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THE CABINET

Wednesday, 14th November, 2018 at 7.15pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA

Membership:

Councillors : Nesil Caliskan (Leader of the Council), Daniel Anderson (Deputy Leader of the Council), Yasemin Brett (Cabinet Member for Public Health), Alev Cazimoglu (Cabinet Member for Health & Social Care), Guney Dogan (Cabinet Member for Environment), Achilleas Georgiou (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety & Cohesion), Dino Lemonides (Cabinet Member for Housing), Mary Maguire (Cabinet Member for Finance & Procurement) and Ahmet Oykenner (Cabinet Member for Property and Assets)

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.

Dinah Barry (Associate Cabinet Member – Non Voting), George Savva MBE (Associate Cabinet Member – Non Voting) and Ahmet Hasan (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.

AGENDA – PART 1

1. APOLOGIES FOR ABSENCE

2. DECLARATION OF INTERESTS

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

3. DEPUTATIONS

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

4. REVENUE MONITORING 2018/19: QUARTER 2 (SEPTEMBER 2018) (Pages 1 - 36)

A report from the Director of Finance is attached. **(Key decision – reference number 4765)**

(Report No.105)
(7.20 – 7.30pm)

5. CAPITAL PROGRAMME MONITOR SECOND QUARTER (SEPTEMBER) 2018 (Pages 37 - 48)

A report from the Director of Finance is attached. **(Key decision – reference number 4766)**

(Report No.106)
(7.30 – 7.40pm)

6. ANNUAL TREASURY MANAGEMENT MID-YEAR REVIEW 2018/19 (Pages 49 - 56)

A report from the Director of Finance is attached. **(Key decision – reference number 4768)**

(Report No.107)
(7.40 – 7.50pm)

7. NORTH LONDON WASTE PLAN REGULATION 19 PUBLICATION (Pages 57 - 172)

A report from the Executive Director – Place is attached. **(Key decision – reference number 4709)**

(Report No.108)
(7.50 – 8.00pm)

8. CHILDREN'S SOCIAL CARE DEMAND AND PRESSURES (Pages 173 - 180)

A report from the Executive Director – People is attached. **(Key decision – reference number 4771)**

(Report No.109)
(8.00 – 8.10pm)

9. HOUSING REPAIRS - UPDATE ON IMPROVEMENTS AND FUTURE OPTIONS (Pages 181 - 228)

A report from the Executive Director – Place is attached. **(Key decision – reference number 4773)**

(Report No.110)
(8.10 – 8.20pm)

10. VARIATION TO THE CO-MANAGED PROCUREMENT AND COMMISSIONING HUB CONTRACT (Pages 229 - 236)

A report from the Director - Commercial is attached. (Report No.113, agenda part two also refers). **(Key decision – reference number 4754)**

(Report No.112)
(8.20 – 8.30pm)

11. CABINET AGENDA PLANNING - FUTURE ITEMS (Pages 237 - 242)

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

12. MINUTES (Pages 243 - 256)

To confirm the minutes of the previous meeting of the Cabinet held on 17 October 2018.

13. MINUTES OF LOCAL PLAN CABINET SUB-COMMITTEE (Pages 257 - 274)

To note, for information, the minutes of the Local Plan Cabinet Sub-Committee meetings held on 18 September and 24 October 2018.

14. MINUTES OF SHAREHOLDER BOARD MEETING (Pages 275 - 284)

To note, for information, the minutes of a meeting of the Shareholder Board held on 3 October 2018.

15. DATE OF NEXT MEETING

To note that the next Cabinet meeting is scheduled to take place on Wednesday 12 December 2018 at 7.15pm.

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 2018/2019 REPORT NO. 105**MEETING TITLE AND DATE:**

Cabinet
14 November 2018

REPORT OF:

Executive Director of
Resources
Director of Finance

Agenda – Part: 1**Item: 4**

Subject: Revenue Monitoring 2018/19:
Quarter 2 (September 2018)

Wards: ALL

Key Decision No: 4765

Cabinet Member Consulted: Cllr Mary
Maguire

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of September 2018.
- 1.2 After the application of capital receipts for transformation purposes of £4.2m; the revenue budget forecast reflects an outturn position of £8.9m overspend for 2018/19 which will be funded using the Council's reserves. This reflects a minor improvement on the £9.2m overspend reported as at the Quarter 1 position in July.
- 1.3 Since 2010, the Council has saved £161m; for 2018-19 a further £8m savings were agreed and £1m on income and £9m savings agreed from prior years. As time has progressed delivering these savings and additional income generation year on year continues to be challenging. Subject to substitute savings and management action being taken, prior year savings totalling £5.4m and current year savings totalling £5.1m have been identified as being at risk of delivery.

2. RECOMMENDATIONS

Cabinet is recommended to note:

- 2.1 The financial backdrop to the Council's budget position (described in paragraphs 3.1 to 3.9).
- 2.2 The £8.9m overspend revenue outturn projection and the use of £4.2m of capital receipts to support organisation transformation.
- 2.2 That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2018/19 and implement savings.

3. BACKGROUND

- 3.1. On 21 February 2018, the Council's 2018/19 budget was set by full Council. This budget was set in the challenging context of a reduction in core funding of £6m in 2018/19; following funding reductions of £87m since 2010.
- 3.2. New savings of £7.8m were agreed for 2018/19 and income generation of £0.8m. Savings and income agreed from previous years totalled £9.4m, of which £7.5m relates to savings and £1.9m relating to income.
- 3.3. Enfield, reflecting the national picture, continues to experience rising cost pressures from Temporary Accommodation, SEN transport, families with no recourse to public funds, and cost and demographic pressures in social care. The adult social care precept and flexible homelessness grant have contributed in part to relieving these cost pressures. There was been no financial recognition nationally of the cost pressures within children's services.
- 3.4. Since 2013/14, Enfield has continued to lobby for fairer funding, with the current transitional arrangements resulting in a £11.6m embedded reduction in funding. The impact of the new funding arrangements due to be implemented in 2020/21 will not be known until Autumn 2019, creating further funding uncertainties for all councils.
- 3.5. 2018/19 is the pilot first year of the London Business Rates Pool. The financial benefit of this arrangement, in the form of a one-off payment of £4m due to additional business rates income, will not be confirmed until September 2019. Planned commitments of £1.8m from this funding were initially agreed at Council on 21 February 2018; this will need to be considered as part of the overall future budget position. It is pleasing to report that Enfield's bid from the Strategic Investment Pool was agreed. Enfield submitted a joint bid with Waltham Forest and Haringey for investment in the Productive Valley project, and the Local London Partnership submitted a bid for investment in digital infrastructure. Subject to consultation with the boroughs and the GLA, both bids have been successful in winning funding. A key element of the Productive Valley bid is to create a Valley-wide fund that is accessible to businesses seeking to invest in the improvement and intensification of their sites and premises or in new equipment to enable their next phase of growth. The bid has been allocated £3m.
- 3.6. Local authority financial management has become headline news over the last few months (Northants, and more recently Somerset and East Sussex County Council). In the context of economic situation and the cumulative impact of the sustained funding reductions since 2010, balancing councils budget remains a significant challenge.

- 3.7. As reported to Cabinet on 25 July 2018, the Council services overspent by £2.9m offset by underspends in corporate; capital receipts of £6.7m were utilised. During 2017/18 the council's risk reserves increased in the main due to corporate item underspends in Minimum Revenue Provision and interest.
- 3.8. In this context, managing the Council's budget position is a high-risk priority for the Council. The Council's revenue expenditure against budget is monitored by regular reports to the Executive Management Team and Cabinet. These reports provide a snapshot of the revenue position and savings implementation for each Department and for the Council and provide details of any projected additional budget pressures and risks, or any significant underspends.
- 3.9. This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, variations in this report are limited to +/- variances of £50,000 or over to provide a greater strategic focus.
- 3.10. The next report to Cabinet will be the Quarter 3 Revenue Monitoring report which will provide a further update on the forecast position, this will also include an update forecast on the Council's reserves.
- 3.11. On the 17th October 2018, additional monies for Adult Social Care winter pressures was announced and Enfield has been allocated £1.299m (see paragraph 5.2 for detail).
- 3.12. The November cabinet includes two papers with revenue implications – "Children's Social Care Demand and Pressures" and "Variation to the co-managed procurement and commissioning hub contract". The impact of these has been included within this report.

4.0 September 2018 Monitoring – General Fund

- 4.1 Each of the departments has generated a list of the variances which are contributing to the projected outturn figures. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by implementing offsetting savings measures. All Executive Directors reporting overspends are working on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the MTFP.
- 4.2 The forecast budget overspend is £8.9m (in Quarter 1 the forecast was £9.2m); after the application of £4.2m capital receipts. Below is a summary of the projected outturn variances broken down between departments:

Table 1: Forecast Projected Departmental Outturn Variances

	Original Budget	Approved Changes	Approved Budget	Projected Outturn	July variation (Gross)	September variation (Gross)	Change in Variation	Flexible use of Capital Receipts (UCR)	September variation (Net of UCR)
Department	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Chief Executive	7,153	884	8,037	8,074	176	37	(139)	0	37
People	105,976	6,158	112,134	120,467	8,437	8,333	(104)	(390)	7,943
Place	17,635	2,575	20,210	23,600	3,244	3,390	146	(182)	3,208
Resources	52,677	(5,479)	47,198	54,146	8,729	8,648	(81)	(3,640)	5,008
Total Department Budgets	183,441	4,138	187,579	206,287	18,886	18,708	(178)	(4,212)	16,196
Contribution from reserves	0	0	0	(300)	(300)	(300)	0	0	(300)
Corporate Items	43,420	(6,038)	37,382	33,242	(4,140)	(4,140)	0	0	(4,140)
Corporate Contingency	1,000	1,900	2,900	0	(2,900)	(2,900)	0	0	(2,900)
Government Funding	(106,782)	0	(106,782)	(106,782)	0	0	0	0	0
Council Tax Requirement	121,079	0	121,079	132,447	11,546	11,368	(178)	(4,212)	8,856

() is an underspend

- 4.3 Management actions are ongoing to continue to address these budget pressures. In addition, a review of corporate items has been undertaken which has identified potential contributions towards the departmental overspends and improve the budget position further.
- 4.4 Management action taken to reduce costs include: additional scrutiny on any agency arrangements, review of all outsourcing arrangements, implementation of the review of management structures previously agreed as part of the Enfield 2017 workstreams and where appropriate vacant posts are being held in advance of future restructures. In addition, a Pressures Challenge Board has been established (see 4.9 below).
- 4.5 The overspend has been driven by the following key factors:
- £6.210m savings and £4.255m income generation at high risk of being unrealisable (Appendix G, Table 6), due to change of circumstances or optimism bias in terms of the level or speed of delivery and £9.960m of these items relate to decisions taken in financial years prior to the 2018/19 budget setting process (Appendix G, Table 5).
 - ongoing budget pressures previously identified in 2017/18 in SEN Transport, No Recourse to Public Funds and Housing Related Support.

A service by service detailed analysis of this can be seen in section 5 appendices B to F.

It should be noted that the whole Council overspend of £8.9m does not take into account the new Winter Funding money that has been recently announced by the Department of Health & Social Care. Should there be existing cost pressures eligible to be funded from the Winter Funding money, subject to the consultation with CCG, this will reduce the overspend in Adult Social Care.

4.6 The forecast variance at the year-end will need to be met from a contribution from the Council's general balances, though it is intended to keep this as low as possible.

4.8 This report provides further information on the budget position as follows:

- Summary narrative for each service area supported by Appendices B to F providing additional data
- Monitoring information on the progress towards meeting agreed savings and income generation agreed
- Update on DSG and HRA
- The financial management key performance indicators set out in appendix A.

4.9 **Pressures Challenge Board**

4.10 A Pressures Challenge Board has been established to review the top 12 highest pressures forecast in the quarter 1 monitoring report. The Board consists of the Chief Executive and two independent Executive Directors depending on the area being challenged, along with the Directors of Finance and Head of Budget Challenge. The purpose of the sessions is to identify any further solutions to reduce the overspend in 2018/19 but also to identify whether there will be an on-going pressures that will need to be taken in to account in the 2019/20 budget setting process. By the time of the Cabinet meeting all the sessions will have been completed with actions and timescales identified. The quarter 3 report will provide an update on the progress of the outcomes from these challenge sessions.

4.11 **Chancellor's Budget 29 October 2018**

4.12 The Chancellor's 2018 Budget announced on 29 October confirmed the additional one-off funding of £240m for Adults Social Care (ASC) in 2018/19, of which Enfield's share will be approximately £1.3m. This is not currently reflected in the forecast outturn figures included in this report. A similar one-off sum will be received in 2019/20 for ASC. In addition, a further £410m will be made available nationally to support

both adult and children's social care in 2019/20. Further details are awaited on how this will be distributed but it is estimated that Enfield's share could be in the region of £3.5m. Other measures announced included small business retail relief for retail businesses with an RV less than £51,000 for two years. It is estimated that in the region of 1,100 retailers in the Borough could benefit from this, and the Council will be fully compensated for the relief. However, it was a disappointment that known cost pressures have not been recognised in the announcements namely, homelessness funding pressures and schools' High Needs pressures. Whilst the budget committed to "putting social care on fairer and more sustainable footing" in the forthcoming ASC green paper, the date for publication was still not announced and there was no mention of any long-term plan for children's social care funding.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS

5.1. Chief Executive's Department (Appendix B)

This department is reporting a minor overspend for September (budget of £8.0m) compared to the £0.2m overspend reported in July, details of which are provided in Appendix B.

5.2. People (Appendix C)

The department is forecasting a £8.3m overspend (budget of £112.1m).

Adult Social Care (ASC)

Of which £3.3m relates to Adult Social Care and has remained static over the last quarter. Although substantial savings have been made in year, the demand for services continues due to demographic pressures in the Learning Disabilities and Older People and people with Physical Disabilities (the customer pathway).

An Independent assessment was undertaken by the LGA and a range of areas were identified for the Council to consider. These are being worked through, however it was evident from the review that the department is providing cost effective services.

Savings: £4.7m savings achieved but £2.9m of savings are considered to be at high risk of delivery and form part of the pressure (of which £2.8m relates to prior years). A further £2.2m is considered to be amber risk of delivery but are assumed to be delivered within the forecast within this monitor. These will continue to be monitored during the year and any movement will be reported on in future updates.

The Department of Health has announced £240m of additional Winter funding for councils to spend on adult social care services to help alleviate winter pressures on the NHS, enabling patients to return home more quickly and freeing up hospital beds across England. The Government has made it clear that this money should be additional to current budgeted expenditure on adult social care. We will be closely monitoring delivery of additionality throughout winter. Enfield's share of this additional funding is £1.299m and will require consultation with the CCG to develop a plan for how it will be applied in practice and therefore it should be noted that the forecast £3.3m ASC overspend does not take yet take into account this additional funding.

Children's and Families

Children's and Families services are forecasting a £3.9m overspend. The most significant variance relates to £1.9m pressure relating to SEN Transport. Any savings achieved have helped stem the continued growth in expenditure. Demand in Special Guardianship Allowances continues to grow and despite allocating additional budget in 2018/19 the forecast still exceeds the budget available by £0.3m and an increase in demand for external child care placements has increased cost by a further £0.4m, though the impact is mitigated because of favorable forecast variances in the Section 17, adoption allowances and Youth Offending Unit budgets.

Savings: £1.0m have been achieved. However, unachievable savings of £0.7m attributed to generating additional income in the Schools traded services and the continued demand in No Recourse to Public Funds cases means a forecast overspend of £0.5m because savings included in the MTFP reflected the expectation that costs would decrease following management actions that were implemented.

Use of capital receipts: Included in the forecast is £0.4m relating to the Edge of Care transformation project which will commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision. It is proposed that the cost of this project is funded through the Flexible Use of Capital Receipts.

Children's Social Care are on a trajectory of continuous improvement with strong stable leadership in place. Services for looked after children, care leavers, fostering and adoption are good.

Following a recent focused visit on 25th and 26th September 2018, Ofsted found that there had been considerable progress in

many areas of practice, the changes to the SPOE and early help services have significantly improved the quality and timeliness of responses to most children in need. They specifically highlighted the Change and Challenge Service, Parent Support Service, Joint Service for Disabled Children and Child Sexual Exploitation Team as making a real difference to children and their parents.

The inspectors who carried out the focused visit identified weaknesses that were confined to one service area, the Referral and Assessment Service, where the high volume of work is unsustainable, impacting on the quality and timeliness of assessments and visits to some vulnerable children.

A robust action plan was put into place immediately following the focused visit to address the areas that required improvement. It should be noted that a separate Cabinet report seeks to address the demands and relieve pressure by securing further investment of £0.6m in 2018/19 in Children's Social Care to permanently recruit 18 frontline social workers with a full year impact of £1.0m in 2019/20. It will help maintain Enfield's strong reputation and further improve it, in readiness for a full Ofsted inspection expected within 6 months. The £0.6m for 2018/19 is proposed to be funded from reserves and therefore does not form part of any forecasted variance. The £1.0m for 2019/20 and beyond will need to be considered in the budget setting process for 2019/20.

Housing Related Support

The Housing Related Support schemes (Supporting People) budget is forecast to overspend by £1.1m. This is a result of the accumulated pressures created by delays in decommissioning and recommissioning of Housing related support contracts which will only come into effect part way through 2018/19 and difficulties in identifying a provider during the tender exercise for the floating support service.

Savings: The Medium Term Financial Plan has reflected the significant programme of change that is being implemented in Housing Related Support schemes over several years. The pace of delivery has not been able to keep pace with the expectation in budget reductions.

Further details are provided in Appendix C.

5.3. Place (Appendix D)

The Place department are forecasting an overspend position of £3.4m (budget of £20.2m) with the most significant pressures being reported in Property Services (£3.0m) and the costs arising from dealing with traveler incursions (£0.4m).

The reason for the Property related variances is mainly due to unrealised income generation as described below.

Further details are provided in Appendix D.

Savings: Assumptions around the success of income generating initiatives such as the Bunding initiative and the renting out of office space in the Civic Centre have not materialised as originally budgeted for, creating a pressure in 2018/19 of approximately £2.1m.

A further £0.6m relates to savings proposals such as the disposal of Gentleman's Row, alternative use of corporate buildings and investment income from commercial property which have not been implemented.

The remaining overspend relates to operational issues such as the cost of cleaning and security, rent collection and forecast repair and maintenance expenditure.

Use of capital receipts: The Regeneration and Environment services are reporting an overspend of £0.1m but this will reduce to £0.1m underspend following the application of £0.2m to fund the EDGE transport transformation contract from the flexible use of capital receipts.

5.4. Resources (Appendix E)

The Resources department is forecasting an overspend of £5.0m (budget £47.2m) after the planned use of capital receipts is applied to fund transformational related expenditure. This is an improvement of £0.3m on the quarter 1 reported overspend.

Demand for services continues and impacts on services such as income collection, financial assessments and deputyship accounts for a £1.0m of the forecast overspend. Other significant forecast overspends include; a £0.8m overspend in IT because of ongoing cost of annual maintenance and licenses for systems implemented as part of the capital programme. A key reason for the budget variance relates to unrealised savings and income as described below. Specific details by services are listed in Appendix E.

Savings: savings of £0.1m have been achieved but savings of £4.2m and income targets of £1.4m agreed through the MTFP that are now considered to be at risk of delivery or undeliverable contribute to the overspends forecast in the IT, Procurement and Leisure & Culture services.

Use of capital receipts: Within the £2.5m proposed use of capital receipts, £1.9m relates to items within the Resources department to support IT services and the transformation team.

5.5. Corporate Items (Including Contingency & Contingent Items) General Fund

The Council maintains a general contingency of £1.0m. Of this £0.15m has been allocated as one-off funding for youth projects, of which £100k has been drawn down to date. Funding set aside in the budget for pay awards, inflation and other corporate pressures are also held in the contingent items budget to be allocated out during the year. The forecast outturn reflects the best estimate of the call against contingent items during the year. Corporate items also include levy payments and treasury management costs, which are made up of interest payments on council borrowing and receipts on investments.

As approved in the Council Budget Report, £0.500m has been transferred to Children's services from contingency to address service pressures and is reflected in Table 1.

The underspend currently being reported consists of a forecast £4m underspend against interest payments and £3m underspend against contingent items. This may change depending on the call on contingency during the year.

The underspend on interest budgets is expected to continue for the short to medium term due to historically low interest rates and it is proposed to transfer £2m of this budget saving to contingency to be available to offset unavoidable service pressures.

5.6. Proposed Flexible Use of Capital Receipts

With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. £4.212m is forecast to be applied in 2018/19 of which £1.7m has already been agreed in the Council Budget report for 2018/19 to fund the Procurement & Commissioning co-managed service. The table below illustrates where the funding is applied to:

Service Area	£m's
IT Services:	1.000m
Transformation Team:	0.750m
EDGE transport contract:	0.182m
Edge of Care (Children's)	0.390m
Procurement & Commissioning co-managed service	1.700m
Variation to the Procurement & Commissioning Hub Contract	0.190m
Total	4.212m

The Government has extended this flexibility until 2021/22. However, the Council is mindful of over reliance on and sustainability of this one-off funding. The EDGE contract, Edge of Care and co-managed procurement and commissioning arrangements are time limited costs. However, the Council's ongoing investment in transformation and ICT indicates that longer term solutions to fund these pressures will be needed in future years.

5.7. **Dedicated Schools Grant (DSG) Budgets (Appendix F)**

- 5.8 For 2018/19 Enfield received a total Dedicated Schools Grant allocation of £331.54m and the funding is allocated across four blocks; £255.80m for the Schools block, £2.97m for the Central Schools Services Block, £26.95m for Early years and £45.82m for the High Needs block.
- 5.9 In 2017/18 there is a bought forward DSG deficit of £3.3m. This looked likely to increase but due to a top slice from the 2017-18 DSG allocation and the cost of out of borough placements being lower than originally estimated the cumulative deficit bought forward to 2018-19 reduced to £1.5m. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are placed in borough. There are plans in place to develop additional provision in the borough over the next 3-year period which will help to reduce costs.
- 5.10 The in-year forecast outturn is an overspend of £0.245m, and the areas of greatest pressure continue to be within the high needs block where an increase in exceptional needs pupils in mainstream schools, additional funding for Durant's schools to deal with complex needs and increased demand Post 16 SEN resulting in a £0.870m overspend. This pressure has been mitigated with favorable variances totaling £0.609m due to lower demand on the growth fund, a reduced rates liability due to schools converting to academies and reductions in number of out of borough placements.
- 5.11 Therefore, the cumulative forecast deficit at year end is £1.774m and will be the first call on the 2019/20 grant allocation and therefore reduce the funding available for next year's allocation.

6. ACHIEVEMENT OF SAVINGS (Appendix G)

6.1 A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where the delivery of each saving is given a risk rating of:

- Blue - Banked i.e. fully achieved
- Yellow - Substitute saving identified
- Green - On track
- Amber - At risk of delivery
- Red - Undeliverable

6.2 The savings include those that are new for 2018/19 plus the full year effect of previous decisions and savings from 2017/18 that continue to have an adverse impact on the current year budget.

6.3 Of the £28.1m departmental savings, £9.2m is expected to be fully delivered at this stage. This consists of £1.4m which has been fully achieved, a further £7.5m which is on track for delivery and £0.3m substitute savings have been found within the service. In addition, £3.2m of corporate savings have been fully achieved.

6.3 However, £8.3m and £10.5m are considered to be amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and form part of the reasons for variances as described in the narrative above. Of the red savings - £4.2m relates to income generation, the risks of delivery include timing and speed of implementation (e.g. bundling income delays, Civic Centre lettings), change in market conditions (e.g. school funding reductions placing pressure on schools' budgets and therefore reducing opportunities). The £6.2m of red savings which are unrealisable are characterised by service areas that have existing offsetting cost and demographic pressures, such as No Recourse to Public Funds, SEN transport, adult social care.

6.4 Further details for each department are summarised in the charts and tables in Appendix 6.

7. HOUSING REVENUE ACCOUNT (HRA)

7.1 The HRA projection for September shows an overspend of £109k.

7.2 The repairs and maintenance budget is showing an overall underspend of £37k, a movement of £208k from last month. Last month's reported underspend identified some planned schemes being put on hold (including the painting programme) to mitigate the pressure in the voids budget. Enfield's properties are being returned in a poor state and there has been a rise in the number of evictions which increases the cost of repairs and clearance. This month has seen an increase in responsive repairs and servicing costs.

- 7.3 A reduction of £98k in garage rental income is mainly due to the reduction in private garages being let. The charge was significantly increased in 18-19 and this has seen an increase in the expected void rate. The estimated void rate was 60% with the actual void rate showing 62.42%. This month's shop projection is showing a loss of income of £48k due to shops becoming vacant throughout the year.
- 7.4 The bad debt provision was increased to account for the expected increase in level of arrears due to the introduction of Universal Credit. UC was introduced in Enfield in November 17 and although the level of arrears has increased it hasn't been as high as originally expected. The budget has been reduced by £800k to reflect this change.

8. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

9. REASONS FOR RECOMMENDATIONS

To ensure that Members are aware of the projected budgetary position, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

10. COMMENTS OF OTHER DEPARTMENTS

10.1 Financial Implications

It is imperative to continue to keep under review the financial position of the Authority. The revenue monitoring is a key part of this review process. There is further work to be done to ensure a budget can be set within available resources.

Management of this financial year's position, and the long-term sustainability of the Council's finances (as expressed in the budget and MTFs) will require ongoing focus and effort by officers and councillors. The corporate failure of Northamptonshire County Council has provided a timely reminder for all local authorities of the need to continue to manage their finances tightly, and to make sometimes difficult decisions despite the prevailing circumstances (e.g. the sustained reductions in funding since 2010, the uncertainty created by Brexit, and growth pressures in many areas).

10.2 Legal Implications

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.

10.3 Property Implications

Not applicable in this report.

11. KEY RISKS

There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan: -

- Achievement of challenging savings targets.
- Brexit and the state of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
- Impact of the fall in the pound on inflation and pay
- Demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.
- Potential adjustments which may arise from the audit of various Grant Claims.
- Movement in interest rates.

Risks associated with specific Services are mentioned elsewhere in this report.

12 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

Good homes in well-connected neighbourhoods (to be updated)

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.

Sustain strong and healthy communities (to be updated)

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.

Build our local economy to create a thriving place (to be updated)

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.

13. EQUALITIES IMPACT IMPLICATIONS

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.

The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

14. PERFORMANCE MANAGEMENT IMPLICATIONS

The report considers the financial impact of changes arising from reduced funding. The projections and future pressures on the budget are viewed with due consideration of financial management and the most efficient use of resources.

15. HEALTH AND SAFETY IMPLICATIONS

Not applicable in this report.

16. HR IMPLICATIONS

Not applicable in this report.

17. PUBLIC HEALTH IMPLICATIONS

The Council's budget continues to contribute towards public health outcomes throughout the borough, through the £16.8m Public Health grant as well as through services provided within the Councils general fund budget.

Background Papers







None

Appendix A – Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below in Table 1. The intention of this is to provide the key highlight messages in a “dashboard” style summary. It is designed to capture the key messages across the Council’s main financial areas, namely:

1. Income and expenditure;
2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
3. Cash flow forecasting and management.

Table 1: Summary performance overview

Financial Indicator	Status @ Sept 18	Key Highlights
Income & Expenditure Position – General Fund Year end forecast variances		Year-end variances of £8.9m overspend have been forecast to date in relation to General Fund net controllable expenditure. Departments are developing actions to mitigate the pressure to offset identified pressures.
Progress to Achieving Savings MTFP (current Year)		Savings monitoring has identified a total of £10.5m that have been risk rated as undeliverable and a further £8.4m that are at risk of delivery. These are reflected in the reported overspend for September 2018.
Income & Expenditure Position – HRA		The HRA is projecting a £0.109m overspend at year-end outturn against budget.
Income & Expenditure Position – DSG		The DSG is forecasting a £0.245m overspend at year-end outturn against budget.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council’s approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn projection for General Fund balances will meet the Council’s Medium Term Financial Strategy target based on the use of uncommitted reserves to meet one-off overspends in 2018/19.

