000	£'000	£'000
<b>REGENERATION &amp; ENVIRONMENT</b>	<b>74,280</b>	<b>76,080</b>	<b>83,923</b>	<b>7,843</b>	<b>1,859</b>	<b>(13,095)</b>	<b>19,078</b>
<b>Corporate Schemes</b>							
IT Work Plan	9,093	9,093	8,733	(360)	0	(1,631)	1,271
Joint Service Centre	0	0	(3)	(3)	(3)	0	0
Southgate Town Hall & Library Enabling Works	350	350	248	(102)	(0)	(102)	0
Corporate Schemes	863	1,003	1,241	237	8	(27)	256
Civic Centre (BIP)	4,326	4,487	6,027	1,540	1,540	0	0
Enfield 2017	4,141	4,141	9,198	5,057	0	0	5,057
Libraries	350	350	910	560	3	0	557
Culture	133	133	0	(133)	0	(133)	0
<b>FRCS / CE TOTAL</b>	<b>19,255</b>	<b>19,557</b>	<b>26,354</b>	<b>6,797</b>	<b>1,549</b>	<b>(1,892)</b>	<b>7,141</b>
<b>Health, Housing &amp; Adult Social Care</b>							
<b>Housing</b>							
Disabled Facilities Grant	2,108	2,108	2,107	(1)	(1)	0	0
Sub Regional Housing Grants	363	363	217	(146)	(0)	(146)	0
<b>Housing</b>	<b>2,471</b>	<b>2,471</b>	<b>2,324</b>	<b>(147)</b>	<b>(1)</b>	<b>(146)</b>	<b>0</b>
<b>Adult Social Care</b>							
Residential and Social Care Provision - Elizabeth House	8,098	8,098	7,247	(850)	0	(850)	0
New Options	81	81	18	(62)	(0)	(62)	0
Welfare Adaptations	100	100	0	(100)	(100)	0	0
<b>Adult Social Care</b>	<b>8,278</b>	<b>8,278</b>	<b>7,266</b>	<b>(1,013)</b>	<b>(100)</b>	<b>(913)</b>	<b>0</b>
<b>HHASC TOTAL</b>	<b>10,750</b>	<b>10,750</b>	<b>9,590</b>	<b>(1,160)</b>	<b>(101)</b>	<b>(1,058)</b>	<b>0</b>
<b>Companies</b>							
Housing Gateway	85,055	85,055	54,217	(30,838)	(30,838)	0	0
Enfield Innovations	7,754	7,754	5,344	(2,410)	(2,410)	0	0
<b>Companies Total</b>	<b>92,809</b>	<b>92,809</b>	<b>59,561</b>	<b>(33,248)</b>	<b>(33,248)</b>	<b>0</b>	<b>0</b>

APPROVED PROGRAMME BUDGET 2016/17	Variance analysed as						
	Capital Budget 2016/17	Revised Budget 2016/17	Expenditure 2016/17	Total Variance	Project Over/(Under) spend	Underspend C/fwd to 2017/18	Overspend B/Fwd from 2017/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Schools &amp; Children's Services</b>							
Schools Access Initiative	43	35	0	(35)	0	(35)	0
Target Capital - Special Needs	3,989	4,243	3,025	(1,218)	64	(1,309)	27
Childrens Centres	701	701	46	(654)	(8)	(646)	0
Targeted Capital - School Meals Programme	237	237	152	(85)	(39)	(46)	0
Schools Conditioning Funding	7,430	7,499	4,615	(2,884)	1	(3,345)	460
Basic Need - Primary School Places	792	759	168	(591)	(119)	(472)	0
Primary Expansion Plan Phase 1	1,954	1,954	530	(1,424)	(0)	(1,424)	0
Primary Expansion Plan Phase 2 - Grange School	605	434	214	(220)	(0)	(220)	0
Primary Expansion Plan Phase 2 - Garfield School	2,825	2,836	2,936	100	0	0	100
Primary Schools	80	80	8	(72)	(0)	(72)	0
Primary Expansion Plan Phase 2	241	411	334	(77)	99	(176)	0
Secondary Schools	0	0	4	4	4	0	0
Minchenden	7,610	7,610	6,559	(1,051)	(0)	(1,051)	0
Fire Precaution Works	713	638	431	(207)	(8)	(199)	0
<b>Programme before Devolved Funding</b>	<b>27,219</b>	<b>27,436</b>	<b>19,021</b>	<b>(8,415)</b>	<b>(7)</b>	<b>(8,995)</b>	<b>587</b>
Devolved Schools Capital Schemes	6,000	6,000	4,051	(1,949)	(1,949)	0	0
<b>SCS TOTAL</b>	<b>33,219</b>	<b>33,436</b>	<b>23,072</b>	<b>(10,364)</b>	<b>(1,957)</b>	<b>(8,995)</b>	<b>587</b>
<b>TOTAL GENERAL FUND</b>	<b>230,313</b>	<b>232,631</b>	<b>202,499</b>	<b>(30,132)</b>	<b>(31,898)</b>	<b>(25,040)</b>	<b>26,807</b>
<b>Housing Revenue Account</b>							
Major Works	30,643	33,380	29,886	(3,494)	(693)	(2,801)	0
Minor Works	1,821	1,821	2,495	673	673	0	0
Estate Renewals	22,702	19,965	13,554	(6,411)	(0)	(6,411)	0
Grants to vacate	90	90	90	0	0	0	0
<b>HRA TOTAL</b>	<b>55,256</b>	<b>55,256</b>	<b>46,025</b>	<b>(9,231)</b>	<b>(20)</b>	<b>(9,211)</b>	<b>0</b>
<b>APPROVED CAPITAL PROGRAMME</b>	<b>285,569</b>	<b>287,887</b>	<b>248,524</b>	<b>(39,363)</b>	<b>(31,918)</b>	<b>(34,252)</b>	<b>26,807</b>

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**MUNICIPAL YEAR 2017/2018 REPORT NO. 16****MEETING TITLE AND DATE:**

CMB 6<sup>th</sup> June  
 Cabinet 13<sup>th</sup> July  
 Council 19<sup>th</sup> July

**REPORT OF:**

Executive Director of Finance,  
 Resources  
 & Customer Services

**Contact officer and telephone no:**

Stephen Fitzgerald  
 DDI: 020 8379 5910  
 e-mail: stephen.fitzgerald@enfield.gov.uk

**Agenda – Part: 1****Item: 8****Subject:**

**ANNUAL TREASURY MANAGEMENT  
 OUTTURN REPORT 2016/17**

**KD 4527****Wards: All****1. EXECUTIVE SUMMARY**

1.1. This report reviews the activities of the Council's Treasury Management function over the financial year ended 31 March 2017.