Appendix B

Chief Executive's	Budget Variation (£'000)
The department is currently projecting a saving of £300k achieved by changing the funding arrangements from revenue to capital for CCTV replacement programme.	(300)
Human Resources - additional resources required in the team to deal with increased workload because of the drive to reduce agency costs and convert to permanent/fixed term appointments.	32
Agency Rebate – the forecast value of rebate has reduced in line with reductions in agency staff because of the drive across the Council to reduce the number of temporary staff.	100
Electoral Services - overspend relates to the cost of May local elections which exceeded the balance held in the elections reserve.	97
Land charges - The income target for land charges is currently projecting a shortfall just as experienced during 2017/18 with further declines in the market being exhibited.	223
Other minor variances	(115)
Chief Executive Total	37

Appendix C

People- Adult Social Care	Budget Variation (£'000)
Adult Social Care	
Key assumptions within the forecast are based on projected activity and year to year trends. In future years there is an increased budget pressure due to demographic pressures, provider cost pressures and a growing demand for social care services.	
Strategy & Resources - These services include, transport, grants to voluntary originations, Safe Guarding and Service Development. The projected underspend is within Safeguarding Adults. The expenditure, on safeguarding adults' reviews, which is undertaken by external experts varies depending upon the number of reviews. Net increase in month due to transport recharges of £35k.	(38)
Mental Health - The service is currently projecting an overspend for the year on care packages. There has been a net increase of two clients in the month.	349
Learning Disabilities - The service continues to project an overspend position because of pressures managing demand led services. There are 30 transition cases in 2018/19. Substantial savings have been made in year however, demand for services continues to rise because of demographics and Ordinary Residence clients. Savings from successful Ordinary Residences actions are included within forecasts.	690
Older People and Physical Disabilities (the Customer Pathway) - The service is projecting care purchasing overspends due to pressures in demand led services, within residential and community-based services. Substantial savings have been made in year however, demand for services continues to rise because of demographics.	2,298
IWE/Bridgewood - This includes management fee to IWE plus client income at Bridgewood House.	0
Public Health Grant	
The Departmental forecast also includes ring fenced Public Health Grant.	
Public Health grant allocated in 2018/19 is now £16.8m, this reflects a reduction in grant of £499k. There is a risk that demand led sexual health services could result in additional pressures.	0
Other minor variances	(21)
Housing Related Support - this is a result of difficulties in identifying a provider during the tender exercise for the floating support service.	1,142
Adult Social Care & Public Health	4,420

People- Children's and Families Services	Budget Variation (£'000)
SEN Transport - demand for transport provision continues in 2018/19 and savings agreed within the Medium-Term Plan have not been achieved or where savings have materialised these have only resulted in stemming the growth in expenditure. The latest projection for 2018/19 is based on current pupil no.s/routes. The position may change in the following quarter due to pupil transition/new starters, but additional costs should be offset by re-routing efficiencies. Due to timing of this report it should be noted that the forecast does not take into account a recent provider failure.	1,928
Schools Traded Services - this is because of setting income targets that have proved to be unachievable. This includes £230k from 2017/18 and a further £500k from 2018/19.	730
Joint Venture Cleaning Contract – Overspend projected due to reduced profit share income and staffing cost.	52
No Recourse to Public Funds (NRPF) - The service has committed to an invest to save model, funding both a fraud officer and an immigration officer to reduce the number of presentations and aid speedier Home Office decisions. Even though the work of the fraud officer and immigration officer is starting to show through a reduction in the numbers of new cases, and there are some families that have had their final immigration status confirmed, there remains insufficient funding within the budget to meet demand. Savings of £240k per year over 2017/18 and 2018/19 were agreed in the MTFP, however the number of cases has continued to grow and therefore the savings have not materialised as intended.	481
Special Guardianship Allowances - despite increasing budget in 2018/19 continued demand has resulted in a forecast overspend.	314
External Child Care Placements - a saving of £150K was applied in 2018/19 and, based on information currently available, the area is projected to be overspend due to young people remanded into Local Authority care with delayed court dates and a high cost of agency fostering placements.	373
Prevention of Care Section 17 - The projection has been based on average monthly spend for child arrangement orders and supporting children to remain in the care of their families. The underspend is related to the reduced number of families requiring social care support around housing.	(100)

Adoption Allowances - underspend due to fewer adoptive parents meeting the criteria for adoption allowances this year.	(96)
Youth Offending Unit - There is an underspend in the Youth Justice Grant due to a current difficulty in the recruitment of staff and staff leaving and a contract not starting. Posts which had expected to have been filled had funding profiled against them that has not been used and the situation has gone on for over two months. Additionally, a new contract regarding an Educational Psychologist in the YOU did not start when planned. Additionally, due to the funding for sessional workers in the YOU being reduced from 2019 by £20K (and £20 the following year) YOU staff have started to reduce spend in that area as well as they begin to prepare for that budget reduction. Posts are starting to be filled and more recruitment is being undertaken and the Educational Psychologist contract is being finalised.	(87)
Edge of Care – transformation project to commission a Family Breakdown prevention team to reduce the short and long-term costs of Looked After Children provision.	390
Children's and Families Services	3,913
People Department Total	8,333
Flexible Use of Capital Receipts – Edge of Care	(390)
People Department Net Total	7,943

Appendix D

Place	Budget Variation (£'000)
<p>Development Management - £50k favourable variance is forecast, and this is due to:</p> <ol style="list-style-type: none"> 1. £80k of the forecasted overspend is due to legal costs associated with Revocation Order 40 Nelson Road (in 2017/18 the estimated liability was set @ £150k), but the actual cost came to £230k (over by £80k). 2. £70k staffing over spend in the Planning team. 3. The overspends above are more than offset by improved income from PPA, building control salary under spend and S106 income for Planning Enforcement. 	(50)
<p>Parks Operations and Outreach – £50k favourable variance is forecast, this is due to additional grants from Heritage Lottery.</p>	(50)
<p>Commercial Services Parks (Whitewebbs Golf Course) – £183k adverse variance; which is due to the delay in awarding the leasing of the Whitewebbs Golf Course contract.</p>	183
<p>Waste Processing and Client Amenity Site - recycling costs are forecast to increase during 2018/19, this is due to the changes in the China policy towards recycling materials, which has increased the cost of processing from £26.52 to £48.44.</p>	157
<p>Commercial Waste Services - This is due to additional income generated from the successful marketing of the commercial waste services and a one-off reimbursement from the NLWA and Commercial bins cost efficiencies.</p>	(237)
<p>People Transport - This relates to the cost of the EDGE contract for 2019/20 and is proposed to be funded through the Flexible Use of Capital Receipts.</p>	182
<p>Regeneration - favourable variance of £120k is forecast which is due to more time being allocated to the capital schemes and therefore greater level of recharges to be funded via the capital programme.</p>	(120)
<p>Facilities Management - £926k adverse variance, the main reasons for this are: -</p> <ul style="list-style-type: none"> o Not renting the 5th floor lost income of approx. £360k o Rent free period for Wates and EBSCO cost £245k per annum o Cleaning and Security contract over spend of circa. £100k due to the London Living Wage increasing the contract costs. o Loss of £206k income previously received from the HRA for space used at the Edmonton centre. One of the floors is now used as a library and therefore no longer used for Housing purposes. 	926

o £150k saving pressure related to alternative use of buildings (not done) and £120k related to Gentleman's row disposal (not actioned). o Plus other minor adverse and favourable variances adding back to the net pressure of £926k	
Property Holly Hill Income (Bunding Income) - Income shortfall due to the delays in the Holly Hill project, estimated income for 2018/19 is between £253k and £355k - subject to Planning and the number of lorries driving to the site and the construction phase start date.	1,450
Property Surplus Assets - £200k adverse variance, the overspend is due to the expected spend on R&M (NON-HRA properties) and Septic tank installation costs @ 1,2,3,4,5,6 Shawswood and Eastpole Cottages.	200
Property Corporate Commercial Portfolio - £341k adverse variance, the budget pressure is mainly due to an unachievable commercial property income target, which was to be delivered following capital investment in investment properties.	448
Eviction of Travellers - £378k adverse variance	378
Other Minor variances below £50k	(77)
Place Total:	3,390
Flexible Use of Capital Receipts	(182)
Place Net Total	3,208

Appendix E

Resources	Budget Variation (£'000)
Finance Hub - deputyship team established on a full cost recovery basis that has not been possible to implement plus increases in demand have required additional resources to be employed which has further increased the pressure on the service budget.	54
Financial Assessments - overspend is forecast due to the continued level of demand experienced and staffing resources required to meet it. Costs have been mitigated through creating fixed term opportunities rather than reliance on temporary staff.	272
Income Collection - overspend forecast due to reduction in level of court fees received through court summonses and court costs and staffing overspend forecast because of a continued level of demand for services.	550
ICT operational budget - overspend forecast due to new IT posts which are to be created with a part year effect in 2018/19 of £500k and a further £400k required to support GDPR and the additional resources required to transition into the new structure.	1,015
ICT Contracts - this relates to savings expectation of £1.0m in IT contract costs which are considered to be at risk of delivery. It is proposed to apply £1.0m of flexible use of capital receipts to mitigate this pressure in 2018/19. Further analysis is being undertaken to quantify the savings that are achievable. The overspend is also due to income targets relating to the commercialisation of IT related services which are currently considered at risk of delivery within 2018/19.	1,600
ICT Applications/Licences - revenue impact of the annual maintenance/licence costs associated with the capital programme.	795
Transformation Team - these relate to staffing costs that are proposed to be funded through the flexible use of capital receipts.	750
Procurement – £0.950m overspend relates to savings target that are considered at risk, including the commercialisation of the service which has been part delivered and procurement savings across all Council services.	1,140
Procurement & Commissioning Co-managed Service Contract – agreed in the Council's 2018/19 Budget Report to be funded from the Flexible Use of Capital Receipts but referenced as a variance because this approach is only agreed for this financial year.	1,700

Leisure & Culture - adverse variance relates to not achieving expected 2017/18 income targets and the impact this has on the likelihood of meeting the increased expectations that are reflected in the Medium Term Financial Plan. Mitigating actions are in progress to get the service operating within budgeted expectations	851
Other Minor Variances	(79)
Resources Total	8,648
Flexible Use of Capital Receipts – IT, Procurement, Transformation	(3,640)
Resources Net Total	5,008

Appendix F

Dedicated Schools Grant

Dedicated Schools Grant 2018/19	Budget Variation (£'000)
Schools Block	
Demand on Growth Fund is lower than estimated (120k) & reduced rates liability for academy converters (239k).	(359)
High Needs Block (HNB)	
Overall HNB variance includes increased exceptional needs 600k, increased demand Post 16 SEN 270k and a reduction in out-borough placements (250k)	605
DSG NET TOTAL	245

Appendix G

Summary of Savings by Department impacting on 2018/19**Table 3**

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
Blue	0	0	555	0	555	796	0	1,351
Green	478	4,694	445	500	5,639	1,348	100	7,565
Yellow	0	0	325	0	325	0	0	325
Amber	0	2,242	250	0	2,492	1,669	4,218	8,379
Red	150	2,888	1,831	1,300	6,019	2,891	1,405	10,465
Total	628	9,824	3,406	1,800	14,705	6,704	5,723	28,085

Red Savings by Year (2017/18 relate to savings that impact 2018/19 but relate to 2017/18)**Table 4**

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
2017/18	150	250	990	1,300	2,540	1,600	1,044	5,334
2018/19	0	2,638	841	0	3,479	1,291	361	5,131
Total	150	2,888	1,831	1,300	6,019	2,891	1,405	10,465

Red Savings summarised by when decision was agreed in Medium Term Financial Plan**Table 5**

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
Up to 2017/18	150	2,783	1,831	1,300	5,914	2,791	1,105	9,960
2018/19 (New)	0	105	0	0	105	100	300	505
Total	150	2,888	1,831	1,300	6,019	2,891	1,405	10,465

Red Savings by Savings and Income Generation**Table 6**

Department	CEX	ASC	Childrens	SP	People	Place	Resources	Total
Savings	0	2,638	1,831	1,300	5,769	441	0	6,210
Income	150	250	0	0	250	2,450	1,405	4,255
Total	150	2,888	1,831	1,300	6,019	2,891	1,405	10,465

Detailed List of Savings by Department

Appendix H

Chief Executive's

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
CEX	Income	Increased volume of Land Charges fees	(150)					Red
CEX	Saving	£1m Agency Cost Saving - CEX Portion		(28)				Green
CEX	Saving	Reductions in HR. Staffing Cuts		(120)				Green
CEX	Saving	Remove in year underspends		(200)				Green
CEX	Saving	Remove in year underspends		(130)				Green
CEX Total			(150)	(478)	0	0	0	

People – Children's Services

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
People	Saving	NRPF	(240)	(240)				Red
People	Saving	SEN Transport	(250)	(101)	0	0		Red
People	Saving	Traded Services with schools and other Education Services	(500)	(500)	(600)			Red
People	Saving	Reducing number of children in care		(250)				Amber
People	Saving	Regionalisation of Adoption Services			(50)			Amber

People	Saving	Joint Service for Disabled Children- staffing restructure		(75)	(65)			Yellow
People	Saving	Reprofiling Shared Services saving (SCS28)		(250)				Yellow
People	Saving	Community Safety: re-apportionment of policing contract costs to reflect the support provided to HRA		(188)				Green
People	Saving	EPS / CAMHS Service		(200)	(220)			Green
People	Saving	Independent Reviewing efficiencies				(65)		Green
People	Saving	Merging support and management of Children and Adults Safeguarding Boards		(29)	0			Green
People	Saving	Service Development Review			(37)			Green
People	Saving	Single Point of Entry new system		(28)				Green
People	Saving	Careers Service re-modelling		(10)				Blue
People	Saving	Children's Centres		(500)				Blue
People	Saving	Joint Service for Disabled Children: Saving will be achieved through the deletion of a 0.5 Full Time Equivalent post and two high cost care packages coming to a natural end		(45)				Blue
People - Childrens Services Total			(990)	(2,416)	(972)	(65)	0	

People – Adult Social Care

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
People	Income	Increase Income (higher rate Attendance Allowance)	(250)					Red
People	Saving	Learning Disabilities Care Purchasing		(586)	(713)			Red
People	Saving	Older People Care Purchasing		(1,587)	(1,587)			Red
People	Saving	Physical Disabilities Care Purchasing		(360)	(360)			Red
People	Saving	Relocation of residential clients		(105)				Red
People	Saving	Supporting People Phase 3	(1,300)	(500)				Red
People	Saving	Brokerage Redesign	(600)					Amber
People	Saving	Closure of Bridge House and Coppice Wood Lodge (Transferred to FYE)	(300)					Amber
People	Saving	Further use of Assistive Technology		(75)				Amber
People	Saving	Increase availability of 18 nursing beds through re-provision	(400)					Amber
People	Saving	IWE benefit/surplus at least 1% per year		(130)				Amber
People	Saving	Management of sustainable provider rates		(225)				Amber
People	Saving	Reduction in placements from hospital		(37)				Amber
People	Saving	Residential Home Re-provision - Closure----	(200)					Amber
People	Saving	Review high cost packages that may be eligible for health needs		(75)				Amber

		funding						
People	Saving	£1m Agency Cost Saving - HHASC Portion		(200)				Amber
People	Saving	Direct Payment clawbacks by reviewing bank accounts		(75)				Green
People	Saving	HHASC Management Restructure, Director and Assistant Director Posts		(196)	30	90		Green
People	Income	Improved BCF funding		(4,106)	(3,700)			Green
People	Income	Increased Income		(150)	(125)			Green
People	Saving	Independent Living Fund		(50)				Green
People	Saving	retender of extra care facilities		(117)				Green
People - Adults Social Care Total			(3,050)	(8,574)	(6,455)	90	0	

Place

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
Place	Saving	accommodation savings to be achieved through alternative use of buildings	(150)	(150)				Red
Place	Income	Assets Income		(80)				Red
Place	Income	Civic Centre - let 2 further floors of the building		(500)				Red
Place	Income	Commercial Property	(500)					Red
Place	Saving	Gentleman's Row		(121)	0			Red
Place	Saving	Re-Use Collections		(20)				Red
Place	Income	Property - Bund Income Ph 2	(200)	(420)	(220)	200		Red
Place	Income	Property - Bund Income Ph 1	(750)	(235)	0	985		Amber
Place	Income	Civic Centre - let of floors of the building	(800)	0	(150)			Amber
Place	Saving	Withdraw Whitewebbs Golf Course Subsidy	(100)					Amber
Place	Saving	£1m Agency Cost Saving - ENV Portion		(434)				Amber
Place	Income	Building / Dev Control income	(100)	(100)				Amber
Place	Income	Additional Commercial Income (waste & parks)		(80)				Green
Place	Income	Additional Commercial Income (waste & parks)		(80)				Green
Place	Saving	Aqua Fund		(23)				Green
Place	Saving	Barrowell Disposal Haulage Saving		(23)				Green

Place	Saving	Changes to Parking Measures		(100)	(300)			Green
Place	Income	Cross Over Income		(50)				Green
Place	Saving	Efficiencies arising from a new Parking Contract to be implemented in July 2017.		(50)	0	0		Green
Place	Income	Improved sales of existing and additional burial plots		(100)				Green
Place	Income	Increase income across R& E		(250)	(250)	(250)		Green
Place	Saving	Management actions to contain pressure		(188)	(446)	(379)		Green
Place	Income	New revenue stream arising from the Council's new contract for street advertising, other large format advertising and sponsorship schemes.		(35)				Green
Place	Income	Parks events additional income.		(50)				Green
Place	Saving	Street Lighting Reduction of Scouting		(50)				Green
Place	Income	Traffic and Transportation Income (3 years only)		(130)			130	Green
Place	Income	Tree Team Income		(39)				Green
Place	Saving	Green bin service change		(306)				Blue
Place	Saving	Integration of Regeneration and Economic Development		(100)				Blue
Place	Saving	Regeneration and Environment Service		(200)				Blue
Place	Saving	Regeneration and Planning Restructures		(140)				Blue
Place	Saving	Vehicle Leasing-Cage Tippers		(50)				Blue
Place Total				(2,600)	(4,104)	(1,366)	556	130

Resources

Directorate	Savings/Income	Title and Short Description	Budget Saving 2017-18 £'000	Budget Saving 2018-19 £'000	Budget Impact 2019-20 £'000	Budget Impact 2020-21 £'000	Budget Impact 2021-22 £'000	Risk of delivery
Resources	Income	Arts & Culture Business Plan - Future Years Savings by increased income	(194)	(61)	(58)			Red
Resources	Income	Arts Income		(300)				Red
Resources	Income	Future income generated from IT	(300)					Red
Resources	Income	Leisure and culture	(250)					Red
Resources	Income	New income from marketing of the digital platform	(300)					Red
Resources	Saving	£1m Agency Cost Saving - CH Portion		(90)				Amber
Resources	Saving	£1m Agency Cost Saving - FRCS Portion		(248)				Amber
Resources	Saving	Commercialisation of Procurement and Contracts Hub		(250)				Amber
Resources	Saving	Contract Review		(300)				Amber
Resources	Saving	IT Contracts	(500)	(1,000)				Amber
Resources	Saving	IT Staffing	(1,200)					Amber
Resources	Saving	Procurement Forward Plan		(530)				Amber
Resources	Saving	Reduction in cost of ICT third party contracts	(100)					Amber
Resources	Saving	Audit and Risk management service restructure		(50)				Green
Resources	Saving	Efficiencies following implementation of time-saving financial software.			(50)			Green
Resources	Saving	Transactional Services		(50)				Green
Resources Total			(2,844)	(2,879)	(108)	0	0	

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MUNICIPAL YEAR 2018/19 REPORT NO. **106**

MEETING TITLE AND DATE:

Cabinet: 14 November 2018

Agenda – Part: 1	Item: 5
Subject: Capital Programme Monitor Second Quarter (September) 2018	
Wards: All	
Key Decision No: 4766	
Cabinet Member consulted: Cllr Maguire	

REPORT OF:

Executive Director - Resources

Director of Finance

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1. EXECUTIVE SUMMARY

The purpose of this report is to set out the Council's Capital Programme (2018/19-2021/22) as at September 2018, this report includes the latest information for all capital schemes including the funding arrangements.

The report shows that the overall expenditure for the approved programme is projected to be £233M. This consists of General Fund £122M, HRA £86M and Enfield Companies £25M, for 2018/19.

The report:

- 1.1 Sets out the estimated capital spending plans for 2018/19 to 2021/22 including the proposed arrangements for funding;
- 1.2 Confirms that the revenue capital financing costs for the approved 2018/19-2021/22 programme are provided for in the budget;
- 1.3 Notes the receipt of GLA Funding of £18M, that will support the delivery of 571 new homes.

2. RECOMMENDATIONS

It is recommended that Cabinet notes:

- 2.1 the revised four-year approved programme totalling £488m as set out in Appendix A.
- 2.2 the receipt of GLA Funding of £18M, that will support the delivery of 571 new homes.

3. BACKGROUND

- 3.1 The Council's Capital Programme is continually reviewed, and monitoring reports are submitted to Cabinet on a quarterly basis. The Council continually strives to maximise external grants and contributions, attracting new income streams to fund projects wherever possible and minimising the need to borrow.
- 3.2 This is the second report on the 2018/19 Capital budget and four-year Capital Programme 2018/19-2021/22 as approved by Council on the 28th February 2017. This report is forecasting the year end position at the end of the second quarter.

4. CAPITAL UPDATES

- 4.1 There have been two announcements recently which will impact on future capital programme:
- On 23 October the Mayor set out the grant allocations for housing across London, Enfield has been allocated £18m to deliver 571 homes.
 - The recent announcement by the Prime Minister that the Housing Revenue Account borrowing cap will be lifted to enable councils to build more homes subject to the affordability for the HRA to meet the revenue costs of the borrowing
- 4.2 Locally, the Council has set up a new Capital Review board, comprising of, the Director Finance, Director of Law and Governance and the Head of Capital and Projects as well as Directors representing all key areas of capital expenditure. The board is responsible for reviewing the Capital Strategy, considering the capital budget monitor and financing and reviewing additional capital requests.
- 4.3 The review process will enable the overall impact on affordability and risk to the financial sustainability of the Council to be identified and understood and will strengthen the link between investment decisions and commitments in the Medium Term Financial Plan.

5. 2018/19 CAPITAL PROGRAMME BUDGET

- 5.1 The four-year Capital programme is contained in Appendix A with budgets shown inclusive of carry forwards from 2017/18, where applicable.
- 5.2 The approved Capital budget for the current financial year 2018/19 is summarised in Table 1 below and provides the latest position reflecting updated project expenditure profiles as advised by project and programme managers.

TABLE 1 – Current Year Capital Programme	2018-19 Budget at Q1	Budget Reprofiled	Growth	Proposed Programme 2018-19 (Q2)	Actuals as at Q2*	Percentage of Spend to Proposed Budget (Q2)
	£'000	£'000	£'000	£'000	£'000	%
Resources	11,769	1,514	0	13,282	4,321	33%
People	31,779	(5,336)	0	26,443	8,202	31%
Place	75,950	(40,239)	434	36,144	13,432	37%
*Place - Meridian Water	49,303	(3,775)	0	45,528	1,007	2%
Place - HRA	88,089	(1,758)	0	86,331	28,528	33%
Total	256,889	(49,594)	434	207,729	55,490	27%
Energetik	5,850	(950)	0	4,900	1,200	24%
Housing Gateway Ltd	20,000	0	0	20,000	0	0%
Total Companies	25,851	(950)	0	24,901	1,200	5%
Total Capital Programme	282,740	(50,544)	434	232,629	56,690	24%

* The 2018/19 actual expenditure for Meridian Water is £8.6M. The reported position of £1M above is due to outstanding 2017/18 accruals of £7.6m

Budget Reprofiled

These are changes regarding the forecast timing of expenditure from the approved programme between financial years with no reported increase or decrease in budget requirement. Unless otherwise reported below these movements have minimal impact on the overall delivery of the project.

Table 2 summarises the Budget reprofiling in quarter two, with explanations below the table for reprofiling over £250k.

	TABLE 2 – Budget Reprofileing	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Funding Source
i	Libraries	(350)	350	0	0	<i>Borrowing</i>
	Forty Hall	(67)	67	0	0	<i>Borrowing</i>
ii	IT Investment	1,930	1,992	(2,434)	(1,489)	<i>Borrowing</i>
	RESOURCES	1,514	2,409	(2,434)	(1,489)	
iii	Schools' Future Programme	(5,336)	5,336	0	0	<i>Grants</i>
	PEOPLE	(5,336)	5,336	0	0	
	Town Centre Regeneration	66	(66)	0	0	<i>Borrowing</i>
iv	Electric Quarter	(1,439)	1,439	0	0	<i>Borrowing</i>
v	Ponders End	(5,085)	5,085	0	0	<i>Borrowing</i>
	Flood Alleviation	(30)	30	0	0	<i>Grants</i>
	Broomfield House	(47)	47	0	0	<i>Borrowing</i>
	The Crescent (Edmonton)	(161)	161	0	0	<i>Borrowing</i>
	Recycling	(243)	243	0	0	<i>Borrowing</i>
vi	Edmonton Cemetery	(800)	800	0	0	<i>Borrowing</i>
vii	Bury Street West Depot	(19,000)	19,000	0	0	<i>Borrowing</i>
viii	Montagu Industrial Estate	(13,500)	13,500	0	0	<i>Borrowing</i>
ix	Meridian Water	(3,775)	3,319	456	0	<i>Borrowing</i>
	PLACE	(44,014)	43,558	456	0	
x	Major Works	(1,758)	1,758			<i>Borrowing</i>
	HRA	(1,758)	1,758	0	0	
xi	Energetik (Tranche 1)	(950)	950			<i>Borrowing</i>
	COMPANIES	(950)	950	0	0	
	TOTAL Budget Reprofileing	(50,544)	54,010	(1,978)	(1,489)	

Explanations of movements over £250k

i. Libraries

Edmonton Library works have been completed, however there are still some retention and contractor payments outstanding. A separate request is being developed to seek approval to allocate the remaining unspent budget to the delivery of Access Centres, forecast to commence in 2019/20.

ii. IT Investment

In quarter one, the 2018/19 budget was reprofiled based on actuals, pending a full review of projects by the ICT department. The review is now complete, and the budget is reprofiled to reflect the outcome of this exercise. The actual spend at quarter two is £3.7M, plus commitments of £2.9M. The full year forecast is £10.9M and the budget has been reprofiled to reflect this.

The department is confident all projects identified for the current year will be delivered. Appendix 1 details the total reprofiled approved budget of £20.051M. The 2019/20 budget of £9.11M, includes £5.521M, currently unallocated, anticipated to be assigned to Infrastructure and Customer experience projects. The balance is to compete ongoing projects.

- iii. Schools' Future Programme
Schools Asset Management Team are currently in the process of developing future schemes.
- iv. Electric Quarter
Reprofiled in line with updated development timetable as discussed in the 12 September cabinet paper. The project has delivered 61 new homes including 21 affordable homes and will deliver 167 homes along with 750 sq. m of community space, an improved library and 1350 sq. m of commercial space.
- v. Ponders EndA review of the Ponders End Regeneration Strategy is underway. Capital spend has therefore been re profiled to 2019/20, pending this review.
- vi. Edmonton Cemetery
Construction delays due to a dispute with UK Power Networks (electricity distribution operator) and minor planning issues.
- vii. Bury Street West Depot
The scheme is currently being reviewed with an eye to increasing affordable housing provision on the site, with a report scheduled to be presented to a future Cabinet meeting within the next six months. Minimum spend anticipated in current financial year.
- viii. Montagu Industrial Estate
Budgets reprofiled to reflect that the scheduling of land acquisition is subject to the review and approval of Henry Boot's business plan. Henry Boot's business plan has been reviewed, however, additional work is needed on this. Work is ongoing to progress this project, but capital spend has been reprofiled to future years.
- ix. Meridian Water
Budget reprofiled to reflect works on VOSA and 4 Anthony way will not begin until 2019/20. The current profile is based on the latest discussions with Bloqs- the Meridian Works partner. The grant agreement is in the process of being finalised.
- x. Place-HRA
The Major works budget has been re-profiled to reflect the new programme for 2018/19. After the tragic fire at Grenfell last year budgets were diverted to fire safety works and the parts of the planned Major works programme were delayed. The new programme focuses on fire safety and essential improvement works to the housing stock. The Major works budget has been reprofiled, in recognition of the lead time to procure a number of new contracts, resulting in a number of schemes delayed to 2019/20.

Part of the reprofiling was to Minor works to ensure essential health and safety works are completed. Further programming is underway around the fire safety programme and will be reported in next Capital monitor.
- xi. Energetik
It is expected that the company will draw down £950k less than previously predicted in 2018/19, due to a review of development activity connected with the Meridian Water and Electric Quarter schemes.

Additions to the Programme

There have been a small number of additions to the 2018/19 capital budget since quarter one, primarily funded from grants, summarised in the table below.

Growth Items	2018-19 £'000	Funding Source
Highways & Street Scene	10	<i>Grants (GLA)</i>
Flood Alleviation	174	<i>Grants (DEFRA & ThamesWater)</i>
Edmonton Cemetery Chapel Conversion	250	<i>Capital Receipts (KD3427)</i>
PLACE	434	
TOTAL Growth	434	

Proposed Reductions

There are no reductions to the 2018/19 capital programme since quarter one.

6. FINANCING OF CAPITAL EXPENDITURE

- 6.1 The following table sets out the current funding position for the 2018/19 -2021/22 Capital Programme. The second part of the table shows that the increase in borrowing is to be funded to a significant extent by 'commercial arrangements' with business plans for commercial property rental and capitalisation of costs associated with major regeneration at Meridian Water.

Financing of Capital Expenditure	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	Total £'000
Total General Fund & HRA Expenditure	207,729	143,511	42,323	34,905	428,468
Funded From:					
Grants & Contributions	40,036	22,200	-	-	62,237
Revenue Funding	7,958	11,213	6,203	4,513	29,887
Capital Receipts	10,767	11,290	12,976	15,584	50,616
Earmarked Reserves	73,855	36,939	22,663	14,808	148,265
Financing Requirement	75,112	61,869	481	-	137,463
Companies Finance Requirement	24,901	23,886	11,101	-	59,888
Total Financing Requirement	100,013	85,755	11,582	-	197,350
Increase in CFR Funded by:					
Commercial Business Plans*	70,471	46,205	-	-	116,676
Council Tax (raised by Minimum Revenue Provision)	29,542	39,550	11,582	-	80,674
Impact on Council Tax - Minimum Revenue Provision (MRP)**	-	1,406	960	308	2,674
Impact on Council Tax - Interest Costs**	1,174	658	61	37	1,930

*(includes Council investment in HGL, EIL, LVHN & Meridian Water)

**These figures represent the forecast additional Council Tax required to fund the Capital programme. The MRP element represents funds set aside for repayment of loan principal. The Council's treasury management policy is to set aside MRP, 1 year after the borrowing is incurred. However, interest is payable immediately the borrowing is undertaken.

Types of Capital Funding

Grants	<p>Specific government grants from external parties such as the Education Funding Agency and Transport for London.</p> <p>Funding is specific to certain schemes or certain types of capital investment e.g. provision for additional school places.</p> <p>There is a high level of certainty over these funding streams.</p>
Contributions	<p>These are S106/Community Infrastructure Levy and other revenue contributions towards capital projects.</p> <p>There is a high level of certainty over these funding streams.</p>
Capital Receipts	<p>Capital receipts from previous years' disposals and from estimated proceeds from the sale of assets (net of disposal costs) that have so far been approved for disposal over the life of the programme.</p>
Earmarked Reserves	<p>The use of specific reserves within the Council's available resources to fund specific projects such as the Vehicle Replacement Fund and the CCTV reserve, these are readily available funds which can only be used once to meet Capital costs and are not an ongoing income stream.</p>

7. INDICATIVE PROGRAMME

7.1 The Council's programme has several schemes that will only proceed following a full business case being made so that the schemes:

- Meet Council priorities,
- Represent value for money;
- Are either funded by new government grants, new external contribution
- Are invest-to-save projects and can be met from the current Medium Term Financial Plan;
- Replace existing approved schemes;
- Meeting governance requirements;

The table below sets out the current indicative programme:

Appendix A1						
Indicative Capital Programme	2018-19	2019-2020	2020-2021	2021-2022	Profiling to be agreed	Total 2018-19 to 2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
PLACE						
Building Improvement Programme	-	1,500	1,500	1,500	-	4,500
Highways & Street Scene	-	6,450	6,450	6,450	-	19,350
Southgate Cemetery Expansion		-	-	-	1,136	-
PLACE TOTAL	-	7,950	7,950	7,950	1,136	23,850
PEOPLE						
Community Safety - CCTVs					1,200	1,200
Reardon Court Development					17,500	17,500
PEOPLE TOTAL	-	-	-	-	18,700	18,700
COMPANIES						
Energetik		-	-	-	43,500	43,500
Housing Gateway Ltd		-	-	-	51,400	51,400
Investment in Commercial Property		25,000	25,000	-	-	50,000
COMPANIES TOTAL	-	25,000	25,000	-	94,900	144,900
TOTAL INDICATIVE CAPITAL PROG.	-	32,950	32,950	7,950	114,736	187,450

All these 'indicative' projects have been grouped together as a separate programme block for noting by Council. They include later year rolling programmes and projects where external funding is expected but not guaranteed at this stage and each will be subject to further reports to Cabinet and Council as necessary. The revenue costs of these schemes are not yet provided for in the Medium Term Financial Plan.

8. REVENUE IMPLICATIONS

8.1 Local Government is currently facing reduced resources due to the continued reduction in government funding. At the same time there are increases in demand for our key services and the continued affordability of the Capital Programme should be viewed in this context.

8.2 In recent years the Council has reduced its short-term investments primarily to fund the Capital Programme. This approach has been agreed with our external treasury advisors given the relative interest earned from investments in comparison to borrowing costs. The Council is now in a position where it will need to borrow to finance capital investment that is not funded from other resources such as grants, contributions and capital receipts. The Council has headroom in its current borrowing position to allow this to happen given that actual borrowing including the effect of the

current Capital Programme is within the Council's Capital Financing Requirement. The Council will continue to review its borrowing position on a regular basis when assessing the affordability of future capital projects.

- 8.3 Table 5 above summaries how the capital programme is financed and the estimated revenue costs of borrowing (MRP +Interest). It also includes an allowance for costs to be met under commercial business plans. The net cost is the financing forecast to be met in the Medium Term Financial Plan.

9. COMMENTS OF OTHER DEPARTMENTS

9.1 Financial Implications

As the Section 151 Officer, the Executive Director of Resources is required to keep under review the financial position of the Authority. The quarterly capital monitoring is part of this review process. If required, measures will be put in place to address risks identified through the monitoring process and to contain expenditure within approved budgets.

9.2 Legal Implications

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.

9.3 Property Implications

All property implications are included within the main report.

10. KEY RISKS

All the key risks relating to the quarter are included within the main report.

11. IMPACT ON COUNCIL PRIORITIES

11.1 Good homes in well-connected neighbourhoods

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

11.2 Build our Economy to create a thriving place

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

11.3 Sustain Strong and healthy Communities

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities

12. PERFORMANCE MANAGEMENT IMPLICATIONS

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

13. HEALTH AND SAFETY IMPLICATIONS

Not applicable to this report.

14. PUBLIC HEALTH IMPLICATIONS

The underlying schemes which this report refers, all contribute to the overall public health objectives of the borough.

15. BACKGROUND PAPERS

None.

APPENDIX A – APPROVED CAPITAL PROGRAMME

Appendix A						2018-19 to 2021-22				Borrowing				
Approved Capital Programme	2018-19	2019-2020	2020-2021	2021-2022	Total 2018-19 to 2021-22	Capital Grants & External Contributions	Revenue Contributions	Capital Receipts	Earmarked Reserves	2018-19	2019-2020	2020-2021	2021-2022	Total Funding
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCES														
Assessment Services														
Housing Adaptations (DFG)	2,001	2,001	0	0	4,002	4,002	0	0	0	0	0	0	0	4,002
Housing Assistance	87	0	0	0	87	87	0	0	0	0	0	0	0	87
Total Assessment Services	2,088	2,001	0	0	4,089	4,089	0	0	0	0	0	0	0	4,089
Commercial														
Forty Hall	4	67	0	0	71	0	0	0	0	4	67	0	0	71
Total Commercial	4	67	0	0	71	0	0	0	0	4	67	0	0	71
Customer Experience & Change														
IT Investment	10,908	9,117	25	0	20,051	0	0	0	0	10,908	9,117	25	0	20,051
Libraries	281	350	0	0	631	0	0	0	0	281	350	0	0	631
Total Customer Experience & Change	11,190	9,467	25	0	20,682	0	0	0	0	11,190	9,467	25	0	20,682
Total RESOURCES	13,282	11,535	25	0	24,842	4,089	0	0	0	11,194	9,534	25	0	24,842
PEOPLE														
Adult Social Care														
Care Home Revisions	452	0	0	0	452	0	0	0	0	452	0	0	0	452
Mental Health and Wellbeing Centre	500	990	0	0	1,490	1,490	0	0	0	0	0	0	0	1,490
Total Adult Social Care	952	990	0	0	1,942	1,490	0	0	0	452	0	0	0	1,942
Education														
School Expansions	14,065	1,843	0	0	15,908	15,908	0	0	0	0	0	0	0	15,908
Schools Maintenance	5,118	0	0	0	5,118	5,118	0	0	0	0	0	0	0	5,118
Schools' Future Programme	6,260	17,336	0	0	23,596	23,596	0	0	0	0	0	0	0	23,596
Total Education	25,442	19,179	0	0	44,621	44,621	0	0	0	0	0	0	0	44,621
Strategic Commissioning														
Community Safety	49	0	0	0	49	0	0	0	0	49	0	0	0	49
Total Strategic Commissioning	49	0	0	0	49	0	0	0	0	49	0	0	0	49
Total PEOPLE	26,443	20,169	0	0	46,612	46,111	0	0	0	501	0	0	0	46,612
PLACE														
Environment & Operations														
Building Improvement Programme	2,701	0	0	0	2,701	0	0	0	0	2,701	0	0	0	2,701
Alley Gating	35	0	0	0	35	0	0	0	0	35	0	0	0	35
Highways:														
Flood Alleviation	332	30	0	0	362	217	0	0	0	146	0	0	0	362
Highways & Street Scene	7,058	0	0	0	7,058	0	0	0	0	7,058	0	0	0	7,058
Parks:														
Edmonton Cemetery	1,064	800	0	0	1,864	0	0	0	0	1,064	800	0	0	1,864
Play Areas	479	0	0	0	479	0	0	0	0	479	0	0	0	479
Tennis Courts Works at Firs Farm	500	0	0	0	500	0	0	0	0	500	0	0	0	500
Parks (Other)	12	0	0	0	12	12	0	0	0	0	0	0	0	12
Waste, Recycling & Fleet:														
Recycling	0	243	0	0	243	0	0	0	0	0	243	0	0	243
Vehicle Replacement Programme	7,773	607	2,260	0	10,640	0	0	10,640	0	0	0	0	0	10,640
Traffic & Transportation:														
TFL: Local Implementation Plans	2,054	0	0	0	2,054	2,054	0	0	0	0	0	0	0	2,054
TFL: Cycle Enfield	7,980	0	0	0	7,980	7,980	0	0	0	0	0	0	0	7,980
Total Environment & Operations	29,988	1,680	2,260	0	33,928	10,262	0	0	10,640	11,983	1,043	0	0	33,928

Appendix A						2018-19 to 2021-22				Borrowing				
Approved Capital Programme	2018-19	2019-2020	2020-2021	2021-2022	Total 2018-19 to 2021-22	Capital Grants & External Contributions	Revenue Contributions	Capital Receipts	Earmarked Reserves	2018-19	2019-2020	2020-2021	2021-2022	Total Funding
	£'000	£'000	£'000	£'000	£'000					£'000	£'000	£'000	£'000	£'000
Regeneration & Planning														
Broomfield House	70	47	0	0	117	0	0	0	0	70	47	0	0	117
The Crescent (Edmonton)	69	161	0	0	229	0	0	0	0	69	161	0	0	229
Town Centre Regeneration	66	6,804	0	0	6,870	0	0	0	0	66	6,804	0	0	6,870
Electric Quarter	4,105	3,181	0	0	7,286	0	0	0	0	4,105	3,181	0	0	7,286
Ponders End	1,037	5,230	0	0	6,267	0	0	0	0	1,037	5,230	0	0	6,267
Total Regeneration & Planning	5,347	15,423	0	0	20,770	0	0	0	0	5,347	15,423	0	0	20,770
Meridian Water														
Infrastructure	22,987	0	0	0	22,987	0	0	0	0	22,987	0	0	0	22,987
Ladysmith Park	100	0	0	0	100	0	0	0	0	100	0	0	0	100
Master Scheme	7,958	0	0	0	7,958	0	0	0	0	7,958	0	0	0	7,958
Meridian Way	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Meridian Works (GLA LRF) Phase 1	517	3,319	456	0	4,292	0	0	0	0	517	3,319	456	0	4,292
MW Comms, PR & Community Engagement	174	0	0	0	174	0	0	0	0	174	0	0	0	174
MW HIF CPO	286	0	0	0	286	0	0	0	0	286	0	0	0	286
MW Phase 1 Development (Employment Hub)	300	0	0	0	300	0	0	0	0	300	0	0	0	300
MW Phase 1 Development (Leaside Gasholder)	150	0	0	0	150	0	0	0	0	150	0	0	0	150
MW Phase 1 Development (Willoughby Lane)	100	0	0	0	100	0	0	0	0	100	0	0	0	100
MW Works Phase 3	1,400	0	0	0	1,400	0	0	0	0	1,400	0	0	0	1,400
MW: HIF Road inc. Flood Alleviation	2,050	0	0	0	2,050	0	0	0	0	2,050	0	0	0	2,050
MW Meridian HIF Rail	500	0	0	0	500	0	0	0	0	500	0	0	0	500
MWater Station Public Realm Works	2,000	0	0	0	2,000	0	0	0	0	2,000	0	0	0	2,000
Z1 Willoughby	3,307	0	0	0	3,307	0	0	0	0	3,307	0	0	0	3,307
Z12 Stonehill/Hastingwood	998	0	0	0	998	0	0	0	0	998	0	0	0	998
Z13 Phoenix Park	2,500	0	0	0	2,500	0	0	0	0	2,500	0	0	0	2,500
Z4 Ikea Clear	200	0	0	0	200	0	0	0	0	200	0	0	0	200
Z5 Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Meridian Water	45,528	3,319	456	0	49,303	0	0	0	0	45,528	3,319	456	0	49,303
Property & Economy														
Bury Street West Depot	43	19,000	0	0	19,043	0	0	0	0	43	19,000	0	0	19,043
Edmonton Cemetery Chapel Conversion	250	0	0	0	250	0	0	250	0	0	0	0	0	250
Jeffries Rd Industrial Estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montagu Industrial Estate	508	13,550	0	0	14,058	0	0	0	0	508	13,550	0	0	14,058
Corporate Schemes (Other)	9	0	0	0	9	0	0	0	0	9	0	0	0	9
Total Property & Economy	810	32,550	0	0	33,360	0	0	250	0	560	32,550	0	0	33,360
Housing & Regeneration														
Housing Enabling	109	0	0	0	109	0	0	109	0	0	0	0	0	109
Housing Revenue Account:														
Major Works	28,111	18,807	18,503	16,607	82,028	0	1,799	0	80,229	0	0	0	0	82,028
Minor Works	3,577	1,900	1,900	1,900	9,277	0	0	1,900	7,377	0	0	0	0	9,277
Estate Renewals	54,534	38,128	19,179	16,398	128,239	1,774	28,088	48,357	50,020	0	0	0	0	128,239
Total HRA	86,222	58,835	39,582	34,905	219,544	1,774	29,887	50,257	137,626	0	0	0	0	219,544
Total Housing & Regeneration	86,331	58,835	39,582	34,905	219,653	1,774	29,887	50,366	137,626	0	0	0	0	219,653
Total PLACE	168,003	111,807	42,298	34,905	357,013	12,036	29,887	50,616	148,265	63,417	52,335	456	0	357,013
Total General Fund and HRA	207,729	143,511	42,323	34,905	428,468	62,237	29,887	50,616	148,265	75,112	61,869	481	0	428,468
COMPANIES														
Energetik	4,900	3,886	0	0	8,786	0	0	0	0	4,900	3,886	0	0	8,786
Housing Gateway Ltd	20,000	20,000	11,101	0	51,101	0	0	0	0	20,000	20,000	11,101	0	51,101
Total COMPANIES	24,901	23,886	11,101	0	59,888	0	0	0	0	24,901	23,886	11,101	0	59,888
APPROVED CAPITAL PROGRAMME	232,629	167,397	53,424	34,905	488,356	62,237	29,887	50,616	148,265	100,013	85,755	11,582	0	488,356

MUNICIPAL YEAR 2018/19 REPORT NO. 107**MEETING TITLE AND DATE:**

Cabinet: 14th November 2018
 Council: 21st November 2018

REPORT OF:

Director of Finance

Contact officer and telephone no:

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Agenda – Part: 1**Item: 6****Subject:**

**ANNUAL TREASURY MANAGEMENT MID
 YEAR REVIEW 2018/19**

KD: 4768**Wards: All****Cabinet Member consulted:****Cllr Maguire****1. EXECUTIVE SUMMARY**

1.1. This report reviews the activities of the Council's Treasury Management function over the half year period ended 30 September 2018.

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

		See section:
Debt Outstanding at 30th September 2018	£750m - an increase of £53m Since 1 st April 2018.	5
Average interest on total debt outstanding	The average interest rate remains 3.4%. This likely to fall by year end as a result of a £30m high coupon loan maturing in February.	5
Debt Re-scheduling	None undertaken.	7
Interest earned on investments	£100k – (excluding interest receipts from loans made by the council). Given low of cash deposits the total receipts for the year will around £150k. In line with 2017/18 outturn	6
Investments & Net Borrowing	Net Borrowing has increased by £42m to £724m. This is expected to increase to £800m by year end	5/6

2. RECOMMENDATIONS

2.1. Cabinet is asked to:

1. Note and comment on the contents of the report
2. Recommend that Council considers the 2018/19 Mid-Year Treasury position.

3. BACKGROUND

- 3.1. The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management half yearly and annual reports.
- 3.2. The Authority's Treasury Management Strategy for 2018/19 was approved at a meeting of the Authority on 21 February 2018. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

4. ECONOMIC BACKGROUND

- 4.1. The Bank of England have made no change to monetary policy at its meetings in May and June. However, in August 2018 they made a unanimous decision for a rate rise of 0.25%, taking the Bank Rate to 0.75%. This increase was predicated on fears of rising inflation, falling unemployment rates, and greater wage growth.
- 4.2. There has been a high level of volatility in financial market as a result of potential trade wars resulting from the US implementing tariffs on imports. Perhaps the greatest issue is the great uncertainty around the UK's withdrawal from the EU. These two factors will continue to have a great influence over the next year.
- 4.3. Given all these factors the gilt yields have on the whole not moved greatly, nevertheless, this has not prevented there from being great volatility over the period. With yields reacting to market news and reverting back on to trend.

5. BORROWING IN 2018/19

- 5.1. The 2018/19 Treasury Management strategy sets out an operational borrowing limit of £1,067m for the year. As at 30th September there is still a potential for the Authority to borrow up to a further £317 million to meet the capital programme requirement. In practice this is likely to be around an additional £90m of borrowing. This matter is being closely monitored through the Council's cash flow model.
- 5.2. The chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
- 5.3. On the 30th September 2018 the Authority held £750m of loans, (an increase of £53m since 1st April 2018), as part of its strategy for funding the Council's capital programmes.
- 5.4. During this period the Authority borrowed £100m of which £47m was used to replace maturing debt. £43m was applied to fund new capital expenditure.

- 5.5. The Council has 86 loans spread over 50 years with the average maturity being 27 years. The maturity profile allows the Council to spread the risk of high interest rates when debt matures in any one year. The average of interest for the period was 3.4%.
- 5.6. Outstanding loans as at 30th September are summarised in Table 1 below.

Table 1: Treasury Management Borrowing Summary				
Type of Loan	1st April 2018	New Borrowing	Repaid Borrowing	30th Sept 2018
	£000's	£000's	£000's	£000's
Short-terms loans	68,000	85,000	(28,000)	125,000
PWLB	556,752	15,000	(3,782)	567,969
European Investment bank	9,238	-	(158)	9,080
Commercial Loan	30,000	-	-	30,000
LEEF	4,626	-	(312)	4,314
Local Authority	28,000	-	(15,000)	13,000
SALIX	153	-	(52)	101
Total*	696,769	100,000	(47,304)	749,465

*See table 2

Table 2 Loans made by to LB of Enfield companies total is included in Table 1				
Loans made to LBE Companies	1st April 2018	New Borrowing	Repaid Borrowing	30th Sept 2018
	£000's	£000's	£000's	£000's
HGL	114,616	5,000	(5,496)	114,120
LVHN	6,199	-	(12)	6,187
EIL	13,698	-	(373)	13,325
Total	134,513	5,000	(5,881)	133,632

6. TREASURY INVESTMENT ACTIVITY

- 6.1. Total cash balances over the first half of the year varied considerably, predominantly because of the significant peaks and troughs arising from payment profiles of business rates collection, capital expenditure, DWP payments and housing benefit payments.
- 6.2. During a six-month period, the Authority's investment balance ranged between £9m and £81 million due to timing differences between income and expenditure. The investment position during the half year is shown in table 3.

Table 3: Investments held by LB of Enfield				
Counter parties	1st April 2018	Cumulative Sums Invested	Cumulative Repaid sums	30th Sept. 2018
	£000's	£000's	£000's	£000's
Money Market Funds				
Goldman Sachs	-	46,000	(46,000)	-
Deutsche	-	8,000	(8,000)	-
Ignis	-	84,000	(84,000)	-
Federated	-	90,000	(90,000)	-
Call Accounts				
HSBC	6,000	130,530	(125,180)	11,350
Handelsbanken	9,000	10,000	(4,000)	15,000
	15,000	368,530	(357,180)	26,350

- 6.3. Given the continued low interest environment in comparison to cost of borrowing, it is still appropriate to maintain low levels of deposit and to use them as internal borrowing.
- 6.4. Further, given the relevant low level of cash held and with low interest environment deposits been held with daily access. It not planned to change this strategy over the second half of the year

7. COMPLIANCE WITH TREASURY MANAGEMENT INDICATORS

7.1. Borrowing Prudential Indicators

- 7.2. Within the prudential indicators there are several 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 full council to approve any increase.
- 7.3. Throughout the period to the 30th September 2018 the total loan debt was kept within the limits approved by the Council against an authorised limit of £1,178 million. The authorised limit (as defined by the Prudential Code) was set 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.

7.4. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 4 below.

Table 4: Debt Limits	30.9.18 Actual	2018/19 Operational Boundary	2018/19 Authorised Limit	Complied?
	£m	£m	£m	£m
Borrowing	750	1,067	1,147	Yes
PFI and Finance Leases	47	75	100	Yes
Total Debt	1,939	1,142	1,247	

7.5. The Council's Treasury Management Strategy permits up to 30% of its debt to mature in one year (equivalent to £225 million as at 30 September 2018). This limit was not breached. The actual position as at 30 September 2018 was £159m (21%), which includes the short-term loans from LAs, repayment of other loans which will be due within a year and principal payments of all other loans which will be paid in 2018/19.

Table 5: Profile Maturing Debt	Debt Outstanding as at 31 March 2018	Debt Outstanding as at 30 September 2018
Years	(£m)	(£m)
Under 1 year	121.6	159.3
1- 5	54.7	57.2
6-10	44.9	55.2
11-15	51.6	54.2
16-25	115.3	128.8
26-30	58.5	67.0
31-40	141.4	132.9
41+	108.8	98.8
Total	696.8	749.4

7.6. Investment Prudential Indicators

7.7. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring and ensuring that it only invest deposits with financial institutions.

Credit rating	30.9.18 Actual	2018/19 Target	Complied?
Portfolio average credit	AA-	A-	Yes

7.8. There have been no breaches of investments in the period ended 30th September 2018. Any breach would be report to the Director of Finance.

Table 6: Investment Limits	30.9.18 Actual	2018/19 Max Limit to any one counterparty	Complied?
	£000	£000	
Any single organisation, except the UK Government	15,000	15,000	Yes

7.9. The Authority measures and manages its exposures to treasury management risks using the following indicators.

8. DEBT RESTRUCTURING

8.1. Debt restructuring normally involves prematurely replacing existing debt (at a premium or discount) with new loans 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.

8.2. No rescheduling was done during the year as the PWLB new borrowing rates and premature repayment rates made rescheduling unviable. The Council will continue to actively seek opportunities to re-structure debt, if viable.

9. ALTERNATIVE OPTIONS CONSIDERED

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

10. REASONS FOR RECOMMENDATIONS

10.1. To inform the Council of Treasury Management performance in the financial year 2018/19.

11. COMMENTS OF OTHER DEPARTMENTS

11.1. Financial Implications

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

11.3. Legal Implications

11.4. This report sets out the lawful basis for the recommendation to approve the 2018/19 Treasury Half Year Report. The Council has duties within an existing legal and regulatory framework to produce an annual Treasury Management review of activities and the actual prudential and Treasury indicators for 2017/18.

11.5. Key Risks

- 11.6. 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.

12. IMPACT ON COUNCIL PRIORITIES

Good homes in well-connected neighbourhoods
Build our Economy to create a thriving place
Sustain Strong and healthy Communities

- 12.1. The Treasury Strategy indirectly contributes to the council's ability to address the values set out within the Council's priorities

13. PERFORMANCE MANAGEMENT IMPLICATIONS

- 13.1. 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.

14. PUBLIC HEALTH IMPLICATIONS

- 14.1. The council's Treasury Management indirectly contributes to the delivery of Public Health priorities in the borough.

15. EQUALITIES IMPACT IMPLICATIONS

- 15.1. 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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MUNICIPAL YEAR 2018/2019 REPORT NO. 108**MEETING TITLE AND DATE:**

Cabinet – 14 November
2018

REPORT OF:

Executive Director of
Place

Contact officer and telephone number:

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Agenda – Part: 1	Item: 7
Subject: North London Waste Plan Regulation 19 Publication	
Wards: All Key Decision No: KD 4709	
Cabinet Member consulted: Cllr Oyken - Cabinet Member for Property and Assets	

1. EXECUTIVE SUMMARY

- 1.1. The seven North London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest are working together to produce the North London Waste Plan (NLWP), which will cover the period to 2035. Once this is adopted, it will form part of the statutory Development Plan for all seven boroughs, including Enfield.
- 1.2. The adoption of the NLWP will ensure Enfield meets its statutory planning function to plan for the future of waste management. The NLWP does so by providing a supply of appropriate and suitable 'areas of search' that could potentially accommodate future waste management facilities to manage waste generated in North London.
- 1.3. The NLWP does not in itself allocate specific sites for waste facilities, rather its primary function is to provide the broad 'areas of search' that meet specific criteria.
- 1.4. After various iterations of the draft NLWP over years and negotiations to accommodate the needs of all seven boroughs, the NLWP is now ready to progress to Regulation 19 stage publication.
- 1.5. The new Regulation 19 version of the NLWP now provides a more tenable position for Enfield reducing the previous 'areas of search' from 200ha down to 26ha. Officers therefore seek approval to proceed to publication, public consultation and move towards examination and final adoption.
- 1.6. Not progressing with the NLWP would leave Enfield vulnerable to challenge and potentially subject to unsuitable waste development proposals and subject to more waste facilities that would be difficult to resist without a Plan in place. This could well impact on land needed for other priorities such as regeneration, housing growth and infrastructure projects such as Crossrail 2.
- 1.7. Given all of the above and the details set out in the body of this report, officers recommend the council progress towards the NLWP's timely adoption.

2. RECOMMENDATIONS

Cabinet is asked to:

- 1.) Endorse the North London Waste Plan (set out in Annex 1) for publication and subsequent submission to the government;
- 2.) Authorise that the Executive Director of Place, in consultation with the Cabinet Member for Property and Assets, and in conjunction with the other North London boroughs, to submit appropriate changes to the Waste Plan in the run up to, and during, the public examination into the document.
- 3.) Recommend the North London Waste Plan to Council on 21 November 2018 for approval.

3. BACKGROUND

What is the NLWP?

- 3.1. The seven North London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest are working together to produce the North London Waste Plan (NLWP). The NLWP will cover the period to 2035 and, once adopted, it will form part of the statutory Development Plan for all seven boroughs, including Enfield's Local Plan.
- 3.2. The adoption of the NLWP will ensure Enfield meets its statutory planning obligation to plan for future waste management. The NLWP does so by providing a supply of appropriate and suitable 'areas' that could potentially accommodate waste management facilities to manage waste generated in North London.
- 3.3. The NLWP does not in itself allocate specific sites for waste facilities, rather the Plan's primary function is to provide the broad 'areas of search' which are considered appropriate, subject to all planning considerations for waste facility proposals. Importantly therefore it does not prevent sites within 'areas of search' from being developed for other uses.

Planning for Waste

- 3.4. In line with the National Planning Policy Framework (NPPF) and the London Plan, the NLWP safeguards existing waste sites as well as broadly identifying sufficient potentially suitable 'areas' to address any future land needs projected for the plan period.
- 3.5. In accordance with national and London Plan guidance any new 'areas' potentially suitable for accommodating waste management facilities should primarily be identified on existing, well-established industrial land, and in areas which perform well against the agreed assessment criteria.

- 3.6. A further objective has been to achieve a better geographical spread of waste operations across North London, lessening the reliance on Enfield sites in the future and making suitable land more equitable across the boroughs that can also meet supply. Another key objective has been to maximise the opportunity for waste to be managed as near to its source as possible.
- 3.7. Research into modern new waste developments has also found evidence that supports an overall reduction in the amount of suitable land needed in North London a result, the 'area' now proposed for Enfield is significantly reduced.

Historic progress of the North London Waste Plan

- 3.8. Given the sensitive nature of the land uses associated with this Plan and the number of local authorities involved it is unsurprising that its progress has been rocky. The first version of the NLWP failed at Examination in 2012 because it proposed significant net export of waste without the agreement of recipient authorities. In 2013, the seven boroughs recommenced work on a new NLWP, which was consulted on in 2015. This new draft plan, in an effort to reduce net waste exports, applied a fresh search for potentially suitable 'areas'. This initial search showed Enfield as having the largest share of potentially suitable land due in part to its comparatively large amount of industrial land.
- 3.9. However, Enfield strongly expressed concern that search would conflict with a range of current or future infrastructure and regeneration projects. In May 2016, joint preparation of the plan temporarily paused. In 2017 Enfield re-commence cooperation on finalising the Plan, but with conditions, and in recognition of the requirement to have a Waste Plan adopted and not leave the council open to challenge: delays to its own New Local Plan: and have less power to refuse inappropriate waste proposals located in unsupported locations.

How has the draft plan been changed?