1.2. The key points of the report are highlighted below:

		<b>See section:</b>
<b>Debt Outstanding at year end to finance capital</b>	<ul style="list-style-type: none"> <li>£554.7m - an increase of £116m from 2015/16.</li> </ul>	<b>5</b>
<b>Average interest on total debt outstanding</b>	<ul style="list-style-type: none"> <li>3.7% - a reduction of 0.5% from 2015/16.</li> </ul>	<b>6</b>
<b>Debt Re-scheduling</b>	<ul style="list-style-type: none"> <li><i>None undertaken.</i></li> </ul>	<b>8</b>
<b>Interest earned on investments</b>	<ul style="list-style-type: none"> <li>£0.429m – a decrease of £25k from 2015/16.</li> </ul>	<b>10</b>
<b>Investments &amp; Net Borrowing</b>	<ul style="list-style-type: none"> <li>Net Borrowing increased by £140m to £550m, resulting from a decrease of £24k in investments and an increase in borrowing of £116m.</li> </ul>	<b>10</b>

**2. RECOMMENDATIONS**

2.1. Cabinet is asked to consider the 2016/17 Treasury Outturn report and recommend to Council for approval.

### **3. BACKGROUND**

- 3.3. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2016/17. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 3.4. During 2016/17 the minimum reporting requirements were that the full Council should receive the following reports:
- a. an Annual Treasury Strategy in advance of the year – ( reported to Council 24<sup>th</sup> January 2016 as part of the 2016/17 Budget report)
  - b. a mid-year Treasury update report – (TM activity is monitored by Cabinet in year and may be reported onto to Council if there are any concerns)
  - c. an annual review following the end of the year describing the activity compared to the strategy - (this report)
- 3.5. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 3.6. The Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Cabinet before they were reported to the full Council. Member training on treasury management issues was undertaken during the year in order to support members' scrutiny role.

### **4. NATIONAL CONTEXT**

- 4.1. The two major landmark events that had a significant influence on financial markets in the 2016-17 financial year were the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2018 to quarter 4 2019.
- 4.2. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.5% to 0.25% and the Bank of England's Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth.

### **5. BORROWING IN 2016/17**

- 5.1. The following loans were taken out during the year:

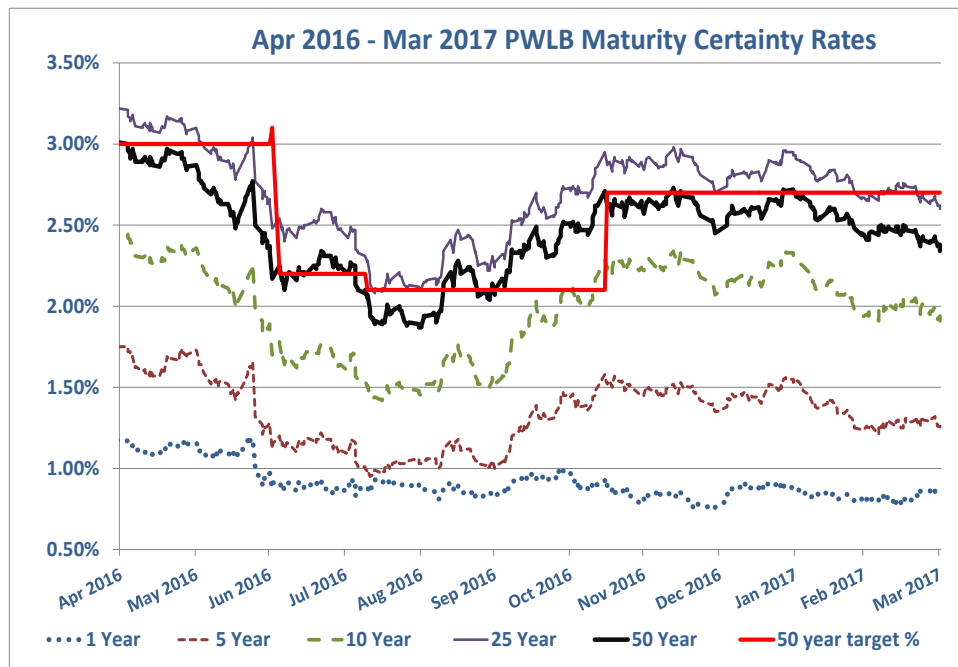


<b>Table 2: Movement in year</b>	<b>Debt 1 April 2016</b>	<b>Debt Repaid</b>	<b>New Debt Raised</b>	<b>Debt at 31 March 2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Temporary Borrowing (less than a year)	86,000	(86,000)	109,000	109,000
	<b>86,000</b>	<b>(86,000)</b>	<b>109,000</b>	<b>109,000</b>
Public Works Loan Board (PWLB)	287,478	(5,063)	90,000	372,416
Commercial Loan	30,000	-	-	30,000
Local Authority borrowing	18,000	-	10,000	28,000
European Investment Bank	9,851	(303)	-	9,548
LEEF	5,850	(607)	-	5,243
Salix	1,462	(887)	-	575
	<b>352,641</b>	<b>(6,860)</b>	<b>100,000</b>	<b>445,782</b>
<b>Total Debt Outstanding</b>	<b>438,641</b>	<b>(92,860)</b>	<b>209,000</b>	<b>554,782</b>

5.2. During 2016/17 there was major volatility in PWLB rates with rates falling during quarters 1 and 2 to reach historically very low levels in July and August, before rising significantly during quarter 3, and then partially easing back towards the end of the year.

### 5.3. Borrowing Rates in 2016/17

PWLB certainty maturity borrowing rates - the graph below shows how PWLB certainty rates have fallen to historically very low levels during the year.



## 6. INTEREST ON TOTAL DEBT OUTSTANDING

6.1. The average interest rate paid on total external debt in 2016/17 was 3.7% (4.21% in 2015/16).

- 6.2. Table 3 shows the interest paid (i.e. the cost of borrowing) by the Council during the year:

<b>Table 3: Cost of Borrowing</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
Public Works Loan Board (PWLB)	11,604	13,575
Commercial Loan	2,143	2,143
Local Authority Loan	282	354
EIB Loan	170	221
LEEF Loan	77	96
Salix Loan	-	-
<b>Total Interest on Debt</b>	<b>14,276</b>	<b>16,390</b>
Short Term Loans	185	441
<b>Total interest paid :Total Cost of Debt</b>	<b>14,461</b>	<b>16,831</b>
<b>Cost Attributed to:</b>		
Housing Revenue Account	8,174	8,159
Capitalised interest on Meridian Water	1,027	2,740
Interest charged to HGL (various rates)	633	1,776
Interest charged to EIL (6.67%)	0	908
Cost Attributed to General Fund	4,627	3,248
<b>Total Cost of Debt</b>	<b>14,461</b>	<b>16,831</b>

## 7. DEBT MATURITY STRUCTURE

- 7.1 The Council has 64 loans spread over 50 years with the average maturity being 20 years. This maturity profile allows the Council to spread the risk of high interest rates when debt matures in any one year.

- 7.2. Table 4 shows the maturity structure of Enfield's long-term debt:

<b>Table 4: Profile Maturing Debt</b>	<b>Debt Outstanding as at 31 March 2016 (£m)</b>	<b>Debt Outstanding as at 31 March 2017 (£m)</b>
<b>Years</b>		
Under 1 year	90.8	117.3 <sup>1</sup>
1- 5	64.5	98.6
5-10	14.2	28.1
10-15	7.0	27.4
15-25	39.0	60.2
25-30	10.0	9.3
30-40	133.3	139.0
40+	79.8	74.8
	<b>438.6</b>	<b>554.7</b>

## 8. DEBT RESTRUCTURING

- 8.1 Debt restructuring normally involves prematurely replacing existing debt (at a premium or discount) with new loans in order to secure net savings in interest payable or a smoother maturity profile. Restructuring can involve the conversion of fixed rate interest loans to variable rate loans and vice versa.

<sup>1</sup> Loans maturing under 1 year as at 31<sup>st</sup> March 2017 included £109m short term loans and £8.3m longer term loans maturing in 2017/18

- 8.2 No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable. The council will continue to actively seek opportunities to re-structure debt over 2017/18, if viable.

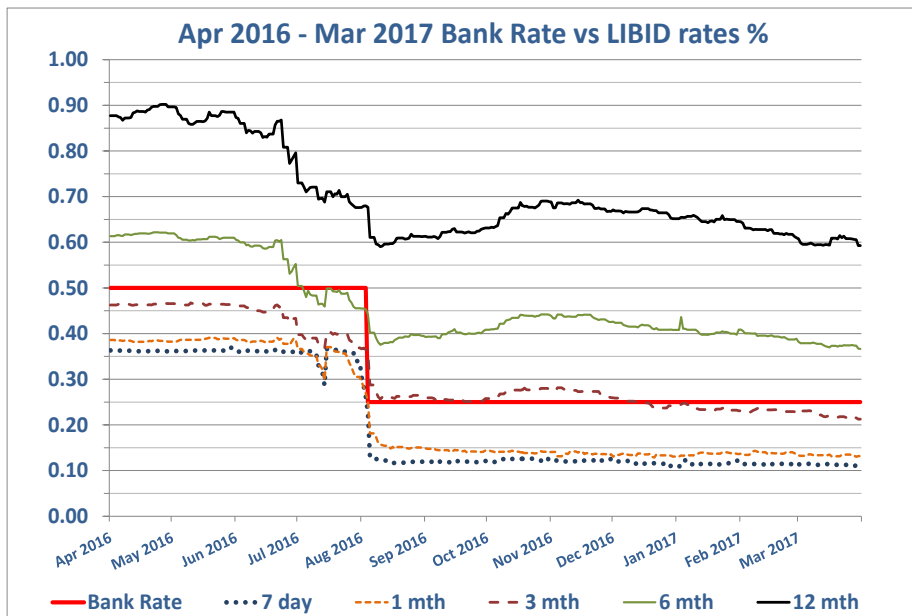
## **9. TREASURY MANAGEMENT PRUDENTIAL INDICATORS: 2016/17**

- 9.1 Throughout 2016/17 total loan debt was kept within the limits approved by the Council against an authorised limit of £900 million. The authorised limit (as defined by the Prudential Code) was as a precaution against the failure, for whatever reason, to receive a source of income or a major unexpected expenditure. In the unlikely event of this happening, the Council would need to borrow on a temporary basis to cover the shortfall in cash receipts. Any significant breach must be reported to Council.
- 9.2 The Council held no variable interest rate debt during 2016/17. The Council's Prudential Code however does allow debt to be held in variable interest rate.
- 9.3 The Prudential code allows up to 30% of its debt to mature in one year (equivalent to £166 million as at 31 March 2017). This limit was not breached; the actual position as at 31 March 17 was £109m (19.7%).
- 9.4 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. For example the operational borrowing limit set by the council, determines the external debt levels which are not normally expected to be exceeded. Whereas the authorised borrowing limit represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It helps to monitor and reduce the risk of exposing the council to external debt.

## **10. INVESTMENTS**

- 10.1. After the EU referendum, Bank Rate was cut from 0.5% to 0.25% on 4 August and remained at that level for the rest of the year. Market expectations as to the timing of the start of monetary tightening started the year at quarter 3 2018, but then moved back to around the end of 2019 in early August before finishing the year back at quarter 3 2018.

Deposit rates continued at previous depressed levels into the start of 2016/17 but then fell during the first two quarters and fell even further after the 4 August MPC meeting resulted in a large tranche of cheap financing being made available to the banking sector by the Bank of England. Rates made a weak recovery towards the end of 2016 but then fell to fresh lows in March 2017.