- 3.10. The boroughs have reassessed the implications for waste planning of the development proposals in the NLWP area. Transport initiatives such as West Anglia Mainline, Four Tracking and Crossrail 2 all run through the Plan area and are intended to lever in further investment and development around stations. The GLA has declared Opportunity Areas and Housing Zones, which have implications for existing and future waste management facilities.
- 3.11. Further work was undertaken to gather and assess any additional information on the proposed areas received during the consultation or as a result of new data being published, for example sites and areas affected by Crossrail 2, groundwater, historic assets and proximity of sensitive receptors. In addition borough transport officers have

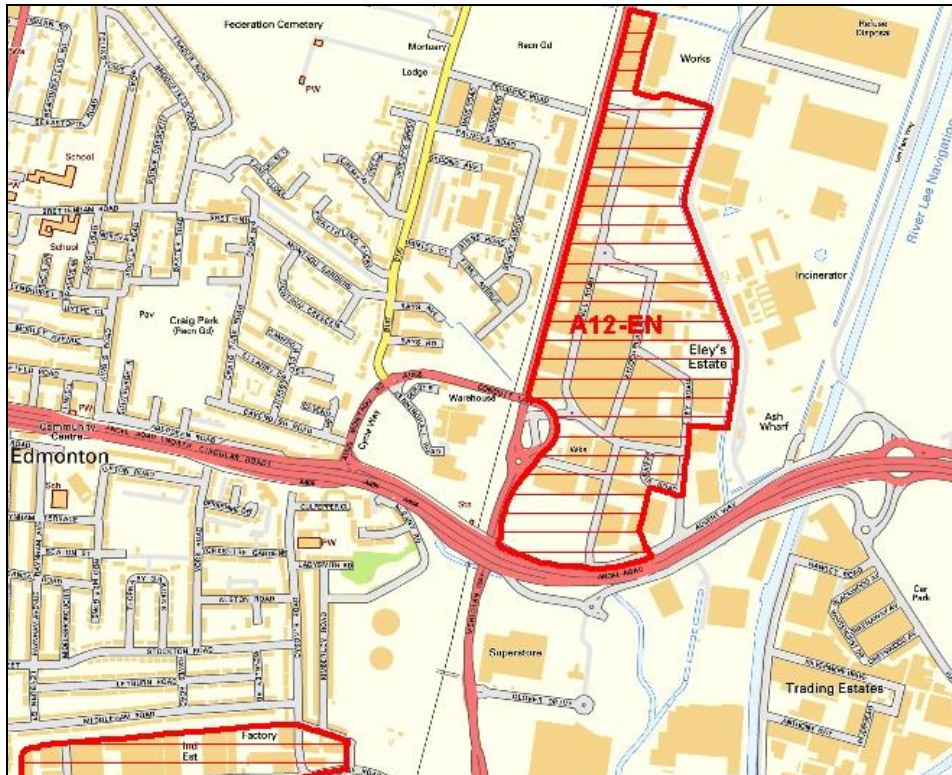
undertaken broad brush highways assessments of the 'areas'. The selection has been based on using a number of criteria to assess them and categorising them in order of their suitability.

- 3.12. Officers are confident that Enfield's concerns of 2016 have been addressed and now only one 'area' is put forward as suitable and this is at Eleys Estate. This new NLWP now identifies significantly reduced amounts of land in Enfield as potentially suitable for waste and supports a much more equitable distribution of facilities across North London. It further incorporates new policies requested by Enfield, which acknowledge the need to take into account Enfield's infrastructure and regeneration objectives for associated transformational change to take place in the east of the borough, as well as well as policies ensuring greater consideration of design, social, economic and environmental issues for future waste facility applications.
- 3.13. The list of potentially suitable new 'areas' of search set out below is put forward for inclusion in the proposed submission NLWP and it includes the most suitable land with best geographic spread.

Proposed New Areas of Search:

Area Name	Area (ha)	Borough
Oakleigh Road	0.99	Barnet
Brunswick Industrial Park	3.9	Barnet
Mill Hill Industrial Estate	0.9	Barnet
Connaught Business Centre	0.9	Barnet
Eley's Estate	26.1	Enfield
Millfields LSIS	1.48	Hackney
Brantwood Road	16.9	Haringey
North East Tottenham	15.32	Haringey
Friern Barnet Sewage Works/ Pinkham Way	5.95	Haringey
Argall Avenue	26.91	Waltham Forest

- 3.14. The Eleys Estate is shown below as area A12-EN. Eley's Estate itself covers an area of 26.1 ha and is adjacent to estates which already include a number of waste management facilities including Aztec estate and the Edmonton Eco Park complex. As a number of waste uses are already established in the vicinity, this proposed 'area of search' may be suited to most types of waste management facility, subject to planning including environmental and amenity considerations.



- 3.15. An additional three areas are identified within the area of the London Legacy Development Corporation (LLDC) because they are the planning authority for small parts of Hackney and Waltham Forest. The boroughs cannot make planning allocations in their area but under the MoU that the boroughs have agreed with the LLDC, three areas have been identified as potentially suitable for waste use.

Area Name	Area (ha)	Borough
Bartrip Street	0.6	Hackney
Chapman Road (Palace Close)	0.33	Hackney
Temple Mill Lane	2.1	Waltham Forest

- 3.16. The NLWP **does not** allocate any sites but identifies 'areas' of search to meet future waste needs. While a 'site' is an individual plot of land that will be safeguarded for waste use, an 'area' comprises a number of individual plots of land, for example, an industrial estate or employment area that is in principle suitable for waste use but where land is not specifically safeguarded for waste.
- 3.17. The NLWP identifies a number of 'areas' of search' in which sites could become available within the plan period. It is considered that this amount of new land is sufficient to achieve a sound Plan. The 'areas of search' are not safeguarded and boroughs are not prevented from giving permission to non-waste uses in these areas.

- 3.18. The area approach is more flexible for boroughs and developers. No significant new areas of search are identified in Camden or Islington because neither borough has any designated industrial land left, but new waste development, especially of a smaller scale, can still be permitted there under the NLWP's windfall policy. Also, all seven boroughs including Camden and Islington are maintaining their existing waste operations as part of this plan.
- 3.19. The NLWP is now going to all seven boroughs for formal approval between October and December 2018. Consultation on the proposed submission version will begin in January 2019 with submission to the Secretary of State in the summer of 2019. Hearings will take place in the autumn 2019 and plan adoption is expected for 2020.

The revised policy context

- 3.20. The policies of the Plan have also now been amended in line with the revised approach outlined above. Policy 1, which deals with existing waste sites states that if a waste site is redeveloped, the re-provision of the facility will be required in line with the spatial principle of the NLWP to get a better distribution of waste sites. Policy 3, which deals with windfall sites, introduces a sequential test whereby developers must demonstrate that no existing sites, or sites in the identified areas of search are available or suitable before being able to develop on a site not identified in the plan. Any development on a windfall site needs to take into account future development opportunities such as those in Opportunity Areas or as the result of Crossrail2, West Anglia Mainline and four tracking. In Policy 5, which deals with assessment criteria for waste developments, there has been a strengthening of amenity considerations around compatibility with neighbouring uses and there is more detail on cumulative impacts of waste development and effect on regeneration. The provision of jobs and training is also highlighted.
- 3.21. Further work has been done to estimate how much and what type of waste is likely to be exported to each waste planning authority area from North London during the plan period. This is to give greater certainty to the waste planning authorities who have been taking in waste from North London. The boroughs have been engaging with these authorities under the duty to cooperate and identifying if there are any barriers to these movements continuing.

What is in the Plan?

- 3.22. The chosen approach to future waste management in North London is to reduce waste exports by identifying land for facilities to manage the equivalent of all Local Authority Collected Waste (LACW), Commercial and Industrial (C&I), Construction and Demolition waste (C&D), including hazardous waste, generated in North London, while recognising that some imports and exports will continue (net self-sufficiency). The NLWP plans to move waste up the waste hierarchy by diverting as much waste as possible away from disposal to landfill by identifying land suitable for recycling and recovery facilities.

Existing sites

3.23. The Plan builds on the waste management capacity of existing waste sites. Existing waste sites are safeguarded for waste use in the London Plan and also through the NLWP. A change to the plan since consultation is that appropriate expansion or intensification of existing waste sites is encouraged. Existing sites in each borough are listed in Appendix 1 of the plan.

Spatial principles

- 3.32 The NLWP is underpinned by the following spatial principles:
- A. Make use of existing sites
 - B. Seek a geographical spread of waste sites across North London, consistent with the principles of sustainable development
 - C. Encourage co-location of facilities and complementary activities
 - D. Provide opportunities for decentralised heat and energy networks
 - E. Protect local amenity
 - F. Support sustainable modes of transport

Targets

3.33 The recycling and recovery targets built into the NLWP are as follows:

Waste stream	Target	2016 baseline
LACW	50% recycling for LACW by 2020	32%
C&I	70% recycling by 2020, 75% recycling by 2031 with 15% energy recovery from 2020	44%
C&D	95% recycling by 2020	73%
Biodegradable or recyclable waste	Zero biodegradable or recyclable waste to landfill by 2026	Not known

Capacity gap

3.34 There is not enough capacity in North London to deal with the amount of waste projected. The capacity gap is identified by looking at the amount of different waste streams projected to need management at five yearly intervals and taking away the capacity that will exist at time for that waste stream. Based on assumptions regarding growth, achievement of recycling levels, net self-sufficiency in three waste streams in the Draft Plan, and the average size of facilities, the land take requirements for meeting net self-sufficiency for LACW, C&I and C&D is set out in the table below, with requirements for meeting London Plan apportionment set out in brackets:

Facility Type	Hectares				
	2018	2025	2030	2035	Total
Recovery (C&I/LACW)	1 (1)				1(1)
Recycling (C&I)	1(1)	1(1)		1	3(2)
Recycling (C&D)	0	0	2	0	2
Recycling (Hazardous)	2				2
Treatment HIC, CDE	1				1
TOTAL land required in North London	5 (2)	1 (1)	2 (0)	1 (0)	9 (3)

- 3.35. Most Local Authority Collected Waste is managed at the Edmonton EcoPark facility. The existing Edmonton facility will be replaced in 2025. The North London Waste Authority (NLWA) has received a Development Consent Order for a new Energy Recovery Facility with capacity of around 700,000 tonnes per annum to deal with all the residual waste under the control of the Authority from 2025 until at least 2050.
- 3.36. To meet higher recycling targets, there is an need for additional capacity for recycling for both LACW and C&I waste streams throughout the plan period. As many existing facilities can manage both waste streams, the need for recycling is combined.
- 3.37. The NLWP will identify sufficient land to manage the equivalent of all Construction and Demolition (C&D) waste arising in North London by 2035, while acknowledging that some exports will continue, particularly for Excavation waste. A total of 5 hectares of land will be required to facilitate this provision. Opportunities to re-use CD&E waste locally will be supported.
- 3.38. Another part of the capacity gap relates to hazardous waste. All the waste streams include some hazardous waste. Hazardous waste is managed in specialist facilities which have and depend on wide catchment areas for their economic feasibility. North London has a limited number of such facilities, mainly metal recycling and end of life vehicles, although other facilities are permitted and carry out management of hazardous waste as part of their regular operation. There remain gaps in provision. The areas identified in this plan have been assessed for their potential suitability for such facilities.
- 3.39. The North London Boroughs have estimated and consulted on future exports to landfill for each of the main recipients of North London's waste. A number of facilities in receipt of the Boroughs' waste sent for

landfill are due to close during the NLWP plan period. The amount of waste affected by these closures has been identified. The Boroughs have established that there is both alternative sites and adequate void space in London, South East and East of England to take North London's estimated waste exports between 2017 and 2035.

Policies

3.42. There are eight development management policies which cover the following areas:

- 1 Existing waste management sites
- 2 Locations for new waste management facilities
- 3 Windfall sites
- 4 Re-use and Recycling Centres
- 5 Assessment criteria for waste management facilities and related development
- 6 Energy recovery and decentralised energy
- 7 Waste water treatment works and sewage plant
- 8 Control of inert waste

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. If Enfield does not approve the new Waste Plan it cannot go ahead and all seven boroughs including Enfield will continue to operate without a Plan. Due to its statutory obligation to produce a waste plan, the council would then have to proceed with evidencing, writing and adopting Enfield's own waste plan. Progress on this would be required to enable the council to proceed with a sound new Local Plan. This requirement could therefore significantly delay or endanger the adoption of Enfield's new Local Plan.
- 4.2. If Enfield refuses to identify sufficient land for addressing a share (now 26 hectares) of the projected capacity gap, then in light of the fact that 44% of total Industrial Land in the NLWP area is located in Enfield which under guidance is suitable for waste facilities, there would be a significant risk that an Inspector could revert back to the previous drafts that identified 200 ha land in Enfield (as per the evidence base of previous versions).
- 4.3. Not progressing with a joint Waste Plan would also lead to reputational risks not only with adjoining authorities but also the GLA.
- 4.4. If the NLWP tried to propose a significant move away from self-sufficiency and return to greater exports to outside London as result of Enfield not putting suitable future areas forward, this is also likely to be challenged and fail at Examination. The Mayor's new Environment Strategy and Draft London Plan both aim for 100% net waste self-sufficiency in London by 2026.

5. REASONS FOR RECOMMENDATIONS

- 5.1. After 11 years of negotiating and preparing this Plan, officers are confident in recommending that this is the a positive outcome for Enfield, while also ensuring the NLWP is likely to found sound at Examination.
- 5.2. Officers of the seven councils as well as consultants employed by them are now take the new draft NLWP through formal ratification processes in all boroughs involved. At Enfield this includes
 - Local Plan Sub Committee and EMT which took place in September 2018; and
 - Cabinet and Full Council in November 2018.
- 5.3. Being able to show progress towards adoption of a NLWP would greatly aid Enfield's local plan process, which will be published for consultation in autumn 2018 and submitted for Examination in 2019.
- 5.4. Once the NLWP is adopted, any future planning applications would be subject to assessment under policies it includes (e.g. on preventing cumulative impact of high concentration of waste facilities; on promoting a greater geographic spread of future facilities; on taking into account local regeneration and transport initiatives such as Meridian Water and Crossrail 2; and on promoting future opportunities for mixed use development which integrates waste sites). Therefore, under the new NLWP, it is much less likely that future waste operations will be permitted in Enfield unless they are in a suitable location and of high quality.
- 5.5. Without the Waste Plan, Enfield remains vulnerable to the risks as set out below in Section 7 on Key Risks. The most significant risk would be that without an adopted Waste plan or Local Plan, the council would have little basis to refuse any future applications for inappropriate, uncoordinated or poor quality waste development.

6. COMMENTS FROM OTHER DEPARTMENTS

Financial Implications

- 6.1.1 Under the NLWP MoU the boroughs have agreed to share the costs equally. The costs to be shared include the cost of the consultants, the two members of staff employed by Camden as lead borough for the various consultations and of the examination. The cost over the expected 7 years is expected to be £235,000 per borough or an average of £33,000 per year. There are two more years left.
- 6.1.2 Enfield Council has made financial provision for this expenditure. Provision for the cost of preparing the NLWP is currently available within the Enfield Strategic Planning and Design consultancy budget.

- 6.1.3 Any future proposals arising with changes to cost implications will be subject to separate reports and full financial appraisal.

6.2 Legal Implications

- 6.1. Enfield Council agreed a revised Memorandum of Understanding (MoU) about joint working on the NLWP in June or July 2015. This has been agreed and signed by all the other boroughs. Enfield agreed this via a DAR which was signed in December 2017. The MoU sets out how the boroughs will cooperate to carry out the work will be carried out, makes Camden the lead borough and deals with financial matters and dispute resolution.
- 6.2. The boroughs will be consulting on the proposed submission NLWP under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

6.3 Property Implications

N/A

7. KEY RISKS

- 7.1 Timely completion of the NLWP is critical to underpin and help deliver the Council's regeneration programme and its local plan, and to ensure that development decisions in the borough are plan led.
- 7.2 The absence of a plan for waste would result in a policy gap which could lead to inappropriate, uncoordinated and poor quality development that fails to respond comprehensively to the needs and priorities of local communities, the borough and the wider sub-region.
- 7.3 If Enfield does not continue in its cooperation with and joint production of the NLWP, it would be required to produce its own waste plan, having due regard to the duty to cooperate with neighbouring boroughs.
- 7.4 Moreover, failure to complete the joint Waste Plan will put the Local Plan at risk as it will place uncertainty on site allocations and would be damaging to interborough relations leaving the Council exposed under the 'duty to cooperate' obligations.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

- 8.1.1 By identifying an adequate provision of land to manage waste generated in north London, and designing policies which ensure that waste facilities maximise their potential benefits (e.g. quality job

creation) and minimise any negative impacts (additional disposal costs, poor air quality etc), the NLWP seeks to facilitate the delivery of high quality and accessible waste facilities which will serve communities across north London.

- 8.1.2 The NLWP now contains new policies which aim to minimise negative impacts (poor air quality etc) of new facilities on local homes. This will facilitate the delivery of new homes in the vicinity of new waste management facilities. Furthermore, by designating less land in Enfield as potential locations for future waste management facilities, more land will be available for building homes, infrastructure and other employment generating activities.

8.2 Sustain strong and healthy communities

- 8.2.1 The NLWP has been and will continue to be subject to public consultation during all of its major preparatory stages, in line with the boroughs' Statement of Community Involvement. Several consultation activities have already taken place to inform the Draft NLWP, including focus group workshops (see above). Ensuring balanced waste provision is also supporting of an effective economy and supports jobs in waste as well as related industries such as transport and construction. This will help to counteract problems of worklessness in Enfield's most deprived wards. New design and environmental policies will ensure that new waste management facilities contribute better to making local communities healthier places to live and work.

8.3 Build our local economy to create a thriving place

- 8.3.1 The draft NLWP is based on a combined strategy of net self-sufficiency and maximised recycling. New waste facilities can create new jobs, produce local energy and provide important resources for reuse in other processes – all of which can help deliver wider economic benefits.

9. EQUALITIES IMPACT IMPLICATIONS

10. 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. We need to consider the needs of these diverse groups when designing and changing services or budgets So that our decisions it do not unduly or disproportionately affect access by some groups more than others.
11. An EQIA has been undertaken on the North London Waste Plan and has highlighted no negative impact on residents from the protected characteristic group. This will be published on the Council's website. Legal duties require the Councils to monitor its policies for any adverse impacts on promoting race, gender and disability equality and to publish the results of this monitoring. In anticipation of emerging legal

duties the Councils are extending this monitoring requirement in order to examine differential impacts in the areas of: age, sexual orientation, religion and belief and carers.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 When the NLWP is adopted it will be formal Council policy used in the determination of planning applications. This will ensure that development decisions in the borough are plan led. This means development will be directed to the right location and will help prevent inappropriate, uncoordinated and poor quality schemes coming forward.
- 10.2 The NLWP contains an implementation and monitoring section which sets indicators and targets to monitor the effectiveness of the policies. Responsibility for monitoring lies with the individual Boroughs. The finalised monitoring arrangements will be designed to provide information that can be used to highlight specific performance issues and significant effects. Monitoring will lead to more informed decision-making and provide a useful source of baseline information for future Local Plan Documents.

11. PUBLIC HEALTH IMPLICATIONS

- 11.1 The NLWP should have a positive impact upon general health and well-being in terms of improving the environment and reducing pollution. By facilitating net self-sufficiency in waste management and increased recycling, the NLWP encourages waste to be managed within the north London area which potentially reduces its need to travel and will reduce reliance on landfill – both of which will help reduce associated climate change impacts. However, implementation of the NLWP itself will need to be monitored to ensure that there are no significant negative impacts.

Background Papers

Appendix 1: NLWP Regulation 19 proposed submission October 2018 (separate document)

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North London Waste Plan

Proposed submission

(Regulation 19)

October 2018

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1. Introduction and Background

What is the North London Waste Plan?

1.1. The seven North London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest are working together to produce the North London Waste Plan (the 'NLWP'). The NLWP also covers part of the area of the London Legacy Development Corporation (LLDC), a Mayoral Development Corporation, which is the planning authority for a small part of Hackney and Waltham Forest¹. Figure 1 shows the North London Waste Plan area.

1.2. The NLWP has two main purposes:

- to ensure there will be adequate provision of suitable land to accommodate waste management facilities of the right type, in the right place and at the right time up to 2035 to manage waste generated in North London; and
- to provide policies against which planning applications for waste development will be assessed, alongside other relevant planning policies/guidance.

1.3. The key elements of the NLWP are:

The Aim and Objectives: These are overarching principles which have steered the development of the NLWP.

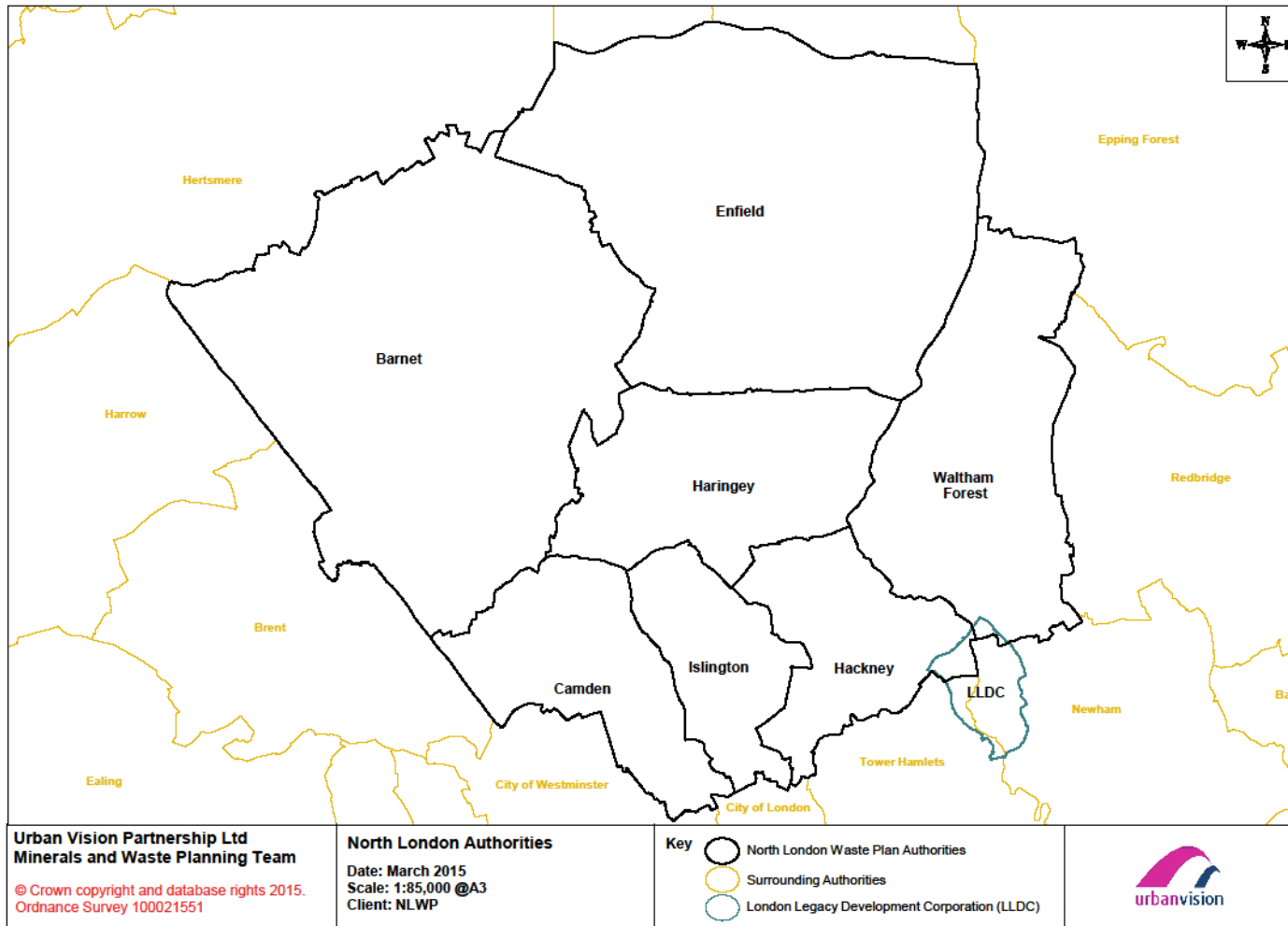
The Spatial Framework: This sets out the physical and planning components that influence the Plan and identifies opportunities and constraints for waste planning in North London.

The Provision for North London's Waste to 2035: This sets out the preferred option for how the waste management needs for North London will be met for each waste stream over the Plan period.

The Policies: These are policies through which the aims and objectives, waste management strategy and Spatial Framework will be delivered. The policies provide the waste planning framework against which applications for waste development will be assessed across the Plan area.

¹ The relationship of the NLWP to the LLDC is discussed further in para 1.15 below

Figure 1: North London Plan Area



1.4. The NLWP plans for all principal waste streams including:

- **Local Authority Collected Waste (LACW):** Waste collected by a Local Authority, including household and trade waste;
- **Commercial and Industrial (C&I):** Waste produced by businesses and industry;
- **Construction, Demolition & Excavation (CD&E):** Waste generated as a result of delivering infrastructure projects, building, renovation and the maintenance of structures;
- **Hazardous:** A sub category of all waste streams where the material produced is hazardous and requires specialist treatment;
- **Agricultural waste:** Waste produced by farming and forestry activity;
- **Waste Water / Sewage Sludge:** Waste produced from washing, cleaning and hygienic activities to create waste water and sewage effluents; and
- **Low level radioactive waste (LLW):** Waste associated with the undertaking of x-rays and laboratory testing using low level radioactive substances.

How does the North London Waste Plan fit with other plans and strategies?

1.5. The seven North London Boroughs, as Waste Planning Authorities (WPA) are required to prepare a Waste Local Plan. This requirement comes from Article 28 of the European Union (EU) Waste Framework Directive, the National Waste Management Plan for England and the National Planning Policy for Waste (NPPW).

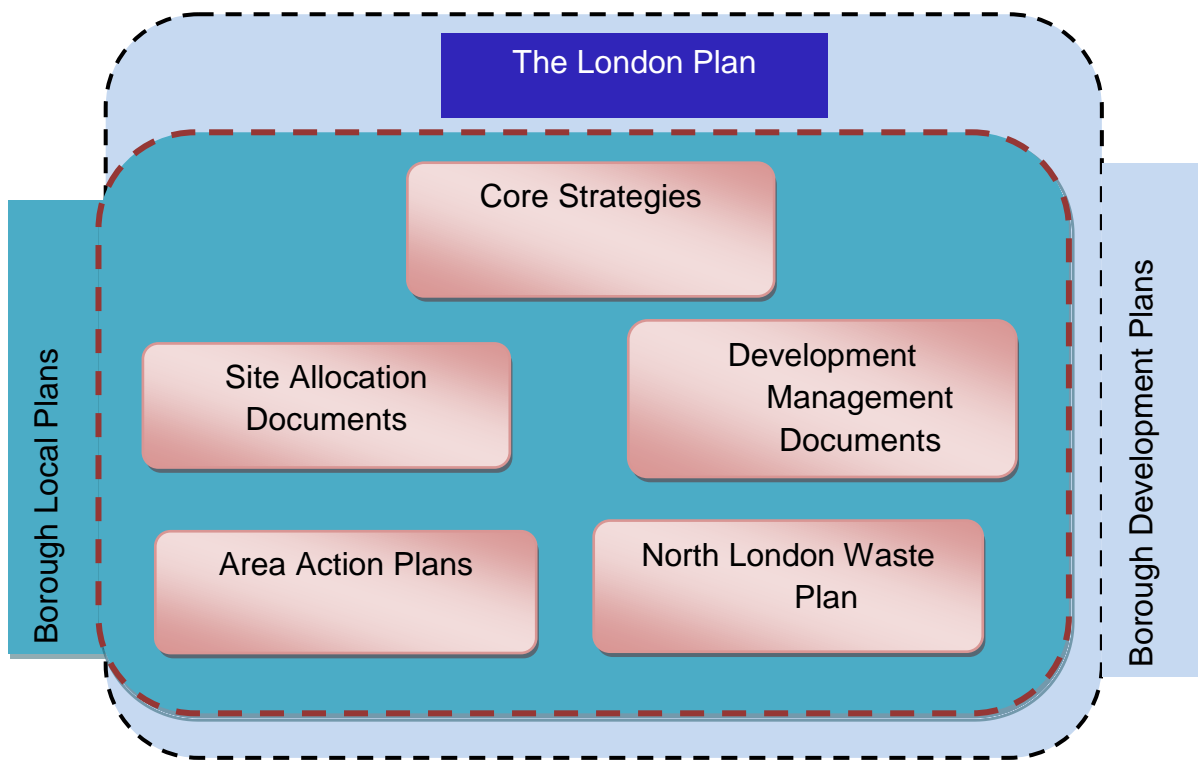
1.6. The NLWP is prepared in line with the requirements of the Planning and Compulsory Purchase Act 2004, the Waste (England and Wales) Regulations 2011 and the Town and Country Planning (Local Planning) (England) Regulations 2012, The National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) direct how Local Plans should be prepared and the National Planning Policy for Waste (NPPW) provides detailed requirements specific to waste plan preparation and content.