Money market investment rates in 2016/17

	7 day	1 month	3 month	6 month	1 year
1/4/16	0.363	0.386	0.463	0.614	0.877
31/3/17	0.111	0.132	0.212	0.366	0.593
High	0.369	0.391	0.467	0.622	0.902
Low	0.107	0.129	0.212	0.366	0.590
Average	0.200	0.220	0.315	0.462	0.702
Spread	0.262	0.262	0.255	0.256	0.312
High date	27/5/16	21/6/16	10/5/16	22/4/16	26/4/16
Low date	28/12/16	21/12/16	30/3/17	31/3/17	10/8/16

- 10.2. The Council manages its investments arising from cash flow activities in-house and invests within the institutions listed in the Authority's approved lending list. It can invest for a range of periods approved in the Annual Treasury Management Strategy. The Council acts as the treasury manager for the majority of Enfield schools who are within the HSBC banking scheme. The Council produces a three year cash flow model (based on daily transactions) which projects the cash flow movements of the Council linked into the Council's Medium Term Financial Plan and Capital programme. This allows the Treasury Management team to make more informed decisions on borrowing and lending.
- 10.3 All investments entered into by the Council during 2016/17 were fully compliant with the Annual Investment Strategy. The strategy makes clear that the investment priorities are given to security of principal then liquidity over yield. To this extent all investments have only been made with counterparties of high credit quality. The council only had £4.5m investment with HSBC as at 31 March 2017 (£28.5m 2015/16)
- 10.4 Total cash balances during 2016/17 varied considerably, predominantly as a result of the significant peaks and troughs arising from payment profiles of business rates collection, DWP payments and housing benefit payments.

- 10.5 Liquidity was managed through call accounts and money market funds. Through careful cash management control (i.e. the ability to accurately predict the daily out / inflows of cash) the Treasury Management team have limited the Council's overdraft costs in the year to £197.
- 10.6 In 2016/17 the Council received £0.429 million in interest on money lent out to the money markets; a decrease of £25k from 2016/17. This was as a result of lower cash balances, reduced interest rates and holding in more liquid accounts. The average cash balance held by the Council during the year was £45.4m compared to £62m 2015/16. Table 5 shows the total interest receipt received by the council.

<b>Table 5: Interest Receipts</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>
<b>Total Interest Receipts</b>	<b>454</b>	<b>429</b>
HRA balances	(250)	(130)
Section 106 Applications	(30)	(24)
<b>Total Interest to General Fund</b>	<b>172</b>	<b>275</b>

- 10.7. Table 6 shows the maturity structure of Enfield's investments. The council continues to adopt a very prudent approach and the 2016/17 strategy allowed investments up to 12 months with financial institutions that met the Council's credit rating requirements.
- 10.8 Investments as at 31 March 2017 were as follows:

<b>Table 6: Duration of Investments</b>	<b>Investments as at 31 March 2016</b>	<b>No of counter-parties</b>	<b>Investments as at 31 March 2017</b>	<b>No of counter-parties</b>
<b>Months</b>	<b>£000's</b>		<b>£000's</b>	
On demand	18,990	2	4,500	1
Within 1 Month	2,000	1	-	-
Within 3 Months	7,500	1	-	-
<b>Investments held at 31<sup>st</sup> March</b>	<b>28,490</b>	<b>4</b>	<b>4,500</b>	<b>1</b>

- 10.9 The Treasury Management team achieved an average interest rate of 0.35% (0.5% 15/16), out-performing the benchmark (Inter-Bank 7-day lending rate 0.2%). This was achieved by adopting an active treasury policy and resulted in a saving at outturn. The average interest rate fell due to banks reducing interest rates on our call accounts.
- 10.10 The Council's net borrowing increased in 2016/17 as Table 7 demonstrates. This recognises that future capital expenditure will need to be financed from external borrowing and will create pressure on the revenue budget, but this impact has been recognised in the Council's Medium term financial plan and action has been taken to contain this by reductions in the Capital programme.

<b>Table 7: Trend in Net Borrowing</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total Borrowing	294,204	298,624	313,032	438,641	554,782
Total Investments	(40,200)	(63,350)	(58,370)	(28,490)	(4,500)
<b>Net Borrowing</b>	<b>254,004</b>	<b>235,274</b>	<b>254,662</b>	<b>410,151</b>	<b>550,282</b>
<b>Annual change in net debt</b>	<b>33,468</b>	<b>(18,730)</b>	<b>19,388</b>	<b>155,489</b>	<b>140,131</b>

10.11 The Capital Financing Requirement reflects the Council's underlying need to borrow to fund its capital programme (Table 8).

<b>Table 8: Capital Financing Requirement (CFR)</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2017</b>
	<b>£m's</b>	<b>£m's</b>
General Fund	420.0	596.4
Housing Revenue Account	157.7	157.7
<b>Total CFR</b>	<b>577.7</b>	<b>754.1</b>
External Borrowing	438.6	554.8
Under / (Over) Borrowing	139.1	199.3
Authorised Limit	600.0	900.0

## **11. ALTERNATIVE OPTIONS CONSIDERED**

11.1 None. This report is required to comply with the Council's Treasury Management Policy statement, agreed by Council.

## **12. REASONS FOR RECOMMENDATIONS**

12.1 To inform the Council of Treasury Management performance in the financial year 2016/17.

## **13. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES & CUSTOMER SERVICES**

### **13.1 Financial Implications**

Financial implications are set out in the body of the report.

### **13.2 Legal Implications**

The Council has a statutory duty to ensure the proper administration of its financial affairs and a fiduciary duty to tax payers to use and account for public monies in accordance with proper practices. The Statement has been prepared in accordance with the CIPFA Code of Practice.

### **13.3 Key Risks**

Extending the maximum period of deposits will increase the level of risk of default. This fact must be considered against the backdrop that investments will

still be restricted to countries outside the UK with a sovereign rating of AAA and that deposits will be made only with financial institutions with a high credit rating.

## **14. IMPACT ON COUNCIL PRIORITIES**

### **14.1 Fairness for All**

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

### **14.2 Growth and Sustainability**

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

### **14.3 Strong Communities**

Effective financial management provides the basis for the Council to achieve its priorities and objectives. This report explains a key part of effective financial management and the progress that has been made during the year.

## **14.4 PERFORMANCE MANAGEMENT IMPLICATIONS**

The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

## **15 PUBLIC HEALTH IMPLICATION**

15.1 There are no public health implications directly related to this report.

## **16 EQUALITIES IMPACT IMPLICATIONS**

16.1 The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Background Papers:  
None

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## THE CABINET

### List of Items for Future Cabinet Meetings (NOTE: The items listed below are subject to change.)

#### MUNICIPAL YEAR 2017/2018

#### JULY 2017

**(Note the following items are due to be considered at an additional Cabinet meeting scheduled to take place on 26 July 2017)**

1. **Meridian Water: Station Update and Budget** Gary Barnes

This will provide an update on the Meridian Water Station and Update. **(Key decision – reference number 4470)**

2. **Budget 2018/19 – Tranche 1 Savings** James Rolfe

This will update Cabinet on the first round of savings proposals arising from the various work streams. **(Key decision – reference number 4528)**

#### SEPTEMBER 2017

1. **Quarterly Corporate Performance Report** Ian Davis

This will present the latest quarterly corporate performance report. **(Key decision – reference number 4519)**

2. **Broomfield House** Gary Barnes

The report will refer to the Broomfield Conservation Management Plan and Options Appraisal and will set out options for the next steps. **(Key decision – reference number 4419)**

3. **Redevelopment of the Arnos Pool and Bowes Library Site** James Rolfe

This will seek approval to extend the sport and leisure facilities at the site, whilst also ensuring that library provision is included within the future provision. **(Key decision – reference number 4492)**

4. **Housing Repairs Scrutiny Work Stream**

This will present a report from the Scrutiny Work Stream. (Non key)

5. **Amendments to the Energetik Delegations Matrix** Gary Barnes

This will update the original 2015 Delegations Matrix so that it will become fit for purpose. **(Key decision – reference number 4526)**

6. **Bury Street West - Development** James Rolfe/Gary Barnes

This will outline the proposed way forward for approval. **(Key decision – reference number 4008)**

7. **Claverings Industrial Estate** James Rolfe  
**(Key decision – reference number 4381)**

8. **Investment Property Asset Management** James Rolfe

This will seek approval to the establishment of an investment property asset management fund. **(Key decision – reference number 4356)**

9. **Revisions to Section 75 Agreement – 2017/18** Ray James

This will seek approval of revisions to the Section 75 Agreement between Enfield Council and the Enfield Clinical Commissioning Group for 2017/18. **(Key decision – reference number 4488)**

10. **Local Heritage Review** Gary Barnes

A local heritage review and preparation of draft local list has been undertaken in conjunction with community volunteers. Following completion of public consultation the draft local list will be presented for approval. **(Key decision – reference number 4321)**

11. **Meridian Water: Programme Update Contract Close** Gary Barnes

Cabinet approval is required following the procurement of a Master Developer for the Meridian Water Project. Since the selection of the preferred bidder in May 2016, there have been detailed clarification and negotiations to finalise the Master Developer Framework Agreement which have now reached a stage at which approval will be required from the Cabinet prior to entering into the contract. It will also provide a commercial and financial update outlining progress and changes to the project since the last report in October 2015. **(Key decision – reference number 4469)**

12. **July 2017 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of July 2017. **(Key decision – reference number 4544)**

## OCTOBER 2017

1. **Quarterly Corporate Performance Report** Ian Davis

This will present the latest quarterly corporate performance report. **(Key decision – reference number 4520)**

2. **August 2017 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of August 2017. **(Key decision – reference number 4545)**

**NOVEMBER 2017**

1. **September 2017 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of September 2017. **(Key decision – reference number 4546)**

**DECEMBER 2017**

1. **Quarterly Corporate Performance Report** Ian Davis

This will present the latest quarterly corporate performance report. **(Key decision – reference number 4521)**

2. **October 2017 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of October 2017. **(Key decision – reference number 4547)**

**JANUARY 2018**

1. **November 2017 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of November 2017. **(Key decision – reference number 4548)**

**FEBRUARY 2018**

1. **December 2017 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of December 2017. **(Key decision – reference number 4549)**

**MARCH 2018**

1. **Heritage Strategy** Gary Barnes

This will review the existing Heritage Strategy. **(Key decision – reference number 4428)**

2. **January 2018 Revenue Monitoring Report** James Rolfe

This will report on the projected variance to the 2017/18 Revenue Budget as at the end of January 2018. **(Key decision – reference number 4550)**

## CABINET - 21.6.2017

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON WEDNESDAY, 21 JUNE 2017****COUNCILLORS****PRESENT**

Doug Taylor (Leader of the Council), Daniel Anderson (Cabinet Member for Environment), Yasemin Brett (Cabinet Member for Community, Arts and Culture), Alev Cazimoglu (Cabinet Member for Health and Social Care), Krystle Fonyonga (Cabinet Member for Community Safety and Public Health), Dino Lemonides (Cabinet Member for Finance and Efficiency), Ahmet Oykener (Cabinet Member for Housing and Housing Regeneration) and Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development)

**Associate Cabinet Members (Non-Executive and Non-Voting):** Vicki Pite (Enfield North) and George Savva (Enfield South East)

**ABSENT**

Achilleas Georgiou (Deputy Leader) and Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection), Bambos Charalambous (Associate Cabinet Member – Enfield West)

**OFFICERS:**

Ian Davis (Chief Executive), James Rolfe (Executive Director of Finance, Resources and Customer Services), Ray James (Executive Director of Health, Housing and Adult Social Care), Tony Theodoulou (Executive Director of Children's Services), Gary Barnes (Acting Executive Director of Regeneration and Environment), Jayne Middleton-Albooye (Head of Legal Services), Nicky Fiedler (Assistant Director - Public Realm, Environment), Detlev Munster (Head of Property Programmes), Matthew Watts (Parks Business Strategy & Partnerships Officer) and Andrea De Lucy (Press and New Media Officer) Jacqui Hurst (Secretary)

**Also Attending:** Councillor Derek Levy (Chair of the Overview and Scrutiny Committee), Councillor Robert Hayward

**1****APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Achilleas Georgiou (Deputy Leader), Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection), and Bambos Charalambous (Associate Cabinet Member – Enfield West).