1.7. Once adopted, the NLWP will form part of the 'Development Plan' for each of the North London Boroughs which comprises the London Plan² and borough Local Plans (see Figure 2). The NLWP must be in general conformity with the London Plan and consistent with other documents in borough Local Plans. The NLWP should be read alongside other relevant policies within the wider Development Plan. The Mayor published a draft London Plan for consultation in December 2017. The Examination in public is expected to begin in January 2019 with adoption scheduled for 2020. The London Plan sets the strategic framework for the NLWP

² At time of writing this is The London Plan March 2016

- 1.8. The London Plan projects how much LACW and C&I waste is likely to be generated in the capital over the next 20 years and apportions an amount of these two waste streams to each borough. The North London Boroughs have pooled their apportionments and will meet this collectively through existing sites and land allocated in the NLWP.
- 1.9. Each of the seven boroughs has a strategic waste policy as part of their Local Plan. The boroughs' strategic waste policies defer to the NLWP to provide a more detailed planning framework for waste development across the seven boroughs. Each borough's Local Plan may also include site allocation documents, development management policies and area action plans, as well as supplementary planning documents.

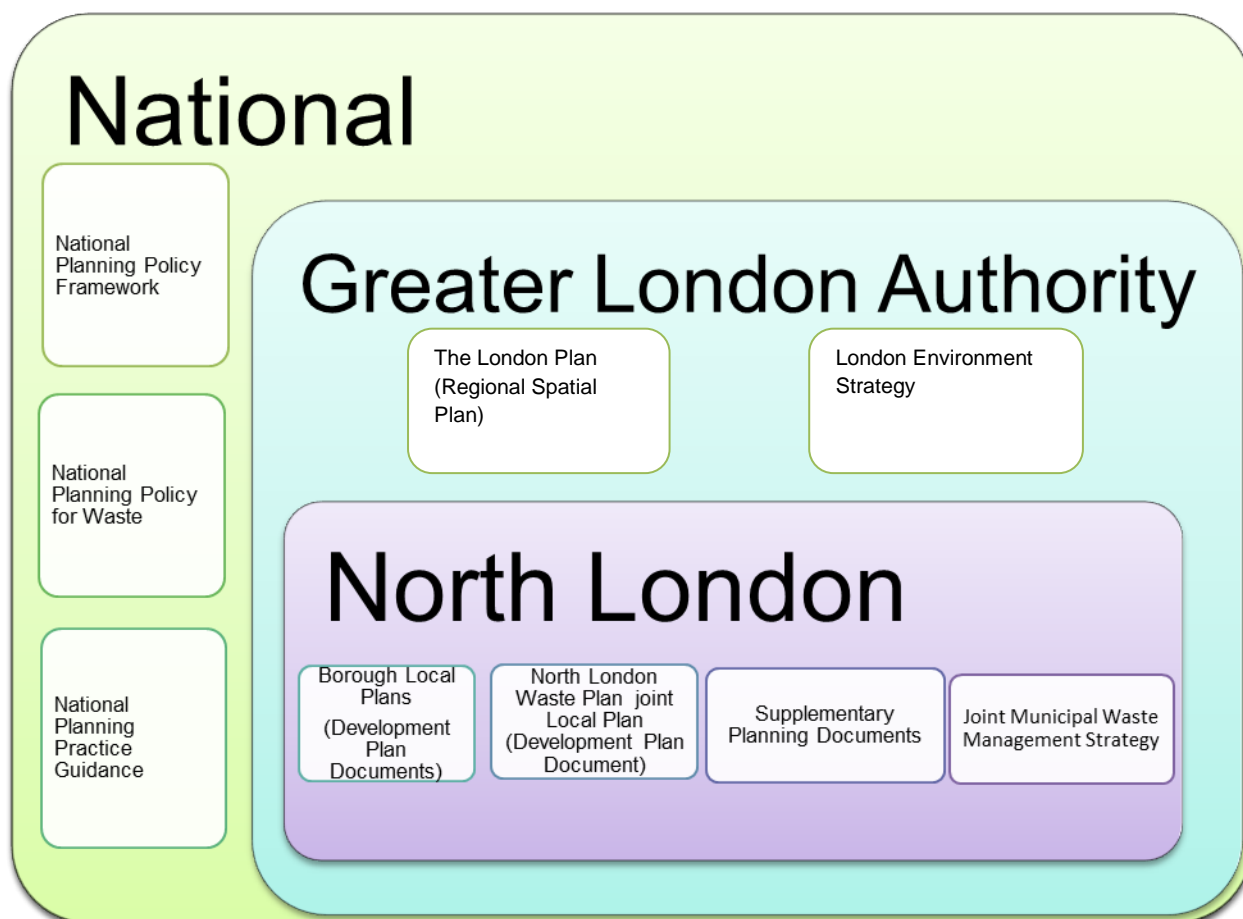
Figure 2: Documents making up the Development Plan for North London Boroughs



- 1.10. In addition to the national and regional planning policies, there are also waste strategies which impact on the development of the NLWP. The Mayor's London Environment Strategy (2018) contains recycling targets for Local Authority Collected Waste (LACW) and Commercial & Industrial (C&I) waste which inform policies within the London Plan.
- 1.11. The North London Waste Authority's (NLWA) has produced the Joint Municipal Waste Management Strategy (JMWMS) (2009). The NLWA, as the Waste Disposal Authority for the NLWP area, is a key stakeholder. The NLWA is responsible for

managing the waste collected by the North London boroughs, in particular household waste but also waste deposited at Reuse and Recycling Centres and some waste that the boroughs collect from local businesses; collectively this is known as Local Authority Collected Waste (LACW). The NLWP is required to ensure there is adequate provision for the disposal and recovery of this waste stream.

Figure 3: Hierarchy of Planning Guidance Policies and Strategies



1.12. Once adopted the NLWP will form part of the overarching planning framework used for the determination of planning applications relating to proposed or existing waste facilities in North London. These applications will be submitted to the Boroughs in which the facility is located. Developers will need to consider the documents highlighted in Figure 3 in making a planning application related to an existing or proposed waste facility:

- National planning policy and guidance;
- The London Plan and Supplementary Planning Guidance;
- The North London Waste Plan;
- Borough Local Plan documents

What is involved in preparing the North London Waste Plan?

- 1.13. As mentioned above, the NLWP must be prepared in line with European, national, regional and local policies and guidance. Before the NLWP can be adopted by each of the Boroughs it must be examined by an independent Inspector. The Inspector will determine whether the Plan has been prepared in accordance with the duty to co-operate, legal and procedural requirements and whether it is 'sound'.
- 1.14. The duty to co-operate, introduced by the Localism Act 2011, and requires local planning authorities and other public bodies to engage constructively, actively and on an ongoing basis to develop strategic policies. Meeting the requirements of the duty to co-operate is a key part of the plan making process for the NLWP and the North London Boroughs are working closely with other waste planning authorities that are critical for the delivery of an effective waste strategy for North London, in addition to prescribed public bodies such as the Environment Agency and the Mayor.
- 1.15. As previously highlighted, the North London Boroughs are working closely with the London Legacy Development Corporation (LLDC). The LLDC is a Mayoral Development Corporation with responsibility for securing the regeneration of an area of London focused on the former Olympic Park. The LLDC is the local planning authority, which includes waste planning, for small parts of Hackney and Waltham Forest (and other boroughs not part of the NLWP group). However, while all the Boroughs have an apportionment of waste from the Mayor under the London Plan for which they must plan and find land, the LLDC is not allocated a share of the borough apportionment. The NLWP is required therefore to plan for the quantity of waste generated across the seven boroughs including the parts of Hackney and Waltham Forest that lie within the LLDC area. In carrying out their responsibilities under the NPPW, the North London Boroughs are engaging with other planning authorities outside London which import waste from North London including the LLDC area. The NLWP cannot directly allocate sites/areas within the LLDC area as this is the responsibility of the LLDC as the local planning authority.
- 1.16. An agreement for the working relationship between the North London Boroughs and the LLDC has been drawn up. This agreement, or Memorandum of Understanding, identifies the Sites and Areas suitable for waste within the Hackney and Waltham Forest parts of the LLDC area. The LLDC's Local Plan also identifies sites and areas that are potentially suitable for waste related uses. For waste development proposals in the parts of Hackney and Waltham Forest which fall within the LLDC area, the LLDC Local Plan policies will apply. Policy IN2 of the LLDC Local Plan requires planning decisions to take full account of the policies within the adopted waste plans of the Boroughs.

Supporting Documents

- 1.17. The NLWP is accompanied by evidence base documents including a Data Study, Options appraisal, Sites and Areas report and Duty to Co-operate report. There are supporting assessments such as a Sustainability Appraisal (SA) (incorporating the requirements of the SEA Directive), Habitats Regulation Assessment (HRA), a Sequential Test Report)and Equalities Impact Assessment (EqIA). These assessments form a key element of the development of the Plan and help to ensure that the social, environmental and economic impacts of the policies developed in the Plan are assessed and taken into account in the decision making process. There are also reports on the outcomes of all consultations on the NLWP. The supporting documents can be viewed -on the NLWP website.

What stage is the NLWP at?

- 1.18. This is the Proposed Submission Plan (Regulation 19). It has been prepared following consideration of responses received to the consultation on the draft NLWP (Regulation 18) which took place from 30th July to 30th September 2015. The consultation provided an opportunity for stakeholders and communities to comment on the Draft Plan and proposed policies. A report on the outcomes of this consultation and separate reports of the previous consultation at the outset of plan preparation are also available to view on the NLWP website.
- 1.19. The Proposed Submission Plan is the version of the NLWP that the Boroughs intend to submit to the Secretary of State for examination. It is being published to allow the opportunity for stakeholders and communities to submit representations on the soundness and legal and procedural compliance of the Proposed Submission Plan.
- 1.20. At the heart of national policy (the NPPF) is the presumption in favour of sustainable development and policies in the NLWP must reflect this presumption. The NLWP must meet the soundness tests as set out in paragraph 182 of the NPPF. These require the NLWP to be:
- Positively prepared (meet objectively assessed development needs of the area);
 - Justified (set out the most appropriate strategy based upon the evidence);
 - Effective (deliverable and address cross boundary issues);
 - Consistent with national policy.

What happens next?

- 1.21. Representations made during consultation on the Proposed Submission Plan will be considered and any proposed changes will be submitted to the Inspector for examination along with supporting documents.
- 1.22. Once the Plan is submitted, an independent Inspector will be appointed (on behalf of the Secretary of State) to examine whether the NLWP meets the required legal and soundness tests, including duty to co-operate and procedural requirements. The indicative timetable for the Plan is as follows:

Table 1: NLWP Timetable

Consultation on Proposed Submission Plan (Regulation 19)	January – February 2019
Submission (Regulation 22)	June 2019
Public hearings	September 2019
Inspector's report	January 2020
Adoption	June 2020

2. Setting the Scene

2.1 Waste management has an important role in achieving sustainable development. There are a number of ways to define ‘sustainable development’. The most well-known definition is ‘*development which meets the needs of the present without compromising the ability of future generations to meet their own needs*’³. The UK Sustainable Development Strategy *Securing the Future* set out five ‘guiding principles’ of sustainable development:

- living within the planet’s environmental limits;
- ensuring a strong, healthy and just society;
- achieving a sustainable economy;
- promoting good governance; and
- using sound science responsibly.

2.2 The National Planning Policy Framework (NPPF) references these definitions and goes on to set out three objectives to sustainable development: economic, social and environmental. The North London Waste Plan (NLWP) will help achieve sustainable waste management by providing a sound basis for the provision of waste management infrastructure, contributing to the conservation of resources by improving the efficiency of processing and making better use of the wastes created within North London.

Geographical Extent

2.3 The North London Boroughs cover a large swathe of London from the inner city into the Green Belt of outer London. The geographical extent takes in both the inner London Boroughs of Camden, Hackney and Islington, and the outer London Boroughs of Barnet, Enfield, Haringey and Waltham Forest (see Figure 4). The land within the North London Boroughs spans an area of 293 square kilometres. The geographical characteristics of North London are a key element in both the Spatial Framework (see section 4) and the sites/areas assessment criteria (see section 8).

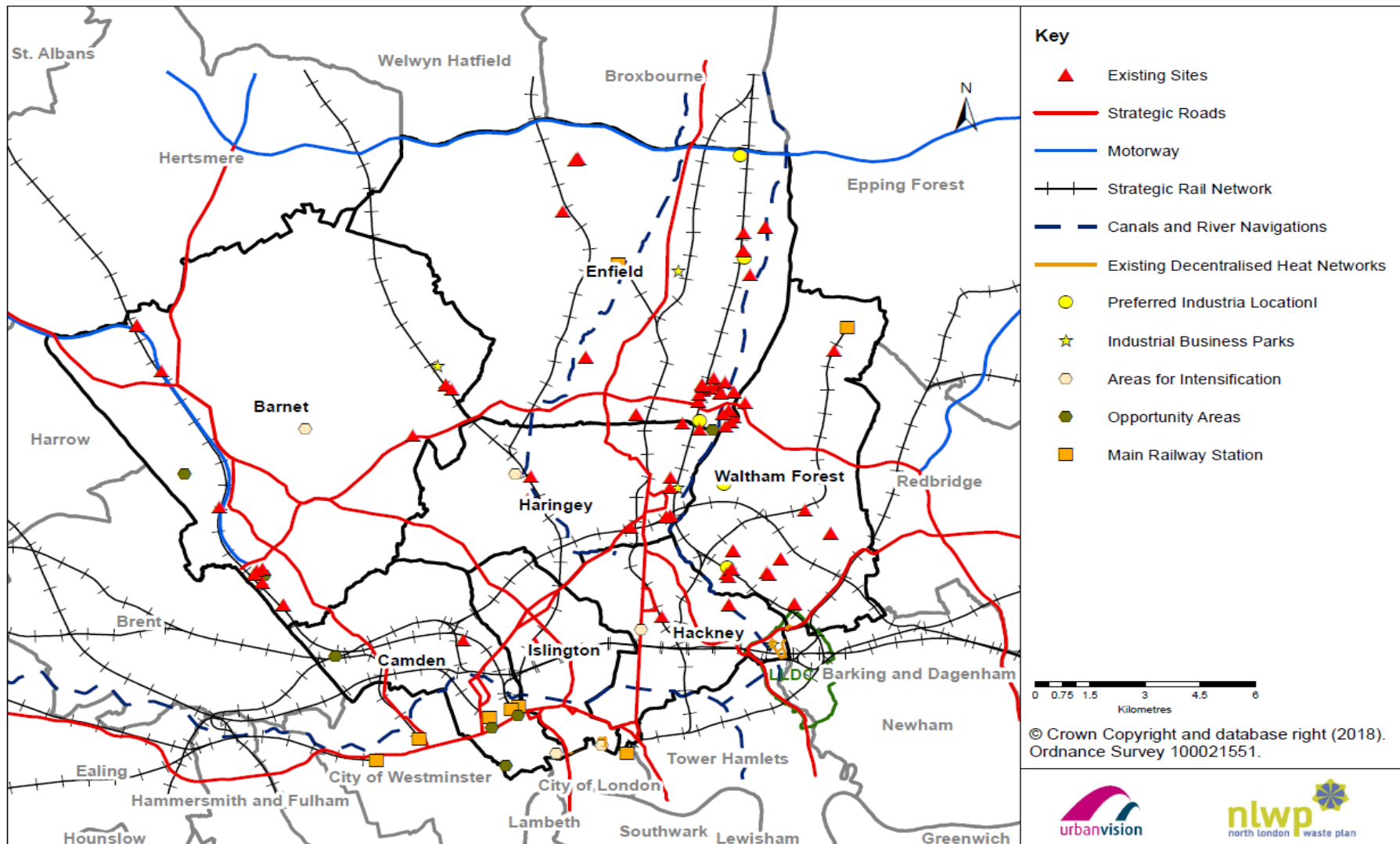
Population Characteristics

2.4 The North London area is one of the most densely populated areas in the UK. Recent statistics⁴ show that the population has risen from 1.6 million in 2002 to an estimated 2.0 million in 2017 and that the population continues to grow at a rate

³ Brundtland Commission, 1987 (Resolution 42/187 of the United Nations General Assembly)

⁴ Office for National Statistics

Figure 4: Main geographical and planning features of North London



above the national average. This population growth will also increase the amount of waste North London will need to manage in the future, even though the amount of waste generated per person may not increase (see section 6).

- 2.5 The highest density is in the inner boroughs of Islington (the most densely populated local authority in the UK according to the 2011 Census), Hackney and Camden, closely followed by Haringey. Waltham Forest, Barnet and Enfield are less densely populated, however these Boroughs are still substantially more densely populated than the rest of the country. Density of population and the built environment has an influence on the amount of waste generated but also on competition for land and the availability of sites suitable for new waste facilities (see section 7).
- 2.6 While the outer Boroughs are characterised by traditional detached, semi-detached and terraced housing, overall across the Plan area, there is a higher proportion of flats and similar multi-tenant properties. This is particularly the case in the inner Boroughs which, consequently, have fewer gardens (and green waste) than the outer Boroughs. The differing ability of types of housing stock to incorporate waste collection infrastructure (for example recycling bins) impacts on recycling rates in North London (see section 6).

Health

- 2.7 There are varying levels of life expectancy across North London. The outer boroughs of Barnet and Enfield report life expectancies higher than the national average, however significant inequalities exist within the boroughs. In contrast, the other Boroughs report male life expectancy lower than the average for England, while the same is true of females in Islington and Waltham Forest. Impact on human health has been a key consideration in the development of the NLWP and is discussed in more detail in the Sustainability Appraisal (SA) which supports the NLWP.

Socio-Economic

- 2.8 The average gross weekly earnings within each of the North London Boroughs is higher than the average for England. All of the Boroughs have a higher proportion of their working population employed than the national average. This is mirrored by the high cost of living in all Boroughs. Four Boroughs (Hackney, Haringey, Islington and Waltham Forest) contain wards amongst the 20 most deprived areas in England pointing to varying degrees of polarisation. All boroughs contain varying levels of deprivation within them. Maximising economic benefits by utilising waste as a resource is an objective of this plan. There are opportunities for job creation through the development of new waste facilities at both the construction and end user stages. New technologies can also help to create 'green collar'⁵ jobs in new

⁵ Jobs in environmental sectors

waste management facilities as well as in sectors that receive recycled or reprocessed material, turning it into new products, thereby creating wealth from waste. Economic growth in North London is predicted to result in greater amounts of waste being generated. This is due to more people in jobs, although the amount of waste created per person is expected to stay the same.

Environment

- 2.9 The North London Waste Plan area includes important green space with many parks and larger areas such as Hampstead Heath, the Lee Valley Regional Park and part of Epping Forest. There are extensive areas of Green Belt in the outer areas and areas of agricultural land in Barnet and Enfield.
- 2.10 Enfield has identified Areas of Special Character where the Council will seek to preserve and enhance the essential character of the area, including landscape features such as woodlands, streams, designed parklands and enclosed farmland.
- 2.11 The Lee Valley contains an internationally important wetland habitat (Ramsar site and Special Protection Area (SPA)) as the reservoirs and old gravel pits support internationally important numbers of wintering birds as well as other nationally important species. In addition, the adjacent Epping Forest Special Area of Conservation (SAC), part of which lies in Waltham Forest, is important for a range of rare species, including mosses. There are six Sites of Special Scientific Interest (SSSI), 21 Local Nature Reserves and 307 Sites of Importance for Nature Conservation (SINC). The concentration of industrial land in the Lee Valley poses challenges for development to take into account key biodiversity issues set out in Borough Biodiversity Action Plans.
- 2.12 Throughout North London there are many areas and sites of historic interest including 172 conservation areas, over 14,000 listed buildings, registered landscapes, scheduled monuments, archaeological priority areas and as yet unknown archaeological remains. Protection for heritage assets is included in Local Plan policies and the sites/areas assessment criteria (see section 7) and policy 5.
- 2.13 The heavily developed and built up nature of North London coupled with differential values between competing land uses, and protected areas such as Green Belt presents a significant challenge in planning for waste. Expected development over the plan period will increase these pressures. For development which is perceived as likely to create more environmental risk and harm to the amenity of the local area, through factors such as noise, dust and increased traffic, the planning constraints near areas protected for their environmental value are greater.
- 2.14 Protection of groundwater is vital to prevent pollution of supplies of drinking water, while secondary aquifers are important in providing base flows to rivers. The Environment Agency has designated areas of source protection zones in a number of

locations, particularly in the Lee Valley as well as implementing groundwater protection measures around boreholes in the area.

- 2.15 Historically much of the employment land in North London has been in industrial use. Inevitably the restructuring from an industrial-based to a service based economy has affected land use priorities, creating a situation where the type of employment land available has changed, particularly in the inner boroughs where offices predominate. Such areas are now under pressure to help deliver high housing and employment targets. The previous use of these areas raises the risk of contamination and the need for remedial measures regardless of how the land will be used in the future.
- 2.16 Air quality within North London is uniformly poor as a result of high levels of nitrogen dioxide and dust (NO₂ and PM₁₀ respectively) that are mainly, but not exclusively, due to road traffic. As a result, all of the councils have declared Air Quality Management Areas (AQMA) covering each Borough.
- 2.17 The NLWP includes strategies and policies to protect environmental assets and amenity.

Transport

- 2.18 North London benefits from good access to the strategic road network such as the M1 and M11 and the M25. The local road network is dominated by important radial routes to the centre of London and also includes the key orbital North Circular Road (A406) which bisects the Plan area from east to west. Parts of this network experience high levels of congestion at off-peak as well as peak hours, despite the fact that part of the area lies within the London Mayor's congestion charging zone.
- 2.19 Three main train lines terminate at Euston, St Pancras and Kings Cross, all in Camden. The North London Line (NLL) is a commuter and nationally important freight route providing movement of material across the area. There is a planning application to replace the railhead at Hendon in Barnet that currently transports waste out of London by a new facility just to its north. Proposals for the West London Orbital line will improve rail access to the west of the area.
- 2.20 In March 2016, the National Infrastructure Commission recommended that Crossrail 2, a proposed new rail line serving six of the NLWP constituent Boroughs, should be taken forward as a priority. Transport for London and Network Rail are currently developing the scheme. Whilst the final scheme and timetable is not yet known, there is a potential for Crossrail 2 to impact upon existing or future waste management sites during the NLWP period. This is discussed further in Section 8.

- 2.21 In addition the Grand Union Canal and the Lee Navigation run through the area and provide sufficient draught to allow light cargo movements to and from industrial and other facilities close to a number of wharves along each waterway.
- 2.22 Opportunities for using sustainable modes of transport are a key element of the Spatial Framework.

Land Use

- 2.23 Across North London as a whole the predominant land use is housing. There are also concentrated areas of commercial activity and town centres. Parts of Camden, Hackney and Islington fall into the Central Activities Zone which covers London's geographic, economic, administrative, and cultural core spanning ten boroughs in total. The Upper Lee Valley on the east of the NLWP area includes a concentrated area of industrial activity. Each borough contains areas of industrial or employment land that are designated for this purpose. The London Plan designates Strategic Industrial Locations (SILs) and provides the strategic direction for the identification of Locally Significant Industrial Sites (LSISs) and other industrial/employment designations in Local Plans.
- 2.24 There are a number of drivers for change in land use in London, in particular the need to boost housing numbers and make best and most efficient use of land around public transport modes. These pressures are likely to increase as a result of planned investment such as Crossrail 2, Stratford to Angel Road (STAR) Scheme and four-tracking on the West Anglia Mainline.
- 2.25 To deliver this change, the London Plan has identified Opportunity Areas and Housing Action Zones in parts of North London including parts of the Lee Valley and there may be future Opportunity Areas identified during the NLWP plan period. The Opportunity Areas overlap with land which contains existing facilities and also the areas identified in this Plan for new waste facilities. Therefore, alongside the opportunities for intensification and new homes, there will also be a need for Boroughs to consider existing waste operations and areas for new waste facilities, in light of NLWP Policies 1: and 2.
- 2.26 Some boroughs are beginning to review their Green Belt boundaries as a result of the review of Local Plans.

Climate Change

- 2.27 The North London Boroughs are all focused on the challenges posed by climate change. Borough strategies are driven by the requirements to mitigate and adapt to all effects of climate change. The NLWP aims to deliver effective waste and resource management which makes a positive and lasting contribution to sustainable development and to combating climate change.

- 2.28 All Boroughs have lower CO₂ emissions per capita than the national average, with the exception of Camden where levels are elevated by the concentration of commercial and other non-domestic activities. However all Boroughs have significantly lower per capita CO₂ emissions from road transport when compared to the national average. This is particularly apparent in Camden, Hackney, Haringey, Islington and Waltham Forest. Per capita CO₂ emissions from the domestic sector are below the national average.
- 2.29 The NLWP seeks to reduce the reliance on disposal to landfill sites outside London as this contributes to CO₂ emissions from transport. While it is recognised that waste management facilities will continue to generate CO₂ emissions, new waste facilities generating energy need to meet the Mayor's Carbon Intensity Floor. The priority of the NLWP will be to implement policies and direct new development to sites which deliver a better overall environmental outcome.
- 2.30 The NLWP site and area assessments take into account those parts of all Boroughs that are under threat from surface water (and potentially sewer) flooding because of the extensive urbanised areas.
- 2.31 The site and area assessments also take into account the greater occurrence of urban flood events over the last sixty years and the risk that climate change will lead to a greater threat from flooding in the future. On the east side of the area a number of tributaries flow into the River Lee while parts of Barnet drain into the River Brent to the west.

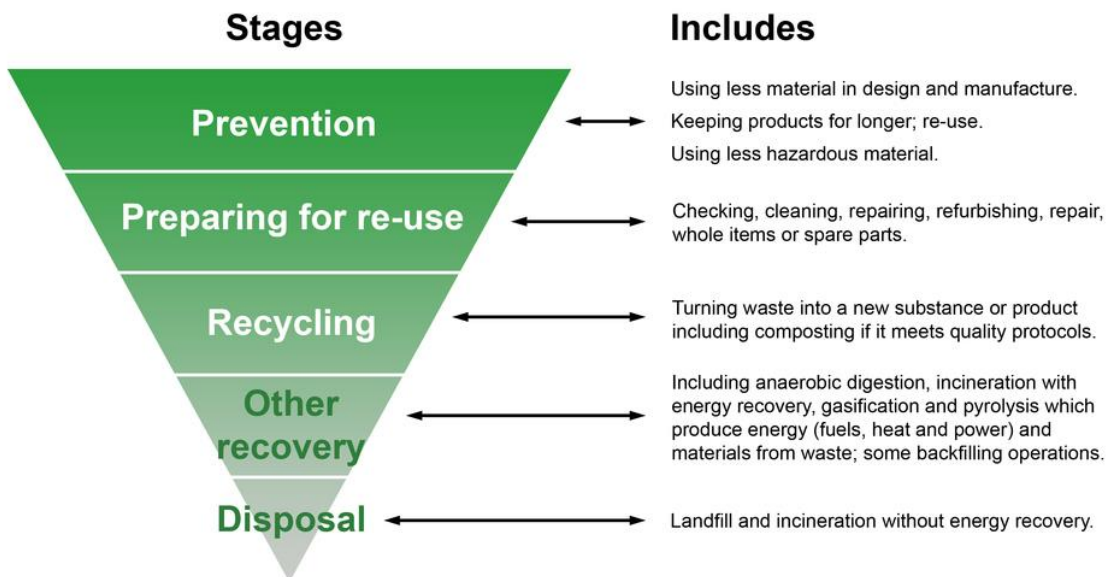
3. Aims and Objectives

Aim of the North London Waste Plan

- 3.1. Each of the seven Borough Local Plans contains a vision for their area, and the aim of the NLWP links to the delivery of that vision. The NLWP therefore includes a single overarching aim and a number of objectives to deliver that aim. The Aim meets the requirements of National Planning Policy for Waste (NPPW) through providing a set of agreed priorities for delivering sustainable waste management in North London
- 3.2. The NLWP treats waste as a resource rather than as a nuisance, promoting the principles of the waste hierarchy. The Aim acknowledges that the NLWP is part of a wider but integrated approach that will help to deliver sustainable waste management in North London, alongside such measures as improved resource management, and waste prevention and reduction spanning strategies which influence but are outside of the planning framework. The NLWP aim and objectives reference and integrate the Waste Hierarchy which is shown in Figure 5.

Figure 5: Waste Hierarchy

The Waste Hierarchy



3.3. The aim of the NLWP is:

Aim of the NLWP

“To achieve net self-sufficiency for LACW, C&I and C&D waste streams, including hazardous waste, and support a greener London by providing a planning framework that contributes to an integrated approach to management of materials further up the waste hierarchy. The NLWP will provide sufficient land for the sustainable development of waste facilities that are of the right type, in the right place and provided at the right time to enable the North London Boroughs to meet their waste management needs throughout the plan period”.

Strategic Objectives

3.4. The objectives of the draft NLWP are as follows:

SO1. To support the movement of North London’s waste as far up the waste hierarchy as practicable, to ensure environmental and economic benefits are maximised by utilising waste as a resource:

Met through Policies 2, 4, 6, 7 and 8

SO2. To ensure there is sufficient suitable land available to meet North London’s waste management needs and reduce the movements of waste through safeguarding existing sites and identifying locations for new waste facilities:

Met through Policies 1, 2, 3, 4, , 7 and 8

SO3. To plan for net self-sufficiency⁶ in LACW, C&I, C&D waste streams, including hazardous waste, by providing opportunities to manage as much as practicable of North London’s waste within the Plan area taking into account the amounts of waste apportioned to the Boroughs in the London Plan, and the requirements of the North London Waste Authority:

Met through Policies 1, 2, 3, 4, and 8

SO4. To ensure that all waste developments meet high standards of design and build quality, and that the construction and operation of waste management facilities do not cause unacceptable harm to the amenity of local residents or the environment:

⁶ Net self-sufficiency means providing enough waste management capacity to manage the equivalent of the waste generated in North London, while recognising that some imports and exports will continue.