## 2

### DECLARATIONS OF INTEREST

There were no declarations of interest in respect of any item listed on the agenda.

## 3

### URGENT ITEMS

- 3.1 NOTED, that the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012 with the exception of Report Nos. 10 and 11 – Acquisition of Long Leasehold Interest – Jeffreys Road, Brimsdown, EN3 7UZ (Minute Nos. 9 and 18 below refer). These requirements state that agendas and reports should be circulated at least 5 clear working days in advance of meetings.

**AGREED**, that the above reports be considered at this meeting.

- 3.2 **Decision Taken by the Leader of the Council under the Cabinet Urgent Action Procedure – Assurance Letter from the Council, as Sole Shareholder, to Enfield Innovations Limited**

NOTED, that a decision had been taken by the Leader of the Council, on behalf of the Cabinet, on 15 May 2017, under the Cabinet Urgent Action Procedure (as set out in the Council's Constitution, Chapter 4.3 – Section 12 – Rules of Procedure). The decision had recommended that the Council approve the issuing of a letter of assurance from the Council to its wholly owned company Enfield Innovations Limited.

Urgent approval had been sought for implementation of this decision as Enfield Innovations Limited (EIL) was being audited. EIL's auditors required a demonstration of the Council's commitment to the company in order for them to conclude the company accounts. EIL's draft accounts had to be submitted to the Council's Corporate Finance Department by 19 May 2017 in order for the group accounts to be consolidated. Therefore, the letter of assurance had been required to be signed as a matter of urgency as it would assist in demonstrating to the auditors the Council's continued commitment to EIL, alongside the usual letter issued by the Council to the auditors and EIL's business plan. Due to the required deadline, it had not been possible for the matter to be included on the agenda for this Cabinet meeting and it had not been possible to consider the matter at the previous Cabinet meeting on 9 May 2017.

The Leader of the Council, on behalf of Cabinet, under the Cabinet's Urgent Action procedure, had therefore approved the issuing of a letter

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of assurance to Enfield Innovations Limited to enable it to submit its audited accounts to the Council by 19 May 2017.

**4**

**DEPUTATIONS**

NOTED, that no requests for deputations had been received for presentation to this Cabinet meeting.

**5**

**ITEMS TO BE REFERRED TO THE COUNCIL**

NOTED, that there were no reports to be referred to full Council.

**6**

**STATEMENT BY COUNCILLOR AHMET OYKENER (CABINET MEMBER FOR HOUSING AND HOUSING REGENERATION)**

At this point in the meeting, Councillor Doug Taylor (Leader of the Council) invited Councillor Ahmet Oykener (Cabinet Member for Housing and Housing Regeneration) to update the Cabinet on events following the recent terrible fire at Grenfell Towers. The following statement was made:

“The terrible fire at Grenfell Towers has shocked us all, and since last week I have been working closely with the leader, chief executive and other council officers to both assist Kensington and Chelsea Council and provide assurance to ourselves and our residents that they are safe in their homes.

Enfield owns 54 blocks of 6 or more storeys, which provide homes to almost 2,500 families. Each block has a fire risk assessment undertaken each year, and where these result in recommendations to improve safety they are implemented with a high priority. Fire doors have been fitted to all high rise homes since 2010 and any changes to doors are picked up via the monitoring process. The majority of our homes have smoke alarms, and we are prioritising identifying the gaps and getting hard wired alarms fitted where there are none.

Caretakers inspect our tower blocks every day as part of their cleaning rota, remove any items from communal areas, check fire doors are safe and closed and report if repairs are required.

Following the tragic events last Tuesday night we arranged a top to bottom inspection and audit of our tower blocks as an additional precaution, this was completed by last Friday and focused particularly on identifying and removing items left in communal areas which could restrict escape in the event of a fire. Further risk assessments will be carried out.

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None of our blocks have the same cladding as Grenfell Tower.

Five blocks have cladding made of a high-pressure laminate. The only aluminium within the cladding is the vertical rail which holds the panel. The insulation is mineral fibre which will not burn. There are horizontal fire barriers between the floors and vertical fire barriers between flats, to prevent fire spreading. None the less, we have laboratory tested the cladding and will have final results back by the end of the week.

15 blocks are rendered – this render uses non-combustible insulation material and meets all fire and safety legislation. The remaining 34 blocks have not been fitted with any kind of external wall insulation cladding – and so have no additional external materials which could affect the spread of fire on the outside of the building.

Letters were sent to residents last week to reassure them about the steps we are taking and to enlist their support in keeping the stairwells etc. clear. A further set of letters is being prepared to go out later this week.

As well as making sure our residents are safe we are also supporting the affected residents in Kensington. We have offered any help needed and have to date provided LALOs (local authority liaison officers), social workers and housing assessment officers. We will continue to offer any support that the Council may request from us.”

Councillor Oykenier reiterated that all Councillors had been informed of the above and, that further information was being prepared for ward councillors with details of the high rise blocks in their wards, to ensure that they had all the necessary information when meeting with their local residents.

Members discussed the tragic event and the measures that were being undertaken, as outlined by Councillor Oykenier above. Members stated that representations should be made to the Government on the potential future funding implications. Councillor Taylor advised Members that the Local Government Association and London Councils would be working jointly on this issue and a collective response made in due course. Local authorities were currently collating information requested by the Government.

Members expressed their appreciation of the work being undertaken by the Council’s officers. Councillor Brett asked that consideration be given to ways in which the Council could effectively communicate information within local communities as well as individual residents, to provide further reassurance and raise awareness.

Councillor Taylor reported that he had recently met with the Borough’s Chief Fire Officer. It was important to ensure that all communications were guided by the advice of the Fire Brigade.



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Councillor Oykenner reiterated the reassurance and advice that was being provided and would consider how to further engage with local community groups in future communications.

Ray James (Executive Director of Health, Housing and Adult Social Care) summarised the actions being taken as outlined above and gave reassurance that the Council would act on any risks that were highlighted with appropriate representations being made to the Government. The advice of the Fire Brigade would be followed and clearly communicated.

Councillor Oykenner concluded by providing reassurance that all necessary action was being carried out within the Borough.

**7**

**QUARTERLY CORPORATE PERFORMANCE REPORT**

Councillor Doug Taylor (Leader of the Council) introduced the report of the Chief Executive (No.8) showing the end of year performance for 2016/17 and comparing it to the Council's performance for the end of 2015/16.

NOTED for information only, the progress being made towards achieving the identified key priorities for Enfield.

**Alternative Options Considered:** Not to report regularly on the Council's performance. This would make it difficult to assess progress made on achieving the Council's main priorities and to demonstrate the value for money being provided by Council services.

**Reason:** To update Cabinet on the progress made against all key priority performance indicators for the Council.

**8**

**PARKS AND OPEN SPACES EVENTS STRATEGY REVIEW**

Councillor Daniel Anderson (Cabinet Member for Environment) introduced the report of the Executive Director – Regeneration and Environment and Executive Director of Finance, Resources and Customer Services (No.9).

NOTED

1. An amendment to paragraph 6.2.3 of the report with the deletion of the words "the Street Works Enforcement and Prosecution Policy" and insertion of "the Parks and Open Spaces Events Strategy".
2. That four Cabinet Members had been involved in various aspects of the Strategy, as detailed in the report.

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3. Councillor Anderson highlighted the main aspects of the review that had been undertaken and the recommended way forward. The Strategy covered a breadth of issues and aimed to strike a balance with all aspects of the events strategy going forward. The increasing demand for events of various sizes, the commercial aspects and the needs of local residents and park users had all been taken into consideration. A detailed consultation exercise had been undertaken, as outlined in the report. A range of consultation methods had been followed with various stakeholders. The review had been comprehensive and a number of concerns previously raised had been mitigated. The need for events to be well-managed was recognised. Income generation was important to support the Borough's parks and open spaces; this was balanced against any concerns expressed by local stakeholders and residents. The Strategy set out clear structures and processes to be followed and provided clear guidance on moving forward. The creation of the Strategy with majority support; would now provide the foundations to deliver events that provide community, social and economic value to the council but balance the impact they might have on stakeholders and residents.
4. Councillor Taylor (Leader of the Council) advised Members that he had received two written representations today from representatives of the Trent Park Conservation Committee (TPCC) and the Chalk Lane Area Residents Association (CLARA). Copies of the representations were provided to Cabinet Members at the meeting for their consideration in advance of reaching their decision on the adoption of the Strategy. In addition, Councillor Robert Hayward also wished to address the Cabinet; he had received further written representations from the Friends of Trent Country Park, copies of which were also provided to the Cabinet.
5. Members discussed in detail the issues raised within the three written representations and Nicky Fiedler (Assistant Director – Regeneration and Environment) responded to the points outlined for Members' consideration. Members were reminded of the licensing conditions that were applied to events and the processes that had to be followed and adhered to. The Events Strategy was a policy that covered the delivery of all events across 124 parks. It was the Council's responsibility to determine which events were suitable for which parks within the borough, but work was undertaken with stakeholders to determine the measures and controls to be put in place to limit the impact of events on local residents. It was felt that the new Strategy was a significant step forward.
6. Councillor Robert Hayward was invited to address the Cabinet. Councillor Hayward took this opportunity to highlight his views regarding the need to ensure that comprehensive and adequate security measures were in place for large scale events. In response, Councillor Derek Levy outlined the role undertaken by the Licensing Committee and the representations made by responsible authorities in

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the consideration of licensing applications. Councillor Taylor recognised the need for comprehensive risk assessments to be undertaken whilst also ensuring that events could continue as normal. Further reassurances were provided by Councillor Fonyonga and officers present. Police were consulted and, the Safety Advisory Group carried out comprehensive risk assessments on an individual event basis. Councillor Fonyonga undertook to ensure that Councillor Hayward's comments were highlighted to the Group in their future considerations.

7. Nicky Fiedler provided further reassurances regarding security measures and the continued involvement of stakeholders in moving forward. Comprehensive responses were provided to Members in their consideration of the written representations which had been received. Information was provided on the number of established events held at Trent Park and the Strategy followed for events held in school holidays.
8. Councillor Yasemin Brett highlighted the potential biodiversity impact and proposed that consideration be given to a biodiversity audit being undertaken at a future stage. Councillor Brett praised the Strategy and recognised the considerable work that had been undertaken in reaching this stage.
9. Councillor Vicki Pite praised the comprehensive consultation process that had been undertaken.
10. Councillor George Savva highlighted the positive aspects of the events in bringing local communities together and, noted the Council's continued work with stakeholders including the Friends of the Parks.
11. Following Members' detailed consideration of the written representations which had been received and the representations made by Councillor Hayward at the meeting, Members expressed their support of the new Strategy.
12. Councillor Taylor concluded that Members were not dismissive of the points that had been raised, the representations which had been made were acknowledged and officers would continue to have dialogue with the stakeholders in going forward. The value and benefits provided by the Borough's parks and open spaces was recognised. Any income generated by the events was reinvested for the future benefit of the parks.

**Alternative Options Considered:** Not to develop a new strategy and miss the cultural, economic, social and financial benefits that park events bring to borough. Not to adopt a new strategy and risk challenge from the community that there was no framework under which park events could be managed and governed. Adopt a new strategy that had no framework and offers the community no reassurance of the number, size or frequency of events within the Borough's parks and open spaces.

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**DECISION:** The Cabinet agreed to adopt the new strategy and use the framework set out within the strategy to guide the delivery of events in parks and open spaces going forward.

**Reason:** A new strategy was required to guide the effective delivery of events within the Borough's parks and open spaces. The strategy was required to set out the framework under which events could be delivered to allow the enrichment of the cultural offering within the Borough, support economic growth and generate income that would help the Council maintain our parks and open spaces, and protect those residents who were most affected by events happening within their local park. It was believed that the proposed strategy provided a good balance between facilitating park events and protecting residents.

**(Key decision – reference number 4456)**

**9**

**ACQUISITION OF LONG LEASEHOLD INTEREST - JEFFREYS ROAD, BRIMSDOWN, EN3 7UZ**

Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development) introduced the report of the Executive Director of Finance, Resources and Customer Services and Executive Director of Regeneration and Environment (No.10).