Met through Policy 5

- S05. To ensure the delivery of sustainable waste development within the Plan area through the integration of social, environmental and economic considerations:

Met through Policies 2, 5 and 7

- S06. To provide opportunities for North London to contribute to the development of a low carbon economy and decentralised energy:

Met through Policy 6

- S07. To support the use of sustainable forms of transport and minimise the impacts of waste movements including on climate change:

Met through Policy 5

- S08. To protect and, where possible, enhance North London's natural environment, biodiversity, cultural and historic environment:

Met through Policy 5

4. Spatial Framework

- 4.1 The spatial framework flows from the Plan's objectives and takes account of the spatial context outlined in section 2 and the strategic and policy context outlined in section 1, alongside the Plan's technical evidence base, and the views of stakeholders. Figure 6 below shows the relationship between the key elements that form the spatial framework.
- 4.2 The spatial framework provides the strategic direction for the detailed policies of the NLWP and informs site/area selection. The spatial framework also guides the assessment of the suitability of windfall sites under Policy 3. It reflects the complexities and realities of planning at a sub-regional level taking into account varied characteristics and functions across the seven boroughs, from densely populated urban areas to stretches of Green Belt. Competing and changing land uses, especially release of industrial land for housing, is a key issue for the boroughs.
- 4.3 The spatial principles set out below represent the outcome of balancing various priorities, opportunities and constraints, in particular the availability of sites/areas to achieve a deliverable distribution of waste management locations to meet identified need, whilst bringing social, economic and environmental benefits of new waste management facilities to North London.
- 4.4 The NLWP is underpinned by the following spatial principles:
- A. Make use of existing sites
 - B. Seek a geographical spread of waste sites across North London, consistent with the principles of sustainable development.
 - C. Encourage co-location of facilities and complementary activities
 - D. Provide opportunities for decentralised heat and energy networks
 - E. Protect local amenity
 - F. Support sustainable modes of transport
- A. Make use of existing sites**
- 4.5 NPPW requires Boroughs to consider the capacity of existing operational facilities in meeting identified need. Further to this, Policy 5.17 *Waste Capacity* of The London Plan requires boroughs, when preparing plans, to protect and facilitate the maximum use of existing waste sites.
- 4.6 In line with this and in order to recognise the valuable contribution existing waste facilities make to managing waste effectively, existing waste management capacity has provided the baseline for identifying the waste management capacity gap and the consequent need for expanded and new facilities. Existing waste management

sites form an important part of the strategic waste plan for North London and are safeguarded for waste use through NLWP Policy 1 and the London Plan (see Schedule 1 in Appendix 1 for a full list of existing sites).

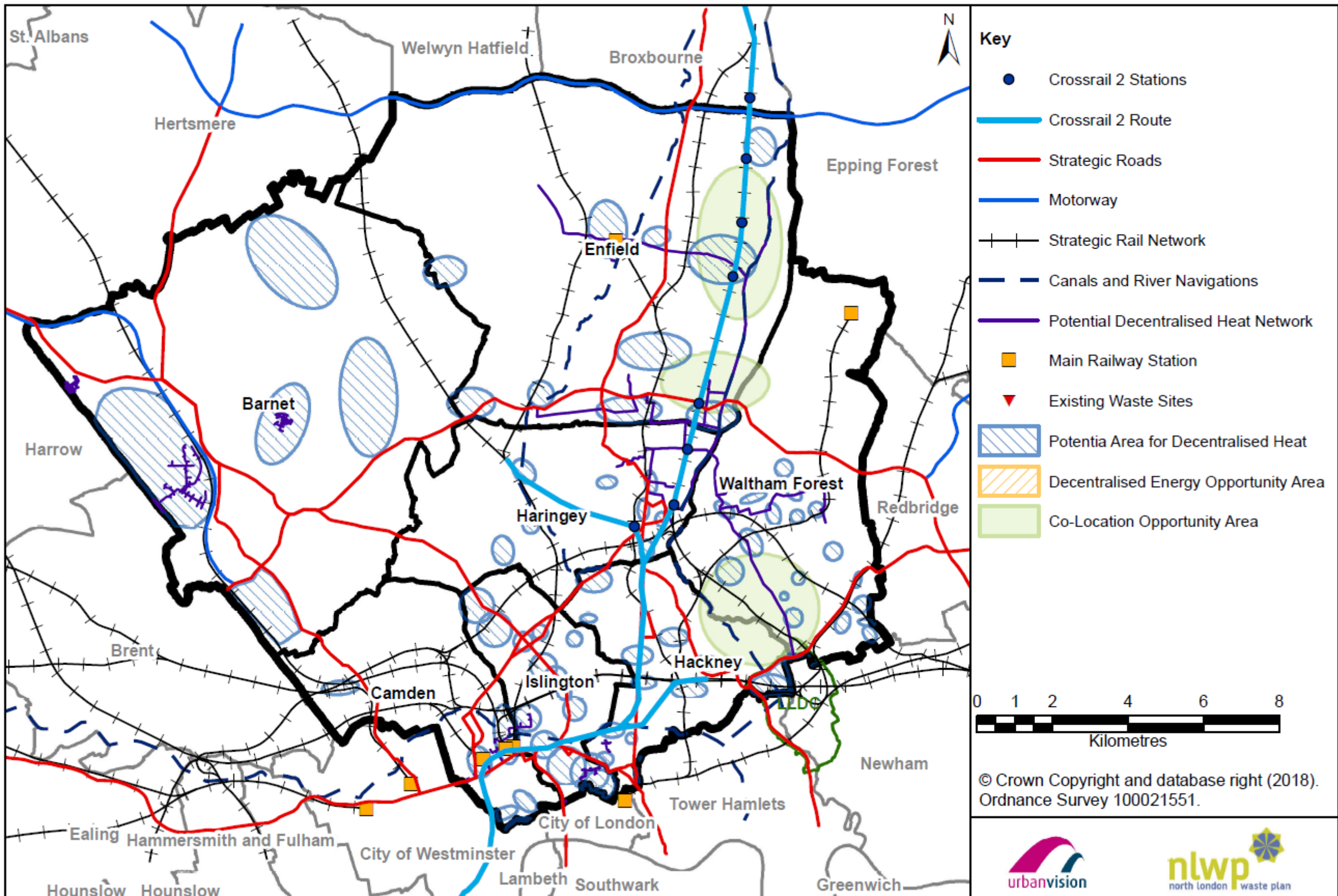
- 4.7 Figure 6 shows that the majority of existing waste sites are located to the east of the Plan area in the industrial parts of the Lee Valley corridor. These sites have developed over decades outside of a strategic plan for waste, and in locations which may have been suitable for waste uses but which did not create an even geographical spread across North London. This reflects the mixed function and character of the Plan area, notably in terms of significant differences among the boroughs in supply of industrial land where waste uses are generally more acceptable.
- 4.8 Three existing sites are known to be planning capacity expansion or upgrades to existing facilities (see Section 8). Most other existing sites do not have any current plans to expand capacity or change their operations but the North London Boroughs support, in principle, the expansion or intensification of operations at existing facilities and this is reflected in Policy 1.

B Seek a geographical spread of waste sites across North London, consistent with the principles of sustainable development.

- 4.9 The NLWP is underpinned by an aim to achieve net self-sufficiency for LACW, C&I, C&D waste streams, including hazardous waste. This will be achieved by identifying enough existing capacity and land in North London suitable for the development of new waste management facilities to manage the equivalent of 100% of this waste arising in North London. The objective is to reduce movements of waste, including waste exports, and increase the amount of waste managed in proximity to its source, in accordance with the principles of sustainable development. Waste is exported to a number of areas outside of North London, mainly in the south east and east of England and Figure 12 shows the estimated reduction of waste exports over the plan period. The strategy for achieving net self-sufficiency is set out in the Provision for North London's Waste to 2032 in section 7.
- 4.10 Net self-sufficiency does not mean that the North London Boroughs will deal solely with their own waste, nor promote use of the very closest facility to the exclusion of all other considerations. While it is desirable for waste to be treated as close as possible to its source in line with the proximity principle, the complexity of the waste management business poses challenges. Different types of waste require different types of management and facilities need to serve areas large enough to be economically viable. Consequently, the most suitable facility may not be the nearest and may well be outside of North London. In addition, facilities in North London will continue to manage waste from outside the area.

- 4.11 The current and changing character of each borough's industrial land is a consideration in identifying locations for new waste infrastructure. Larger and co-located facilities are more suited to areas with similar existing uses away from sensitive receptors. A future waste industry focused on resource management may derive positive cumulative impacts from a concentration of facilities. Conversely, the urban environments of NLWP boroughs are restricted by severe physical constraints limiting opportunities for some types of waste facilities. In addition, some areas, such as the protected Green Belt in the north, will be largely out of bounds for any built waste facilities. As population and densities in the plan area increase with projected growth, fewer areas away from sensitive receptors will be available. Continued development of waste facilities in areas which have, and continue to provide, significant waste capacity could have wider implications on the regeneration of the local economy. When choosing locations for future development, the benefits of co-location will need to be balanced against the cumulative impacts which can arise from an accumulation of facilities in one location. Cumulative impacts can include traffic levels, noise and odours. There may be times when the cumulative impacts of several waste developments operating in an area would be considered unacceptable. Any new waste development proposed in North London will be expected to be of a standard that is in keeping with and complements the existing and future planned development. By identifying suitable land across North London (Policy 2), the NLWP seeks to provide opportunities to manage waste as close to its source as possible, in line with the proximity principle. In promoting a geographic spread of facilities across the plan area consistent with the principles of sustainable development, the NLWP seeks to weigh the positive effects of co-location and economies of scale with the negative effects of excessive concentration of waste facilities in any one area. All North London Boroughs want to play their part in managing north London's waste and therefore support an equitable geographical distribution across the seven Boroughs.
- 4.12 Policy 2 seeks to extend the existing spread of locations for waste facilities by identifying locations which are suitable for new waste facilities, taking into account factors such as the character of different areas, changing land uses and availability of suitable industrial land. Where demand arises, opportunities to improve the spread of waste sites across the area are supported through Policy 3: Windfall Sites where they adhere to the site assessment criteria set out in section 8.
- 4.13 With local re-use and recycling centres (RRC) it is especially desirable to have a geographical spread that enables good access to residents. RRCs are facilities to which the public can bring household waste for free. Figure 7 shows the current network of local RRCs and a radius of two miles around them. Gaps in coverage have been identified by the NLWA in parts of the Plan area, namely Barnet and Enfield, shown outside of the two mile radius around each RRC. Any new RRC facilities will be assessed against Policy 4: Re-use and Recycling Centres.

Figure 6: Key diagram



C. Encourage co-location of facilities and complementary activities

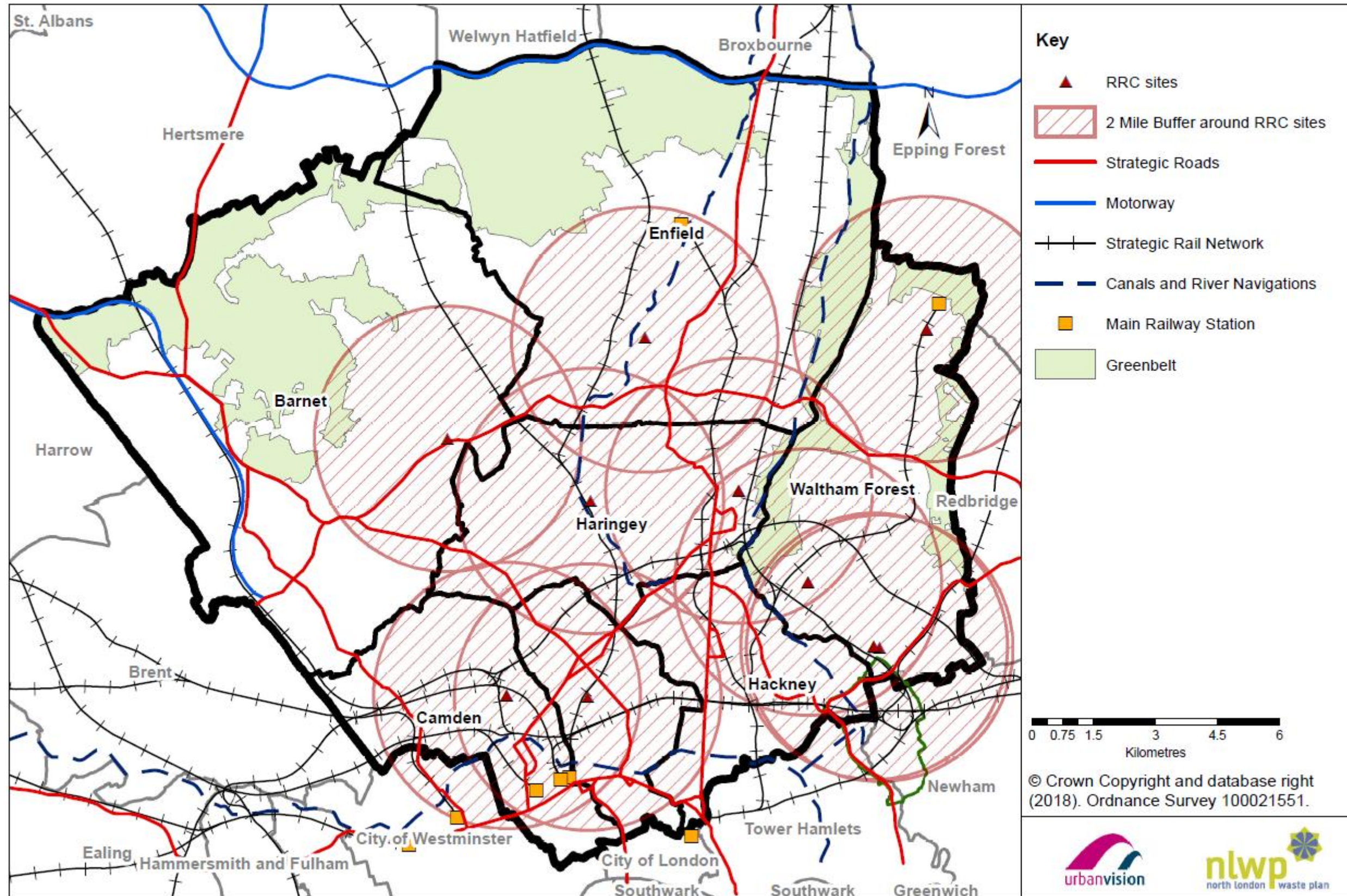
- 4.14 NPPW requires waste plans to identify opportunities to co-locate facilities together and with complementary activities, including end users of waste outputs such as users of fuel, low carbon energy/heat and recyclable wastes. These opportunities are also associated with a move towards a more circular economy. WRAP defines the Circular Economy as *an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life*⁷. The European Commission has published its Circular Economy package⁸, while in London the London Waste and Recycling Board has published a Circular Economy route map⁹.
- 4.15 There are several benefits of co-location of facilities. Co-location has the potential to minimise environmental impacts, take advantage of ‘economies of scale’, share infrastructure, existing networks (e.g. the rail and highway network) and skilled workforces. The concentration of waste facilities in the Lee Valley corridor provides the most promising opportunities for co-location with existing facilities. Notwithstanding this, NPPW requires the Plan to take account of the cumulative impact of existing and proposed waste disposal facilities on the well-being of the local community.
- 4.16 There are also co-location opportunities related to other industrial activities synergistic with waste management, for example the manufacturing of products from recycled materials and the development of a more circular economy. Existing waste facilities are already employing this approach as exemplified by the industries developing around the Edmonton EcoPark (Enfield) and the Plan seeks to build on the momentum by supporting this approach as a key element of the spatial framework and identifying which areas have potential for co-location.
- 4.17 Opportunity Areas, Housing Zones and the route of Crossrail 2 could also be factors when considering co-location of facilities. These schemes are likely to intensify development, especially near to stations, and there are both resulting opportunities and threats for existing waste facilities and land identified as suitable for waste uses. The opportunities include waste facilities supplying energy to new developments and new waste facilities being incorporated into the schemes, for example an anaerobic digestion facility to deal with household food waste, and consolidation or relocation of waste uses. Risks include new uses displacing waste facilities due to

⁷ <http://www.wrap.org.uk/content/wrap-and-circular-economy>

⁸ Circular Economy Package http://ec.europa.eu/environment/circular-economy/index_en.htm

⁹ <https://www.lwarb.gov.uk/what-we-do/circular-london/circular-economy-route-map/>

Figure 7: Current Re-use and Recycling Centres (RRC) in North London



incompatibility or impacts of construction. Protection for waste capacity through safeguarding, the agent of change principle and re-provision policies in the London Plan, Local Plans and NLWP Policy 1 will be a key policy tool under these circumstances.

D. Provide opportunities for decentralised heat and energy networks

4.18 The NPPW recognises the benefits of co-location of waste facilities with end users of their energy outputs. The London Plan supports the development of combined heat and power systems and provision of heat and power to surrounding consumers.

4.19 The Key Diagram (Figure 6) shows where facilities could connect to a network ('decentralised heat opportunity area' and 'decentralised energy opportunity area'). There is already a relatively well-advanced plan for decentralised heat network in the Lee Valley and this offers the most promising and realistic possibility within the Plan area. The NLWP supports opportunities to develop combined heat and power networks on sites and areas, within the Lee Valley, south Barnet and elsewhere (see Figure 6), that not only have the ability to link in to the decentralised energy network but also have the potential for waste development with Combined Heat and Power. Policy 6 seeks to secure opportunities for the recovery of energy from waste where feasible.

E. Protect local amenity

4.20 The protection of amenity is a well-established principle in the planning system. The NPPW requires the Boroughs to consider the likely impact on the local environment and on amenity when considering planning applications for waste facilities. Amenity includes aural (noise) and visual amenity such as open space, flora, and the characteristics of the locality including historic and architectural assets. Negative amenity impacts also include odour arising from the processing and type of waste being managed.

4.21 The site selection criteria set out in section 8 effectively direct waste management development to the most suitable sites/areas taking into account environmental and physical constraints, including locations where potential amenity impacts can be mitigated to an acceptable degree as well as considering cumulative impacts of additional waste facilities in already well developed areas and areas with a history of waste development. All proposed sites and areas have been subject to assessment in the Sustainability Appraisal and the Habitats Regulation Assessment and the findings fed into the policy recommendations

4.22 The protection of local amenity has been considered during the assessment of sites/areas to identify those suitable for inclusion in the NLWP. Policy 5 sets out assessment criteria for waste management facilities and deals with protection of local amenity including information requirements to support applications for waste

facilities. The policy's presumption for enclosed as opposed to open air facilities is also important to the application of this principle in terms of air quality and protecting the health of residents.

- 4.23 As outlined within Policy 1, proposals for expansion or intensification of existing waste uses should not unacceptably harm the amenity of occupiers of any existing developments. The onus will be upon the developer of the new proposed development to ensure appropriate mitigation measures are put in place under the agent of change principle.
- 4.24 Policy 3 seeks to ensure that proposals for waste management facilities do not constrain areas undergoing development change, such as new transport or economic regeneration initiatives.

F. Support sustainable modes of transport

- 4.25 The NPPW and the London Plan require Boroughs to identify sites/areas with the potential to utilise modes of transport other than road transport. As Figure 6 shows, North London is well served by road, rail and waterway networks and waste is currently transported into, out of and around North London by both road and rail. But like many industry sectors, road is the main mode of transport for the movement of waste. There are potential opportunities for waste sites to better utilise sustainable modes of transport such as rail and waterways. Movement of waste via more sustainable transport methods is duly supported in line with Objective 7, although this may not always be practicable, especially when costs associated with investment in wharfs and rail sidings and other infrastructure which may be necessary before waste can be moved along the canal or rail network may not be economically viable, especially for smaller facilities. North London currently has one rail linked waste site (at Hendon) supporting the requirements of the NLWA, however this site is due to be redeveloped as part of the Brent Cross Cricklewood regeneration project and the NLWA's need for this railhead has changed. There is a planning application for replacement rail based depot with a different function under consideration. There is also a wharf on the Lee Navigation which potentially could provide future opportunities for transportation by water at Edmonton EcoPark.
- 4.26 Road transport will continue to be the principal method of transporting waste in North London, particularly over shorter distances where this is more flexible and cost effective. Access to transport networks including sustainable transport modes was considered when assessing the suitability of new sites and areas. Rail and road transport is particularly desirable when waste is travelling long distances. Policy 5 considers sustainable transport modes in planning decisions.

5. Current waste management in North London

- 5.1 This section looks at the current picture of waste management in North London, including the amount of waste generated; the current capacity, types and location of facilities; how each waste stream is managed, key targets and cross-boundary movements of waste.

North London Waste Data Study

- 5.2 The Waste Data Study was prepared in July 2014 and updated in July 2015 to inform the Draft NLWP. A further update in 2018 accompanies this Proposed Submission Plan. All versions of the Data Study are available to view on NLWP website (www.nlwp.net). The Waste Data Study is in three parts as shown below, with the date of the most recent version provided in brackets:

- Part One: North London Waste Arisings (2018)
- Part Two: North London Waste Capacity (2018)
- Part Three: North London Sites Schedule (2018)

- 5.3 The Waste Data Study includes the following information for the seven waste streams for which the NLWP plans:

- The amount of waste currently produced in North London;
- How and where the waste is managed;
- The capacity of existing waste infrastructure;
- The waste management targets the NLWP will support; and
- The amount of waste projected to be produced over the plan period (up to 2035) and the extent to which existing facilities can meet this future need.

Waste generated in North London

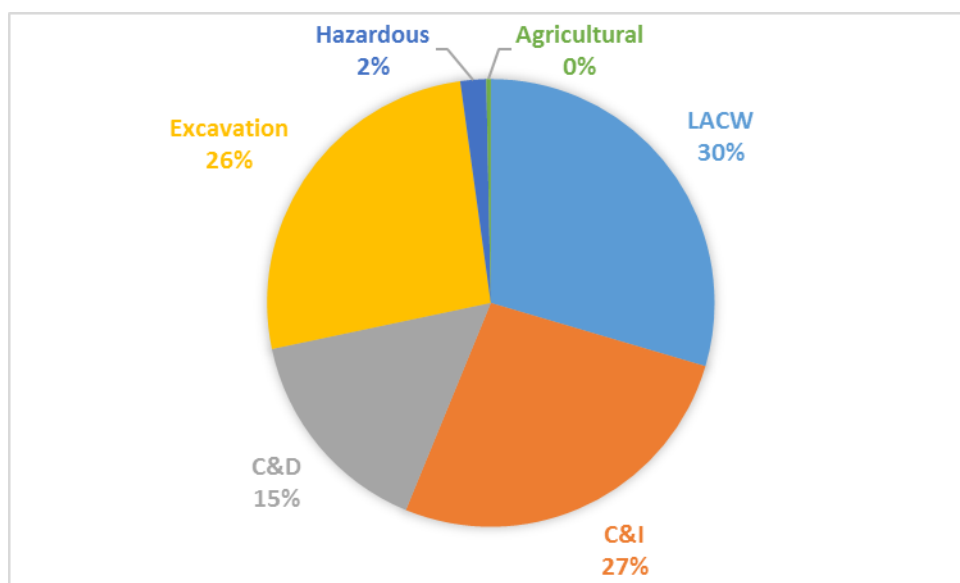
- 5.4 Table 2 below shows the amount of waste generated in North London for the main waste streams using the latest data from 2016. Waste arisings vary from year to year and these figures represent a snapshot in time. Figure 8 shows the proportion of each waste stream as a percentage of the total waste in North London¹⁰.

¹⁰ The data is taken from the Waste Data Study (2016)

Table 2: Amount of Waste Generated in North London, 2016

Local Authority Collected Waste (LACW)	845,776
Commercial and Industrial Waste (C&I)	762,301
Construction and Demolition Waste (C&D)	443,180
Agricultural Waste	9,223
Hazardous waste	54,420
Excavation Waste	747,242
TOTAL	2,861,062

Source: North London Waste Data Study Update 2016

Figure 8: Waste arisings in North London 2016

Source: North London Waste Data Study Update 2018

Existing facilities

- 5.5 Table 3 below shows the existing (2018) waste management facilities in North London by type and waste stream managed and changes in available capacity at known dates when facilities come on stream/close. It identifies an existing waste management capacity of around 4.4 million tonnes per annum, reducing to around 3.8 million tonnes by 2029 as a result of known closure of some existing sites up to

2028¹¹. Figure 9 shows the location of the facilities represented in Table 3 and a full list is in Appendix 1.

Table 3: Maximum Existing Annual Capacity at Licensed Operational Waste Management Facilities at the Start of the Plan Period and a key dates following changes in sites capacities

Waste stream	Facility Type	2018	2026	2029
LACW only	Transfer stations (non-hazardous)	621,222	416,864	416,864
LACW only	Household Waste Recycling Site	100,204	100,204	100,204
LACW only	Composting	35,241	0	0
LACW only	Recycling (MRFS)	276,855	276,855	276,855
LACW only	Incineration with Energy Recovery	550,000	0	0
LACW and CI	Transfer stations (non-hazardous)	206,748	206,748	206,748
LACW and CI	Incineration with Energy Recovery	0	700,000	700,000
LACW, CI and CDE	Transfer stations (non-hazardous)	26,545	26,545	26,545
LACW, CI and CDE	Recycling (MRFS)	16,277	16,277	16,277
CI only	Transfer stations (non-hazardous)	288	288	288
CI only	Recycling (MRFS)	54,632	54,632	54,632
CI only	Treatment facility	2,332	2,332	2,332
CI only	Treatment facility (Hazardous)	64,132	64,132	64,132
CI and CDE	Transfer stations (non-hazardous)	236,245	119,050	119,050
CI and CDE	Recycling (MRFS)	432,538	432,538	432,538
CDE only	Transfer stations (C&D)	364,097	328,014	328,014
CDE only	Recycling (aggregates, other C&D)	980,780	746,840	627,876
Hazardous	Transfer stations (hazardous)	5	5	5
Hazardous	Treatment facility (Hazardous)	3,622	3,622	3,622
CI Specialist	Treatment facility	112,419	112,419	112,419
CI Metals	Recycling (ELVs)	362	362	362
CI Metals	Recycling (Metals)	318,522	318,522	318,522
CI Metals	WEEE	18,657	18,657	18,657
	Total Capacity	4,421,723	3,944,906	3,825,942

¹¹ Some of the planned closures include sites affected by the redevelopment of Brent Cross. It is expected that Barnet will identify new sites for the relocation of these sites in line with the Planning Permission for this development

- 5.6 When considering the overall amount of waste generated identified in Table 2 against the current capacity of waste management facilities in North London identified in Table 3, there appears to be more than enough waste management capacity. However, this does not take into account the specialism of each type of facility or importantly, since North London is a net exporter of waste in terms of tonnage, imports to and exports from the area.
- 5.7 Some facilities in North London have a wider-than-local catchment area and manage waste from outside North London. This includes recycling and treatment facilities, in particular metal recycling and end of life vehicle (ELV) facilities as well as facilities for the processing of CDE in to recycled aggregate products for resale. The extra capacity contributes to achieving net self-sufficiency, or managing the equivalent of the overall quantity of waste within the main categories for North London and London as a whole.
- 5.8 Conversely, North London does not have all the types of facilities necessary to manage all the sub-types of waste arising within the main categories shown in Table 2. For example, there are few hazardous waste facilities and no landfill sites in North London. North London will therefore need to identify sufficient capacity to manage the equivalent amount of this exported waste within its boundary.

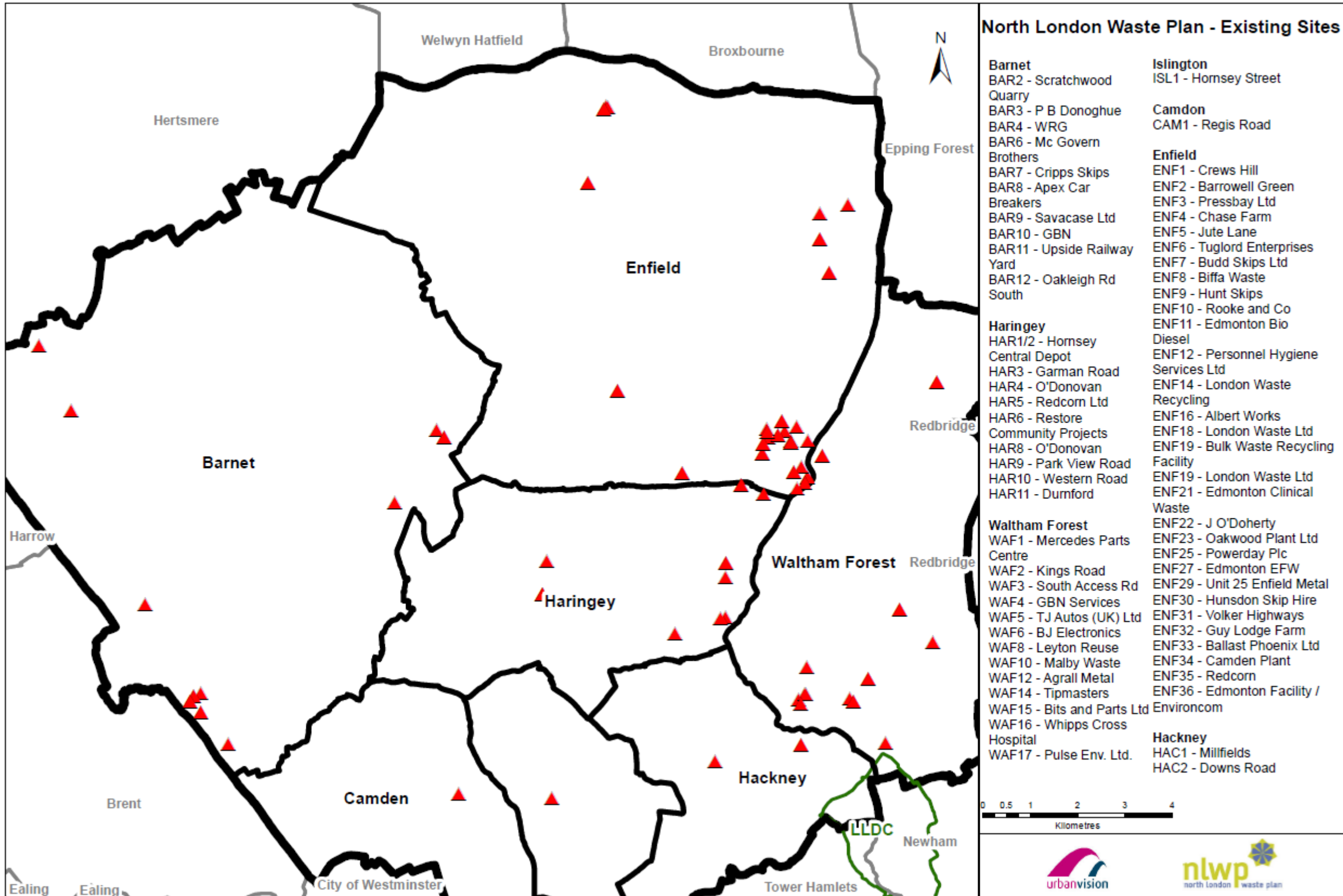
Local Authority Collected Waste

- 5.9 In North London, around 850,000 tonnes of LACW was collected in 2016/17¹². Of this, approximately 26% was recycled, reused or composted. Of the remaining LACW, 60% was sent to NLWA's energy-from-waste facility at Edmonton and 12% was sent to landfill outside of North London.
- 5.10 The NLWA has reported an increase in recycling performance from 23% in 2006/7 to 32¹³% by 2017/18. This is lower than the national average of 43.7% but in line with the London average of around 33%. There are a number of factors which contribute towards lower recycling rates in London than the country as a whole. These include: rapid population growth; a greater transient population than anywhere else in the UK; the greater proportion of flats compared to houses which presents challenges for setting up collection systems for recyclable waste; and proportionately fewer gardens generating lower level of green waste for recycling.

¹² Figures NLWA Annual Monitoring Report 2016-17

¹³ [North London Waste Authority Annual Report 2017/18](#)

Figure 9: Existing Waste Sites



- 5.11 The North London Boroughs and the NLWA are committed to achieving the 50% recycling target set out in the Joint Municipal Waste Management strategy and the London Plan. The North London Boroughs, together with the NLWA, are beginning a renewed drive to increase recycling including looking at ways to standardise collection regimes. In addition, the London Waste and Recycling Board (LWARB) works with London Boroughs to increase recycling rates and supports waste authorities in improving waste management services.
- 5.12 The NLWA's long term waste management solution is based upon the continued use of the existing Edmonton facility until 2025 and the development of a new energy recovery facility on the same site to be operational from 2025 onwards. Further information on how it has informed the NLWP is set out in section 8.
- 5.13 The European Commission has put forward a Circular Economy Package¹⁴. This includes a 65% recycling target for municipal waste (LACW and C&I) by 2030. Notwithstanding the UK leaving the EU, the UK has signed up to delivering these targets as part of Brexit. These revised targets have been built into NLWP waste modelling work as part of the revisions to the Data Study, however the new targets have only been applied to C&I waste as it is assumed no change to the projections of the NLWA at this time.
- 5.14 Waste minimisation seeks to reduce the amount of waste produced by targeting particular behaviours and practices. As shown in Figure 5 in section 3, preventing waste generation in the first place sits at the top of the waste hierarchy.
- 5.15 The London Environment Strategy prioritises resource efficiency to significantly reduce waste and promotes reuse and repair. LWARB's 'Circular Economy route map' exemplifies a move towards a more resource efficient waste service. The route map builds on the 5 focus areas (the built environment, food, textiles, electricals and plastics) and sets out 8 cross cutting themes to ensure the benefits of a circular economy can be achieved across a number of sectors.
- 5.16 The North London Boroughs co-ordinate waste prevention activity through the NLWA's waste prevention plan. The NLWA run waste minimisation activities for schools and communities. These are delivered through the NLWA's "Wise up to Waste" programme and currently focuses on three priority areas: reducing food waste, encouraging a reduction of furniture waste by increasing re-use, and reducing textile waste (both clothing and non-clothing).

¹⁴ European Commission Circular Economy Package http://ec.europa.eu/environment/circular-economy/index_en.htm

Commercial and Industrial Waste

- 5.17 The Waste Data Study has used two methods to identify and project C&I waste. The first is to use data from the Defra C&I Waste Survey 2009 in line with the London Plan to assess the management routes of North London's C&I waste. The second is to use the new method for calculating C&I waste as introduced following the withdrawal of the Defra C&I surveys which uses published data from the EA's WDI. This new method of calculation indicates that 44% of C&I waste is recycled, reused or composted while 33% of this waste stream is sent to landfill and land recovery. A small proportion (6%) of C&I is sent for non thermal treatment with the remainder (17%) sent for thermal treatment with energy recovery. It should be noted that potential reliance on landfill will drop to 10% by 2030 in order to achieve EU statutory targets with recycling and reuse levels increasing to 65%.
- 5.18 Through the London Environment Strategy, the Mayor is seeking to make London a zero waste city with no biodegradable or recyclable waste sent to landfill by 2030 and by aiming to achieve 65% recycling from London's municipal waste, this will be achieved through a 50% recycling rate from LACW by 2025 (Policy 7.2.1) and 75% from business waste by 2030 (policy 7.2.2). The Mayor has also said that he does not expect there to be a need for any new energy from waste capacity if existing planned sites are completed (policy 7.3.2.b). The Mayor has also indicated that he will use his powers to ensure there are sufficient sites to manage London's waste. The Environment Strategy embraces the ideals of the Circular Economy requiring manufacturers to design products to generate less waste and which can be easily repaired, reused and recycled, and the strategy encourages the development of business to facilitate this.
- 5.19 There are a number of national schemes which promote waste minimisation. This includes the [Courtauld Commitment](#) which aims to reduce food waste, grocery packaging and product waste, both in the home and the grocery sector by 20%, the Mayors Environment Strategy seeks to go further by setting a target of 50% reduction per head by 2030.
- 5.20 European Commission Circular Economy Package¹⁵ include increased recycling targets for packaging materials in the commercial and industrial sectors of 65% by 2025 and 75% by 2030. The UK has committed to delivering the Circular Economy targets as part of Brexit.

¹⁵ http://ec.europa.eu/environment/circular-economy/index_en.htm

Construction, Demolition and Excavation Waste

- 5.21 Local planning policies and development industry practice mean a lot of C&D material is managed on site and does not enter the waste stream. A total of 443,180 tonnes of C&D waste and 747,243 tonnes of excavation waste was produced in North London in 2016. The largest proportion of C&D waste arising in North London is managed via recycling (73%) and treatment (20%) facilities, with 7% sent directly to landfill. Recycling rates of C&D waste are high due to the nature and value of the material. Excavation materials are primarily disposed of directly to landfill (53%) with the remainder managed through transfer stations (28%) or sent for treatment (19%). The London Plan includes a target of 95% recycling of CD&E by 2020.

Hazardous Waste

- 5.22 FA total of 53,420 tonnes of hazardous waste was produced in 2016, of this waste 40% was managed at treatment facilities, of which the majority was exported for treatment outside of North London. The next most common method of management was recovery (20%), with a further 16% being managed at landfill. Of the total hazardous waste arisings, 53,107 tonnes (99.4%) of waste was exported out of North London for management. It is not unusual for hazardous waste to travel outside the area to specialist facilities which tend to have a wider catchment area.
- 5.23 There are a number of initiatives in place to ensure better implementation of EU waste legislation, including on hazardous waste. None of the circular economy proposals referred to 5.13 announced by the European Commission in December 2015 will affect the NLWP strategy for hazardous waste.

Agricultural Waste

- 5.24 A total of 9,223 tonnes of Agricultural waste was produced in 2016, with only 125 tonnes being identified as being managed off site. The majority of agricultural waste arisings are managed within the limited number of farm holdings within the Plan area, with a very small amount managed offsite through commercial waste facilities. As such, the NLWP does not seek to identify sites for additional facilities to manage this waste stream; any facilities which do come forward on farm land would be considered against Policy 3 'Windfall sites'.

Low Level Non-Nuclear Radioactive Waste

- 5.25 The very small amount of Low Level Non-Nuclear Radioactive Waste (LLW) arising in North London, mainly from hospitals, is currently managed outside of the area in specialist facilities. Records of LLW in the sub-region indicate that there are currently 16 sites producing LLW as waste water, with a number of the amounts generated being below the reporting threshold, which is measured in terms of radioactivity.

Waste Water and Sewage Sludge

- 5.26 Waste Water Treatment Works in North London are operated by Thames Water. The main Thames Water Waste Water/sewage treatment facility in North London is Deephams Sewage Treatment Works (STW), which is the ninth largest in England. The site is to be retained and improved for waste water use and planning permission has been granted for an upgrade to the sewage sludge treatment stream. Thames Water anticipates that the recently approved upgrade to Deephams STW will provide sufficient effluent treatment capacity to meet their needs during the plan period. Further details can be found in section 8.

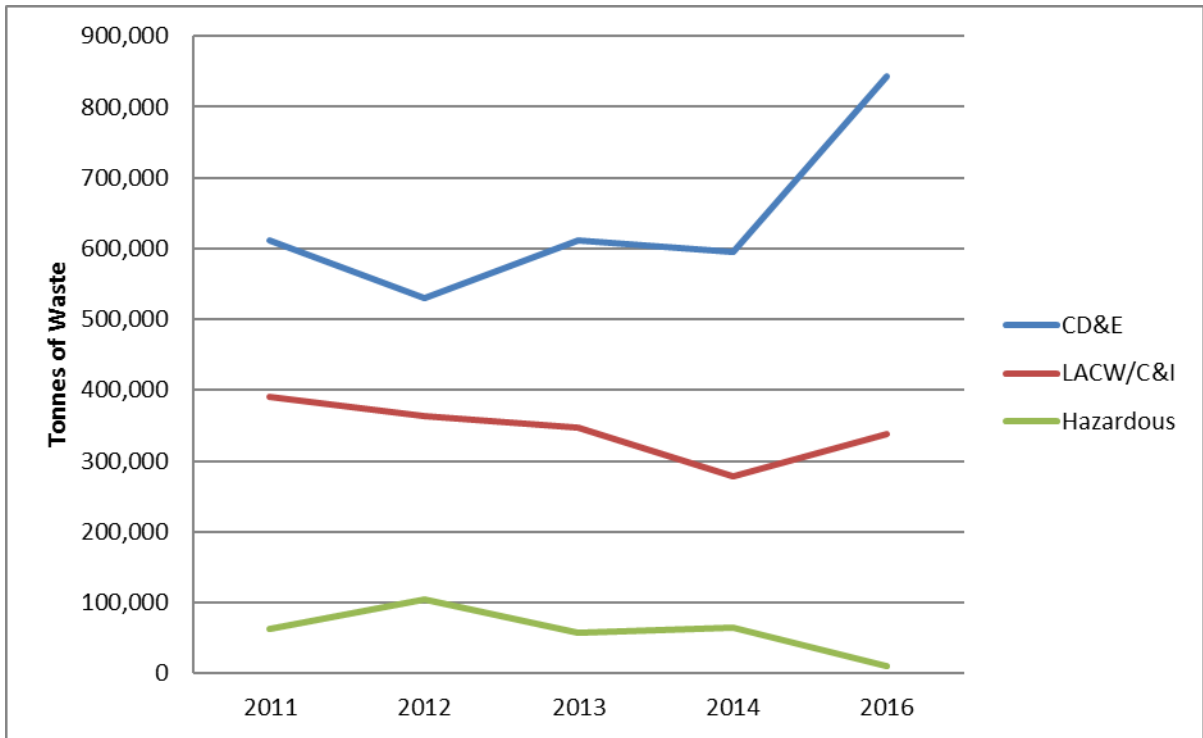
Cross Boundary Movements (exports and imports)

- 5.27 In 2016, 1,201.964 tonnes of waste was exported from North London, 56% of which went to landfill. Exports in the LACW/C&I category have been steadily declining in recent years, however an increase was shown in 2016. This is consistent with the waste strategies of the London Mayor and the North London Waste Authority which aim to reduce the amount of waste going to landfill. Exports of CD&E waste generally follow patterns of waste arising, so when more CD&E waste is generated, more is exported. This pattern is shown in Table 4 and Figure 10 below.

Table 4: Waste exported from North London 2011-2016

Type of waste	2011	2012	2013	2014	2016
CD&E	610,864	530,025	611,902	595,203	843,856
LACW/C&I	390,226	362,950	347,206	278,050	337,836
Hazardous	62,473	103,884	58,216	64,193	10,352
Total	1,063,563	996,859	1,017,324	937,446	1,201,964

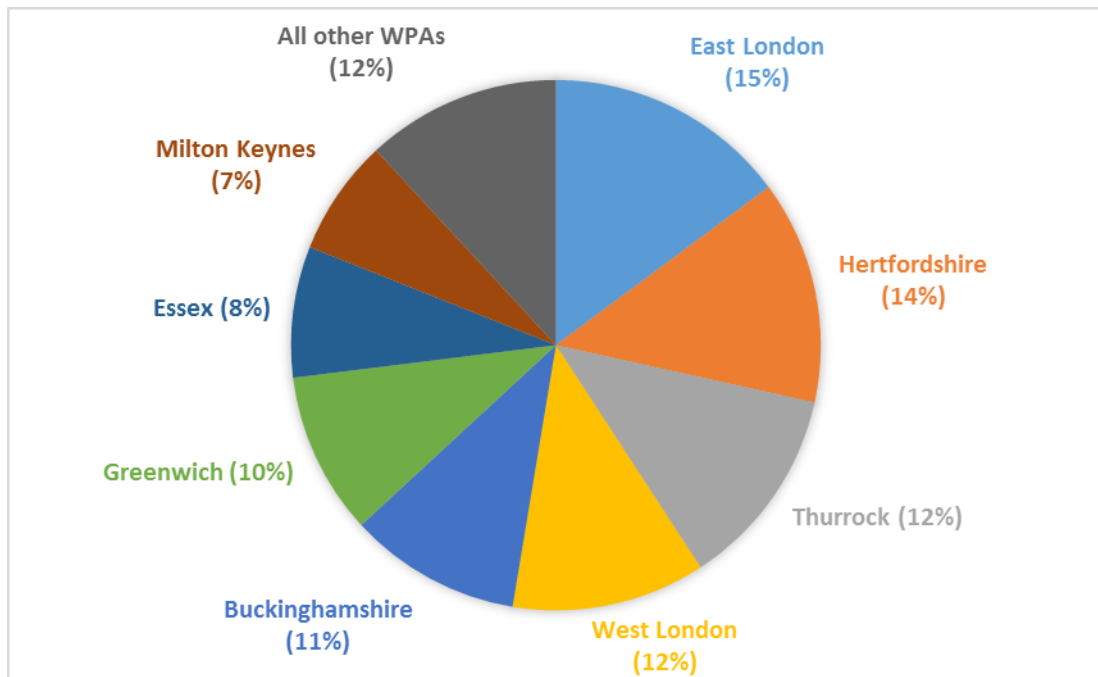
Figure 10: Waste exported from North London 2011-2016



Source: WDI 2011-2016

5.28 During 2013-2016 waste exports from North London were deposited in more than 70 different waste planning authority areas but the majority (88%) went to eight main destinations. These are shown in the Figure 11 below:

Figure 11: Distributions of Waste Exports from North London



Source: WDI 2013-2016

- 5.29 In 2016, around 1 million tonnes of waste was imported in to North London. Most of the imported waste comes from immediate neighbours in Greater London, the South East and East of England and is managed in transfer stations, treatment facilities and metal recycling sites
- 5.30 As part of discharging the 'duty to co-operate', the North London Boroughs have contacted all waste planning authorities (WPA) who receive waste from North London to identify any issues which may prevent waste movements continuing during the plan period. A Report on the duty to co-operate, issues identified and next stages accompanies this Plan and is available on the NLWP website.
- 5.31 Engagement to date has identified a constraint to the continuation of waste exports to landfill from North London relating to the scheduled closure of landfill sites during the plan period. Details can be found in the paper, Exports to Landfill 2017-2035, on the NLWP website (www.nlwp.net), though the operation of some of these sites may be extended beyond their currently permitted end date. The boroughs will continue to monitor this information throughout the preparation of the NLWP, and after it is adopted as reflected in the monitoring framework in section 10.
- 5.32 Nonetheless, as set out in the exports to landfill paper, alternative capacity at other potential destinations has been identified for the amount of waste currently being exported to those sites earmarked for closure during the plan period. The paper shows that there are both alternative sites and adequate void space in London, South East and East of England to take North London's 'homeless' waste between 2018 and 2035.
- 5.33 A further constraint for the continued export of waste has been identified with regard to hazardous waste, namely a lack of detailed data on where it ends up. This type of waste is managed in specialist facilities which have wide catchment areas and therefore may not be local to the source of the waste. North London has one hazardous waste treatment facility with a capacity of around 3,600 tonnes per annum and two recycling facilities; one for metals and one for end of life vehicles handling around 2,500 tonnes per annum between them. The treatment facilities handle a small proportion of North London's hazardous waste (less than 1% in 2016) while the rest (99.4%) is exported. In addition, some facilities, whilst not classified as hazardous waste facilities, are permitted to manage a certain amount of hazardous waste alongside non-hazardous wastes. These include car breakers and metal recycling sites, WEEE sites as well as RRCs which will accept, for example, paints and batteries which require specialist treatment and disposal.
- 5.34 While the export of the majority of hazardous waste to the most appropriate specialist facilities is likely to continue, current data collection methods do not identify the hazardous waste facilities in question. The boroughs will continue to engage with the Environment Agency and waste planning authorities in receipt of hazardous waste from North London, including seeking to identify any constraints to the continued export of this waste. Should any constraints come to light, such as

anticipated closure of a facility, the boroughs will seek to identify potential new destinations with capacity for managing compensatory amounts. The North London Boroughs will pursue agreement on this matter with recipient waste planning authorities through a statement of common ground.

- 5.35 The North London Boroughs will continue to co-operate with relevant authorities on matters of strategic waste planning throughout the preparation of the NLWP and once the Plan is adopted.

6 Future Waste Management Requirements

Context

- 6.1 In line with the NPPW and the London Plan, the NLWP must identify sufficient waste management capacity to meet the identified waste management needs of North London over the plan period.
- 6.2 It follows that a key part of the development of the NLWP is to identify how much waste will be produced during the plan period, how this will be managed, what capacity is required and whether there is sufficient capacity already available. The NLWP must also consider how changes in the waste management behaviours, practices and technologies may influence this.

Targets for waste managed within North London

- 6.3 The North London Boroughs have statutory duties to meet recycling and recovery targets and the NLWP will need to be ambitious in order to achieve European Union, national, regional and local targets. These targets are as follows:

Table 5: Recycling and Recovery Targets with 2016 Baseline

Waste stream	Target	2016 baseline
LACW	50% recycling for LACW by 2025 (contributing to 65% recycling of municipal waste by 2030)	29%
C&I	75% recycling by 2030 (contributing to 65% recycling of municipal waste by 2030)	52%
C&D	95% recycling by 2020	50-60%
Biodegradable or recyclable waste	Zero biodegradable or recyclable waste to landfill by 2026	Not known

Options for managing North London's waste

- 6.4 In accordance with the NPPF (paragraph 35) to ensure the NLWP is justified, a range of options were tested as part of the consideration of reasonable alternatives for managing North London's waste leading to selection of the preferred strategy. The scenarios considered looked at a range of options for recycling from maintaining the status quo to seeking to maximise opportunities for recycling in line with the targets

set out in Table 5 above, the latter option being the most popular option and taken forward. Along with this a number of options were also considered in relation to waste growth over the plan period and what impact that would have on waste growth, again 3 approaches were modelled looking at no growth, growth in line with the London Plan for C&I and CDE waste – with LACW growth being in line with that of the NLWA for all options, a minimised growth was also modelled but was not considered in line with the growth planned for in the London Plan, as such growth was modelled in line with the London Plan. An Options Appraisal Report (2018) has been prepared which provides more detail on each of the options considered and provides information on the different scenarios including how much waste would be generated over the plan period (incorporating economic and population growth assumptions), how much waste could be managed within North London (capacity strategy), and how this waste should be managed (management strategy) for each of the options considered. The preferred option identified in the Options Appraisal¹⁶ has been carried through to the NLWP. The preferred option seeks to achieve growth in line with the London Plan and to deliver the targets set out in the Mayor’s Environment Strategy.

Chosen Approach

- 6.5 The chosen approach for the NLWP following the option appraisal can be summarised as follows:

<p>Chosen Approach for planning for North London’s waste</p> <p>Population/Economic Growth in line with London Plan forecasts</p> <p>+ Maximising Recycling</p> <p>+ Net self-sufficiency for LACW and C&I by 2026 and C&D by 2035</p> <p>= Quantity of waste to be managed</p>
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- 6.6 It is considered that this approach provides the most robust modelling scenario to project future capacity gaps, taking account of existing/planned capacity, and waste management needs.

Meeting the Capacity Gap

- 6.7 Table 6 below sets out the capacity gap broken down in to 5 year periods over the NLWP plan period. The capacity gap is the difference between tonnage associated with existing and planned waste management capacity (see Table 3 – section 5) and the quantity of waste to be managed over the plan period (see the chosen approach set out above). This method identifies whether there is adequate or surplus

¹⁶ Available on the NLWP website

capacity, or a requirement for additional facilities. Table 6 sets out the capacity gaps for each management route. Negative figures indicate a capacity gap and therefore the type of management route for which capacity is sought over the plan period. The boxes that are not highlighted denote where 'surplus' capacity exists.

Table 6: Capacity gaps throughout the Plan period –chosen option

Waste function and stream managed	2018	2025	2030	2035
Landfill (C+I and LACW)	-114,496	-112,951	-114,726	-119,392
Landfill (Hazardous)	-12,741	-12,741	-12,741	-12,741
Landfill (C+D)	-26,534	-23,683	-24,664	-25,685
Landfill (E)	-405,634	-429,334	-447,106	-465,613
Energy from waste (LACW,C&I)	-47,167	-1,438*	3,280	-9,190
Energy from waste (Hazardous)	-53	-53	-53	-53
Thermal Treatment (without energy recovery) (AGR)	-32	-32	-32	-32
Thermal Treatment (Hazardous - no energy recovery)	-2,476	-2,476	-2,476	-2,476
Recycling (C+I and LACW)	-95,461	-207,611	-256,906	-288,570
Recycling (CD&E)	393,108	73,829	-72,993	-102,005
Recycling (specialist material)	331,997	331,673	331,430	331,177
Recycling (Hazardous)	-16,838	-16,838	-16,838	-16,838
Treatment plant (C&I CD&E)	-85,564	-50,667	-57,514	-64,645
Treatment Plant (Hazardous)	46,437	46,437	46,437	46,437
Land recovery	-9,098	-9,098	-9,098	-9,098
Transfer Station	1,555,349	1,233,796	1,233,796	1,233,796
Transfer Station (Hazardous)	5	5	5	5

Source: NLWP data study model 2016

6.8 The capacity gap figures in tonnage of waste have been converted to waste management land requirement using data from evidence gathered and evaluated on typical capacity and land take for each type of facility. The Data Study (2018) available on the website (www.nlwp.net) provides a fuller explanation. Table 7 below sets out the amount of land required within North London to meet the capacity gaps identified in Table 6 for the chosen approach of net self-sufficiency for LACW, C&I and C&D waste streams.

Table 7: Land take requirements for meeting net self-sufficiency for LACW, C&I and C&D (requirements for London Plan apportionment in brackets)

Facility Type	Hectares				
	2018	2025	2030	2035	Total
Recovery (C&I/LACW)	1 (1)				1(1)
Recycling (C&I)	1(1)	1(1)		1	3(2)
Recycling (C&D)	0	0	2	0	2
Recycling (Hazardous)	2				2
Treatment HIC, CDE	1				1
TOTAL land required in North London	5 (2)	1 (1)	2 (0)	1 (0)	9 (3)

6.9 Although Table 7 identifies a need for recovery facilities for C&I waste, this need is immediate and declines over the plan period to when the Edmonton Energy Recovery Facility is completed. For this immediate need to be met facilities would need to be in place now, or at least in planning, which is not the case. Therefore it is highly probable that this need will not be met and that C&I waste requiring recovery will continue to be exported in the short term. As highlighted earlier the Mayor's Environment Strategy states that the Mayor does not want any additional energy from waste capacity over the plan period as existing sites should be able to meet the needs of all municipal waste arisings. The main need identified is for the provision of construction and demolition recycling facilities in order that the 95% recycling target for this waste stream can be achieved. There is also a requirement throughout for additional recycling facility to manage the increasing levels of recycled waste expected from the C&I waste stream reflecting the 75% recycling target in order to achieve the Environment Strategy target of 65% from municipal waste (LACW and commercial waste). A further 1ha is identified for additional treatment facilities for LACW, C&I and CDE.

6.10 A capacity gap equivalent to two hectares of land has been identified for meeting North London's hazardous waste management need over the plan period, a small requirement of less than 2,500 tonnes per annum has also been identified for recovery of hazardous waste, but this figure is considered too small to plan for. While the North London Boroughs support the provision of hazardous waste facilities in appropriate locations, it is acknowledged that these facilities generally operate for a wider-than-local catchment area due to their specialist nature. The Boroughs will

therefore work with the GLA and other boroughs across London to identify and meet a regional need.

- 6.11 The Data Study concludes that over the NLWP plan period there are capacity gaps for C&I, CD&E and Hazardous waste, and that North London will require additional facilities to meet these. In relation to the gap for Hazardous waste, the North London Boroughs will contribute to the planning for hazardous waste facilities at a regional level and through the identification of areas within North London that may be suitable for hazardous waste facilities. Additional land is not required to accommodate new facilities for Low Level Non-Nuclear Radioactive Waste (LLW), Agricultural Waste or Waste Water/Sewage Sludge during the plan period. More information about how each waste stream will be managed can be found in the Provision for North London's Waste to 2035 (section 7).

7. Provision for North London's Waste to 2035

- 7.1 The North London Boroughs have developed the following strategic policy which sets out in broad terms how the waste management needs in North London over the plan period are being planned for

Strategic Policy for North London's Waste

The North London Boroughs will identify sufficient capacity and land for the provision of waste facilities to manage the equivalent of 100% of waste arisings (net self-sufficiency) for Local Authority Collected Waste (LACW) and Commercial & Industrial (C&I) waste by 2026 and Construction & Demolition (C&D) waste by 2035, including hazardous waste. The North London Boroughs will plan to manage as much of North London's excavation waste arisings within North London as practicable. To achieve this, the North London Boroughs will plan to manage the quantities of waste set out in Table 8 over the next 15 years.

The North London Boroughs will encourage development on existing and new sites and that promotes the movement of waste up the waste hierarchy, increases management of waste as close to the source as practicable, and reduces exports of waste to landfill.

The North London Boroughs will continue to co-operate with waste planning authorities who receive significant quantities of waste exports from North London.

- 7.2 Existing capacity and additional new capacity will be needed to meet North London's identified need for waste management over the plan period (2020-2035). Existing waste capacity in North London is safeguarded and set out in Schedule 1 (see Appendix 1) and land for new waste facilities is set out in Schedule 2 (see Policy 3). The focus for new waste capacity in North London is for recycling and recovery facilities to manage the quantities of waste set out in Table 8, thereby reducing exports.
- 7.3 Table 8 sets out the quantities of waste, by waste stream, which need to be managed within North London in order to meet the policy for net self-sufficiency target for LACW and C&I waste by 2026 and C&D waste by 2035, including hazardous waste. Table 8 also takes account of the policy to manage as much of North London's excavation waste arisings within North London as practicable. The quantities of waste take into account population and economic growth and waste targets including net self-sufficiency, apportionment, recycling and landfill diversion, set out in the London Plan. The North London Boroughs are planning to meet more than their apportionment targets and to manage the waste arisings for North London set out in the London Plan. Further details of the methodology to estimate waste arisings is available in the NLWP Data Study (2018).