**NOTED**

1. That Report No.11 also referred as detailed in Minute No.18 below.
2. Councillor Sitkin outlined the justification for, and potential benefits arising from the acquisition as set out in detail in the report.
3. That recommendation 2.1 of the report was being amended in response to Members' discussion of the proposals. The amendment was reflected in decision 1 below.

**Alternative Options Considered: NOTED,**

1. Not acquiring the property was considered a lost opportunity, and, more importantly, the relocation potential this site offers to realise the Council's wider economic and social regeneration initiatives.
2. It represented "good asset management" and a timely opportunity where the Council could realise the reversionary interest now at a consideration that would be less than what the full unencumbered freehold could offer the Council in terms of flexibility and added value within the industrial portfolio.
3. The Council would still need to consider alternative relocation sites for its regeneration purposes. As described in the "Economic Outlook" section of the report, these sites were likely to be increasingly difficult

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and costly to acquire in years to come. There was further commentary on alternative option in the part two report (Report No.11, Minute No.17 below referred).

**DECISION:** The Cabinet agreed

1. To approve the acquisition of the leasehold interest(s) at Jeffreys Road by negotiation and, delegate authority to the Executive Director of Finance, Resources and Customer Services and the Executive Director of Regeneration and Environment in consultation with the Cabinet Members for Finance and Efficiency and Economic Regeneration and Business Development to agree draft Heads of Terms, subject to appropriate legal, finance, environmental and property due diligence being undertaken; and to delegate final approval to the Cabinet Members for Finance and Efficiency, and Economic Regeneration and Business Development to complete the transaction if the Council's offer is accepted by the vendor.
2. The funding arrangements of the purchase as detailed in the part two report (Report No.11, Minute No.18 below referred).

**Reason:** A well located site of this size represented an important opportunity in the Enfield property market. There were several reasons that justify the Council acquiring the property, as outlined in the part two report (Report No.11, Minute No.18 below referred).

**(Key decision – reference number 4525/U201)**

**10**

**CABINET SUB-COMMITTEES FOR THE MUNICIPAL YEAR 2017/18**

**AGREED**, that the following Cabinet Sub-Committees be established for the new municipal year 2017/18:

**Local Plan Cabinet Sub-Committee**

Councillors: Alan Sitkin, Daniel Anderson, Ayfer Orhan, Ahmet Oykenen

**Enfield Community Support Fund Cabinet Sub-Committee**

Councillors: Yasemin Brett, Achilleas Georgiou, Krystle Fonyonga

**Syrian Refugee Resettlement Programme Cabinet Sub-Committee**

Councillors: Yasemin Brett, Ayfer Orhan, Ahmet Oykenen, Dino Lemonides

**Independence and Well-Being Enfield Ltd. Cabinet Sub-Committee**

Councillors: Dino Lemonides, Daniel Anderson

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**11**

**ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Derek Levy (Chair of the Overview and Scrutiny Committee) reported that a joint meeting of the Overview and Scrutiny Committee and Crime Scrutiny Panel was being scheduled to take place on 11 July 2017 to consider “knife crime”. The meeting would be open to all Councillors.

In addition, Cabinet were advised that the meeting of the Overview and Scrutiny Committee scheduled to take place on 12 October 2017 would be considering the Meridian Water development.

**12**

**CABINET AGENDA PLANNING - FUTURE ITEMS**

NOTED, the provisional list of items scheduled for future Cabinet meetings.

**13**

**MINUTES**

**AGREED**, that the minutes of the previous meeting of the Cabinet held on 9 May 2017 be confirmed and signed by the Chair as a correct record.

**14**

**MINUTES OF LOCAL PLAN CABINET SUB-COMMITTEE - 3 MAY 2017**

NOTED,

1. For information, the minutes of a meeting of the Local Plan Cabinet Sub-Committee held on 3 May 2017.
2. That the public consultation on the Enfield Town Draft Master Plan could now take place. The start of the consultation had been delayed due to the purdah restrictions of the recent General Election.

**15**

**ENFIELD STRATEGIC PARTNERSHIP UPDATE**

NOTED, that there were no written updates to be received at this meeting.

**16**

**DATES OF FUTURE MEETINGS**

NOTED that

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1. The next meeting of the Cabinet was scheduled to take place on Thursday 13 July 2017 at 8.15pm.
2. An additional meeting of the Cabinet had been scheduled to take place on Wednesday 26 July 2017 at 7.00pm.

**17**

**EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**, in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the item listed on part 2 of the agenda on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

**18**

**ACQUISITION OF LONG LEASEHOLD INTEREST - JEFFREYS ROAD, BRIMSDOWN, EN3 7UZ**

Councillor Dino Lemonides (Cabinet Member for Finance and Efficiency) introduced the report of the Executive Director of Finance, Resources and Customer Services and Executive Director of Regeneration and Environment (No.11).

**NOTED**

1. That Report No.10 also referred as detailed in Minute No. 9 above.
2. The opportunities that the proposed acquisition would provide to the Council and the potential benefits. The financial implications, as set out in the report were outlined for Members' consideration.
3. The proposed uses of the site in question and the alternative options as set out in the report.
4. Subject to the further due diligence to be undertaken, as outlined in Minute No.9 above, Members supported the recommendations set out in the decisions below.

**Alternative Options Considered:** NOTED, the full and detailed alternative options considered as set out in section 5 of the report.

**DECISION:** The Cabinet agreed

1. To approve the virement and release of the sum detailed in recommendation 2.1 of the report, from the approved Montagu406

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Land Acquisition/Assembly Budget (KD 4357) to allow the acquisition of the leasehold interest of the Jeffreys Road site and all associated transactional costs.

2. That the Executive Director of Finance, Resources and Customer Services, in consultation with the Executive Director of Regeneration and Environment in conjunction with the Cabinet Members for Finance and Efficiency and Economic Regeneration and Business Development be granted authority to make the necessary arrangement to acquire the property at a price not exceeding the sum detailed in recommendation 2.2 of the report (including SDLT and transactional fees), and to agree Terms, and all related negotiations, and to exchange contracts.

**Reason:** NOTED, the full and detailed reasons for the recommendations as set out in section 6 of the report.

**(Key decision – reference number 4525/U201)**