Table 8: Amount of waste to be managed within North London 2018-2035

Waste Stream		2018 (tonnes)	2022 (tonnes)	2027 (tonnes)	2032 (tonnes)	2035
Estimated Waste arising		2,773,054	2,880,209	2,952,840	3,028,636	3,357,725
Net self-sufficiency	LACW	967,755	991,619	1,004,001	1,017,548	1,026,176
	C&I	774,768	800,321	833,451	867,949	889,332
	C&D	450,429	465,284	484,544	504,601	517,032
	Hazardous	53,421	53,421	53,421	53,421	53,421
Excavation		353,831	365,501	380,631	396,386	406,151
Agricultural		9,223	9,223	9,223	9,223	9,223

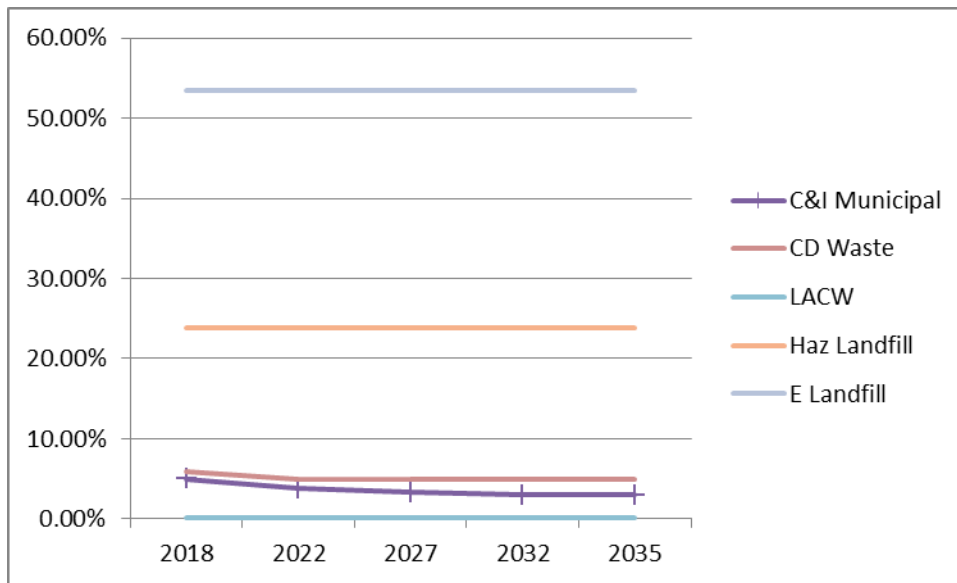
7.4 The North London Boroughs will monitor the NLWP against the quantities of waste set out in Table 8 to ensure the strategic policy is being delivered. Monitoring indicators are set out in Section 10 of this plan.

7.5 To enable waste planning authorities outside London to plan for North London's waste exports, Table 9 shows projected exports to landfill outside the North London area. The figures represent waste which cannot be prepared for reuse, recycled/composted, or used for other recovery and therefore has to be exported to landfill. The North London boroughs will plan to manage the equivalent amount of exported waste within North London through waste imports however, in reality, some of North London's waste will continue to cross borders to be managed or disposed of in facilities which North London does not or cannot accommodate, such as landfill or specialist hazardous waste facilities.

Table 9: Projected exports from North London to landfill 2018-2035

Waste Stream	2018 (tonnes)	2022 (tonnes)	2027 (tonnes)	2032 (tonnes)	2035
Excavation	405,634	419,012	436,356	454,419	465,613
C&I	112,496	109,868	111,666	114,569	117,392
C&D	26,534	23,114	24,071	25,067	25,685
LACW	2,000	2,000	2,000	2,000	2000
Hazardous waste	12,741	12,741	12,741	12,741	12,741
Total	559,405	566,735	586,834	608,796	623,431

Figure 12: Predicted Landfill Exports as a % total Waste Stream.



7.6 The North London Boroughs have engaged with each of the main recipients of North London's waste to landfill and identified if there are planning reasons why similar exports of waste cannot continue over the plan period, for example the planned closure of a site. This work is set out in *North London Exports to Landfill 2017-2032* (2018). The North London Boroughs have established that there are sites and available void space in London, South East and East of England to take North London's estimated waste exports to 2035. The Boroughs will continue to co-operate with waste planning authorities who receive North London's waste, and mechanisms for monitoring waste movements after the NLWP is adopted are set out in in section 10.

7.7 The following section sets out how North London's will meet its strategy for waste to 2035 in more detail, setting out each waste stream and management method separately.

Local Authority Collected Waste (LACW) and Commercial & Industrial Waste (C&I)

7.8 Local Authority Collected Waste (LACW) and Commercial and Industrial (C&I) waste streams comprise similar types of waste. The NLWP identifies sufficient land to manage the equivalent of all LACW and C&I waste arising in North London by 2026.

Recycling/Composting

7.9 The North London Waste Authority (NLWA) is seeking to achieve a household waste recycling target of 50% by 2020 consistent with the targets set out in the North London Joint Waste Strategy. The Authority and partner boroughs will continue to seek to maximise recycling levels for LACW.

- 7.10 There is a need for additional capacity for recycling for both LACW and C&I waste streams throughout the plan period. As many facilities can manage both waste streams, the need for recycling is combined.
- 7.11 In addition to recycling, the existing composting facility at Edmonton will be displaced due to the development of the new Energy Recovery Facility. The NLWA are not intending to build a replacement facility to meet this requirement. Current contracts exist to export this waste outside the Plan area.

Recovery

- 7.12 Most LACW is managed at the Edmonton EcoPark facility which has an existing capacity of around 550,000tpa. It is intended that the existing Edmonton facility will be modified to enable connection to a heat network. The facility does not currently accept C&I waste from private operators.
- 7.13 The existing Edmonton facility will be replaced in 2025. The NLWA have gained consent for a new Energy Recovery Facility (ERF) with capacity of around 700,000 tonnes per annum to deal with all the residual waste under the control of the Authority from 2025 until at least 2050. The planning framework for this site includes the Edmonton EcoPark Supplementary Planning Document and emerging Central Leaside Area Action Plan.
- 7.14 As the existing EfW facility at Edmonton does not currently treat C&I waste, there is an immediate capacity gap for recovery of C&I waste amounting to 1ha of land as identified in Table 7. However, as no such facilities are currently in the pipeline, it is likely the waste will continue to be exported in the short to medium term until 2025. After this time, the recovery requirement of C&I waste can be met by the new Edmonton ERF to the end of the plan period in line with the objectives of the Mayors Environment Strategy 2018

Transfer

- 7.15 NLWA manage three waste transfer stations in North London namely the Hendon Rail Transfer Station (Barnet), Edmonton Ecopark Transfer Station (Enfield) and the Hornsey Street Transfer Station (Islington). The Hendon Rail Transfer Facility in Barnet is being relocated due to the Brent Cross Cricklewood development and a planning application is currently under consideration for the new location within Barnet.

Landfill

- 7.16 North London has no landfill sites and depends on capacity outside the Plan area. The NLWA intend to minimise the amount of LACW sent direct to landfill by maximising recycling and ensuring the existing EfW facility can sufficiently manage the expected tonnage of North London's residual waste up to 2025. Much less waste will be exported to landfill from 2017/18 due to changes in contractual arrangements and virtually no LACW will go to landfill by 2026.

- 7.17 It is anticipated that some C&I waste will continue to be exported to landfill throughout the plan period, although this will be a decreasing quantity as new facilities become operational and recycling levels increase.
- 7.18 The North London Boroughs have established that there are landfill sites in London, South East and East of England able to take North London's waste between 2017 and 2035. See Figure 12 for the anticipated decline in landfilling of North London's waste over the plan period.

Construction, demolition and excavation waste (CD&E)

- 7.19 The NLWP will identify sufficient land to manage the equivalent of all Construction and Demolition (C&D) waste arising in North London by 2035, while acknowledging that some exports will continue, particularly for Excavation waste.

Recycling

- 7.20 The majority of C&D waste is recycled on site or through transfer facilities. Each Borough Local Plan has a sustainable design and construction policy in place which seeks to minimise waste generated during the design and construction of development and re-use or recycling of materials on-site where possible.
- 7.21 North London has a number of transfer facilities which also recycle CD&E waste but a large quantity is still exported to landfill, mainly excavation waste. Recycling opportunities are likely to be mainly for C&D wastes although around 28% of excavation waste is also recycled within North London, with 53% being disposed of directly to landfill and 19% through treatment facilities. Taking account of the diversion of C&D waste away from landfill, the Data Study has identified a capacity gap of around 67,000 tonnes per annum from 2029, rising to around 102,000 tonnes per annum by 2035 . Provision will be needed throughout the plan period.
- 7.22 A total of 2 hectares of land will be required to facilitate this provision. Opportunities to re-use CD&E waste locally will be supported, though this cannot be predicted with any certainty. Policy 8 'Inert Waste' seeks to ensure that any planning application for the recycling and reuse of inert waste for all types of development demonstrates that viable opportunities to minimise construction and demolition waste disposal will be taken, making use of existing industry codes of practice and protocols, site waste management plans and relevant permits and exemptions issued by the Environment Agency.

Landfill

- 7.23 North London has no landfill sites and depends on capacity outside the NLWP area. Some of the CD&E waste stream, particularly excavation waste, will continue to be exported to landfill unless opportunities materialise to re-use it locally. It is anticipated that C&D waste exports to landfill will reduce over the plan period while excavation waste exports will increase in line with growth.

- 7.24 The North London Boroughs, working with waste planning authorities who receive CD&E waste from North London, have identified constraints to the export of this waste and have established that there are both alternative landfill sites and adequate void space in London, South East and East of England to take North London's waste between 2017 and 2035. See Figure 12 for the anticipated decline in landfilling of North London's waste over the plan period.

Hazardous Waste

- 7.25 All the waste streams include some hazardous waste. Some facilities in North London, whilst not classified as hazardous waste management facilities, are permitted to manage a certain amount of hazardous waste alongside non-hazardous wastes. Hazardous waste is more commonly managed in specialist facilities which have and depend on wide catchment areas for their economic feasibility, and may not be local to the source of the waste. Planning for hazardous waste is a strategic issue (regionally and arguably nationally rather than sub-regional) and it is not anticipated that land for facilities would be identified to meet the requirements of North London alone, though the areas identified in the NLWP have been assessed for their potential suitability for such facilities.

Recycling and Recovery

- 7.26 North London has one hazardous waste treatment facility with a capacity of around 3,600 tonnes per annum and two recycling facilities; one for metals and one for end of life vehicles handling around 2,500 tonnes per annum between them. In addition, other facilities permitted to manage hazardous waste include car breakers and metal recycling sites, WEEE sites as well as RRCs which will accept, for example, paints and batteries which require specialist treatment and disposal. Such sites will continue to make a valuable contribution to managing North London's hazardous waste requirements.
- 7.27 There is a capacity gap for the recovery of around 2,500 tonnes per annum, this is considered too small a figure to plan for provision of a new facility and as such a specific land requirement is not identified for this management option. There is a requirement for recycling of around 17,000 tonnes per annum, requiring an estimated 2ha of land. The North London Boroughs support the provision of such facilities in appropriate locations and will work with the GLA and other Boroughs across London to meet this need. It is noted in the sites and area profiles in Appendix 2 of the NLWP where a site or area is not suitable for hazardous waste recycling and recovery facilities. Any applications for hazardous waste facilities in North London that do come forward will be considered on a case by case basis. However, in the short term it is likely that hazardous waste will continue to be exported to the most appropriate specialist facilities.

Landfill

- 7.28 The need for export to landfill of around 13,000 tonnes per annum, is expected to continue due to inability of the area for provide this type of facility. The North London Boroughs will continue to work with waste planning authorities who receive

hazardous waste from North London to identify constraints to the continued export of this waste and identify potential new destinations if necessary.

Agricultural Waste

- 7.29 The small amount of agricultural waste generated in North London is not expected to increase over the plan period and there is no requirement to plan for additional facilities to manage this waste stream.

Low Level Radioactive Waste

- 7.30 The very small amount of Low Level Non-Nuclear Radioactive Waste (LLW) arising in North London is produced as wastewater and disposed of through foul sewer and it is expected that this will continue. Any more specialist waste which may be produced would need to be managed outside the area in specialist facilities. It is therefore not necessary to plan for additional facilities in North London for this waste stream.

Waste Water

- 7.31 The main Thames Water sewage treatment facility in North London is Deephams Sewage Treatment Works (STW), operated by Thames Water. Work to upgrade this facility was completed in 2017. Thames Water anticipates this will provide sufficient effluent treatment capacity to meet its needs during the plan period. Thames Water is also proposing an upgrade to the sewage sludge treatment stream at the site which will be sufficient to meet its needs during the plan period. It is therefore not necessary to identify additional land for this waste stream in the NLWP, however any new facility for waste water will be assessed against Policy 8.

8. Sites and Areas

Context

- 8.1 This section sets out the approach to identifying sufficient land for future waste management facilities in North London to ensure the delivery of the identified capacity requirements. Sections 3-6 of the NPPW set out the approach Local Plans should take to identify future waste requirements over the plan period and this has been used to help develop the approach to identifying future locations for waste development in North London. Assessment criteria have been developed using waste planning policy and in consultation with key stakeholders in a series of focus groups..
- 8.2 The NLWP identifies a number of areas to meet future waste needs. An 'area' comprises a number of individual plots of land, for example, an industrial estate or employment area that is in principle suitable for waste use but where land is not specifically safeguarded for waste. The NPPW and the draft London Plan endorse the identification of "sites and/or areas" in Local Plans. The approach is also supported by the waste industry and key stakeholder in consultation. It was initially intended to also identify sites within the NLWP, i.e. individual plots of land that would be safeguarded for waste use. However, only one site was brought forward by landowners during the call for sites exercises and no further sites are required for the management of LACW. As a result, only areas have been identified.

Expansion of existing Waste Management Facilities

- 8.3 Existing waste management facilities are also a key part of future provision. A call for sites exercise in 2014 targeted existing waste operators in North London, seeking information on any planned capacity expansion or upgrades to existing facilities. Three sites were put forward: Edmonton EcoPark, Deephams Sewage Treatment Works and Powerday in Enfield. Any applications for expansion or consolidation of existing waste management sites will be considered against NLWP policies and those of the Borough Local Plan in which the proposal is situated. A further exercise was also undertaken in 2018 but no new sites were put forward for expansion.

Edmonton EcoPark

- 8.4 In November 2014 the NLWA announced plans for the development of a new Energy Recovery Facility (ERF) - the North London Heat and Power Project - on their existing site at the Edmonton EcoPark in Enfield. This will replace the existing Energy from Waste (EfW) plant at the EcoPark that is coming to the end of its operational life.

- 8.5 A Development Consent Order (DCO) has been approved by the Secretary of State for the new ERF which will manage the treatment of the residual element of LACW during the NLWP plan period and beyond. The replacement facility, expected to be operational from 2025, will generate power for around 127,000 homes and provide heat for local homes and businesses as part of a decentralised energy network known as the Lee Valley Heat Network, trading as *energetik*.
- 8.6 The NLWA's DCO allows for the loss of the composting plant at the Edmonton EcoPark site in 2020 to make way for the new ERF facility to be built whilst maintaining the current EfW operation. The development also includes a Resource Recovery Facility (RRF) including a new Reuse and Recycling Centre (RRC), a relocated transfer hall and a bulky waste/fuel preparation facility on the site.
- 8.7 Once the new facility has been developed, the existing EfW facility will be demolished. The associated parcel of land, on which the current plant is located, will continue to be safeguarded for future waste use, and will become available towards the end of the plan period. The development of Edmonton EcoPark for the new ERF will provide a strategic facility for the NLWP and provide a solution for managing the non-recyclable element of LACW. Delivery of this facility will see the NLWA continue to manage LACW from the North London Boroughs and help reduce the reliance on disposal of waste to landfill. Enfield Council have adopted Edmonton EcoPark Supplementary Planning Document and have submitted the Central Leaside Area Action Plan for independent examination, both of which provide more detail on the planning framework and objectives for this site.

Deephams Sewage Treatment Works

- 8.8 Deephams Sewage Treatment Works is a waste water treatment facility in Edmonton. The works serves a large area of north east London, both inside and outside the M25 corridor. The Environment Agency has issued a significantly tighter environmental permit in respect of sewage treatment standards that came into force in March 2017 and requires Thames Water to make improvements to the quality of the discharged effluent. The need for an effluent upgrade to Deephams Sewage Treatment Works (STW) is highlighted in the National Planning Statement on Waste Water, and planning permission for this work was granted by Enfield Council on 20th February 2015. Work has started and is expected to continue for a minimum of 7 years.
- 8.9 Thames Water is also proposing an upgrade to the sewage sludge treatment stream at Deephams STW during its 2015 to 2020 business plan period by providing enhanced sludge treatment plant within the boundaries of the existing site. Enfield Council will continue work with Thames Water and the Environment Agency to ensure that adequate and appropriate waste water treatment infrastructure is provided. Any new waste water facility will be assessed under Policy 7.

Powerday

- 8.10 Powerday in Enfield is an existing site currently operating as a Waste Transfer Station. Planning permission was granted for an upgrade to a Materials Recovery Facility (MRF) capable of handling 300,000 tonnes of C&I and C&D waste per annum and the new facility was opened in 2015.

Loss and re-provision of existing waste management facilities

- 8.11 Where existing sites need to be relocated, compensatory capacity is required in order to comply with the London Plan, Borough Local Plans and, once adopted, the NLWP. It is known that some capacity will be lost during the plan period. Some of this capacity will be replaced within North London, some outside North London with a net loss to North London but not to London as a whole, and some is as yet unknown. Where such issues are known and new sites have already been sought, this information has been fed in to the Plan process and information has been given in Schedule 1.
- 8.12 The North London Boroughs are aware that the regeneration of Brent Cross Cricklewood redevelopment (BXC) is likely to affect existing waste sites, comprising a NLWA transfer station and three commercial operations. These sites will be redeveloped under the approved planning permission for the regeneration of Brent Cross Cricklewood (Barnet planning application reference F/04687/13). The Hendon Rail Transfer Station (BAR 4) will be replaced as part of the BXC development with a new facility on site S01-BA to meet the NLWA's requirements. The existing facilities at BAR 6 and BAR 7 fall within the land required to deliver the first Southern phase of the BXC regeneration which is anticipated will commence in early 2018. Replacement capacity for these sites will not be provided prior to their redevelopment and therefore replacement capacity will be sought outside of the BXC regeneration area on alternative sites / areas to be identified by the London Borough of Barnet by 2025 in line with the planning permission.

The impact of Crossrail 2 on existing and proposed new areas

- 8.13 Transport for London has been consulting on Crossrail 2. The timetable for a Hybrid Bill submission is at present unknown. Depending on the route selected, some existing waste sites and proposed areas identified as suitable for new facilities might be affected by the scheme.
- 8.14 At the time of publication, only one location (A02-BA-Oakleigh Road) within an Area identified in Schedule 2 New locations for waste management has been identified in the Crossrail 2 [safeguarding directions](#) issued in January 2015. This plot of land (shown in Appendix 2) has been safeguarded in order to deliver part of the construction of Crossrail 2 and will be released after this is completed. However, as the scheme develops and further information is made available on the preferred

route, there could be locations within other Areas, which may be required for the purpose of constructing Crossrail 2, particularly along the West Anglia Mainline. Once known, should applications for waste uses come forward in these locations, they will need to be subject of consultation with TfL and Network Rail as necessary.

8.15 Furthermore, a number of the new Areas identified in Schedule 2 Areas suitable for waste management are in locations close to Crossrail 2 stations and could make a valuable contribution towards realising the wider benefits of Crossrail 2 in terms of both delivering additional homes and supporting wider regeneration. Those Areas which in part may have such a role in the longer term include:

- A12-EN – Eley’s Estate
- A22-HR – Friern Barnet Sewage Works
- A19-HR – Brantwood Road
- A21-HR – North East Tottenham

8.16 Known information on Crossrail2 is detailed further in the site profiles in Appendix 2 and in the proformas in the Sites and Areas Report.

8.17 In line with the NLWP approach to Opportunity Areas and Housing Zones as set out in section 2, any non-waste related development in these locations will need to be brought forward in a way that safeguards existing capacity (see Policy 1) and considers future waste management requirements alongside the need to deliver new homes and more intensive employment uses. Within these locations there is likely to be significant benefit in seeking opportunities to co-locate or consolidate existing waste uses so as to minimise potential conflict and ensure that they can coexist alongside residential and other more sensitive uses.

8.18 As required, the North London Boroughs will work proactively with the GLA and TfL to create proposals which address these issues ensuring that North London’s waste management needs can be met whilst helping to realise the significant opportunities associated with schemes such as Crossrail 2.

8.19 How the impact of Crossrail 2 on the NLWP will be monitored and managed is addressed under Indicator 2 of the monitoring arrangements in section 10.

Site and Area Search Criteria

8.20 The proposed site and area search criteria used in the NLWP site selection process were developed based on the requirements of national waste planning policy. Both planning and spatial criteria were discussed with key stakeholders through a focus group session in spring 2014 . Following the introduction of the NPPW in October 2014, the site search criteria were reviewed to ensure compliance with this document.

Site and Area Search and Selection Process (Methodology)

- 8.21 An extensive site and area search and selection process has been undertaken. Full details of the site selection exercise are set out in the 'Sites and Areas Report' available on the NLWP website. In summary it has involved the following key stages:
- i. Survey of existing waste sites – this involved a detailed review of the existing waste sites, including obtaining information from the operators on their future plans and validation of existing information held regarding their sites. This work indicated that there was insufficient capacity within existing sites to meet the expected waste arisings over the plan period.
 - ii. Call for sites - a call for sites exercise was carried out in two stages. This included targeting existing operators, landowners and other interested parties requesting them to put sites forward for consideration.
 - iii. Land availability search – this was an initial search into the land available in North London that may be suitable for the development of waste management infrastructure. At this stage, all available sites and areas were included in the process in order that the site assessment process for the NLWP could then be applied. The result of this work was to identify a long list of potential sites.
 - iv. Desk based site and area assessment – the long list of sites and areas was then assessed against the selection criteria. As shown in Table 8 below, the assessment criteria were split into two levels, absolute criteria and screening criteria. The absolute criteria were applied first to determine if the identified constraints affected part of the proposed sites and areas, resulting in their removal. The remaining sites and areas were then subject to the screening criteria. The aim of using the absolute criteria was to ensure that those sites/areas which are wholly unsuitable are excluded from further consideration and to identify those which may be suitable.
 - v. Site visits were undertaken in August and October 2014 to check and refine information from the desk based assessment and make a visual assessment of the suitability for different types of waste management facilities as well as the relationship with adjoining development. The information was used to complete the criteria-based assessment to ultimately determine the suitability of the sites/areas for future waste development as well as evaluate the potential facility types.
 - vi. Areas identified as suitable for future waste management facilities were subject to an assessment to calculate the level of capacity they could reasonably be expected to provide. Firstly the proportion of North London's industrial land in waste use was established. This showed the ability of waste

facilities to compete with other land uses in these areas was good and that waste is a growing sector in contrast to declining industries such as manufacturing. Secondly, a review of the vacancy rates and business churn for industrial land was used to estimate the proportion of land within these areas which are likely to become available over the plan period. Further information is available in the Sites and Areas Report.

- vii. Sustainability Appraisal¹⁷ and Habitats Regulation Assessment¹⁸ of sites/areas – all proposed sites have been subject to these assessments and the findings fed into the policy recommendations.
- viii. Consultation with Landowners – Following completion of the above, land owners for all the sites remaining were contacted to seek feedback on the inclusion of their land as a waste site allocation. The findings of this work have further refined the list of sites and further information can be found in the Sites and Areas Report.
- ix. Sequential test – any sites lying within a level 2 or 3 flood risk zone have been subject to sequential testing to assess the potential impact of a waste development in this zone. The results of this work can be found in the Sites and Areas Report.

8.22 The assessment criteria applied to all sites and areas is listed in Table 10 below. The criteria have been used in assessing sites and areas during both the desk based assessment and site visits.

Table 10: Sites and Areas Assessment Criteria

Absolute Criteria	Screening Criteria
<ul style="list-style-type: none"> • Metropolitan Open Land (MOL) • Green Belt (for built facilities) • Grade 1 & 2 agricultural land (part of the Green belt) • Sites of international importance for conservation e.g. Ramsar sites, Special 	<ul style="list-style-type: none"> • Sites of local importance for nature conservation (SINCs) • Flood risk areas/flood plain • Accessibility (proximity to road, rail, canal/river) • Sites greater than 2km from the

¹⁷ Sustainability appraisal is the assessment of the potential impact against an agreed set of social, environmental and economic objectives. It encompasses the requirement of Strategic Environmental Assessment which is a requirement of Europe that all plans undergo.

¹⁸ HRA is a requirement of Europe that all plans are assessed against their potential impact of natura 2000 sites.

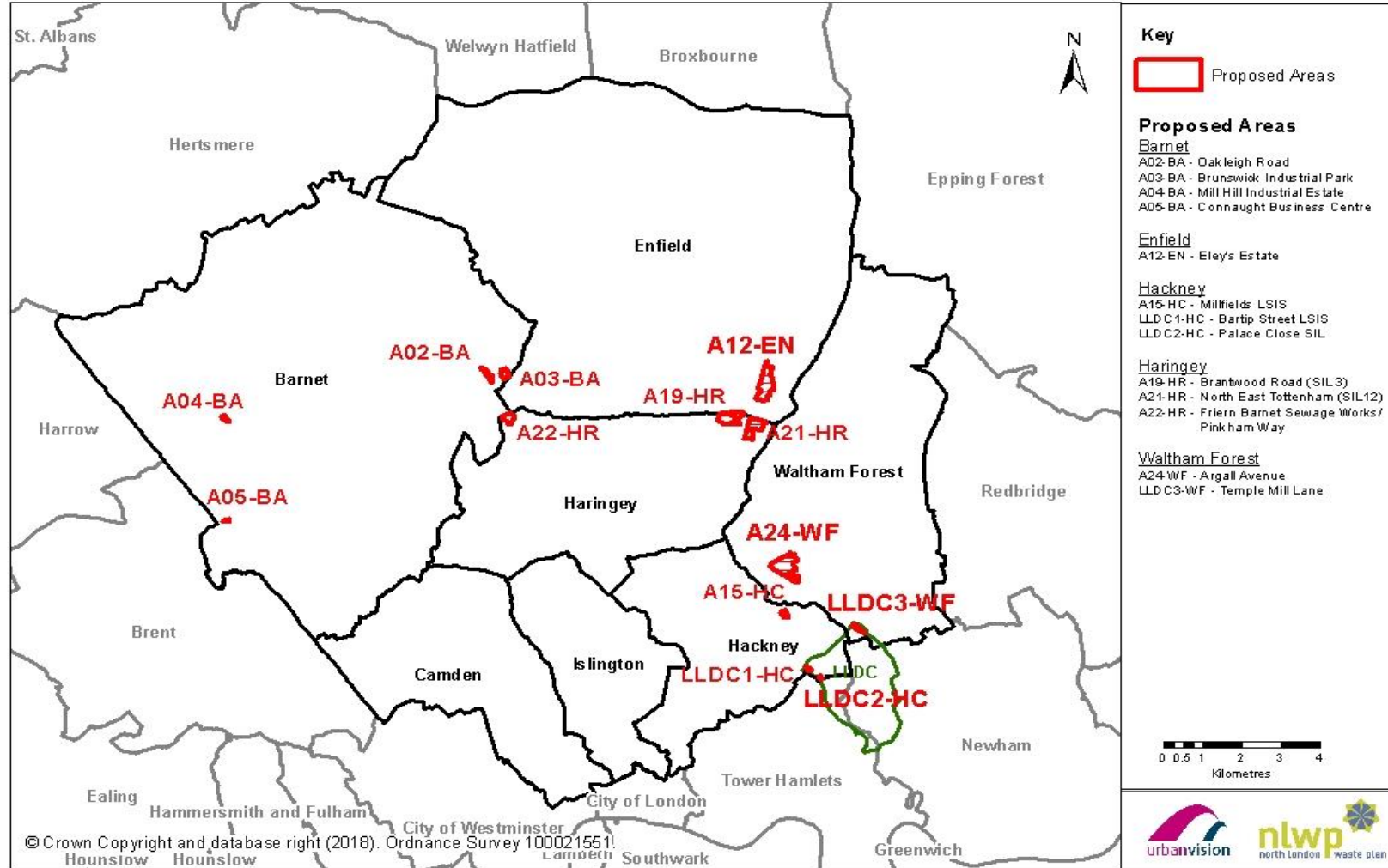
Absolute Criteria	Screening Criteria
<p>Areas of Conservation (SACs) and Special Protection Areas (SPAs)</p> <ul style="list-style-type: none"> • Sites of national importance for conservation e.g. Sites of Special Scientific Interest and National Nature Reserves • Ancient Woodlands • Scheduled Ancient Monuments • Listed Buildings (grade I and II*) • Registered Parks and Gardens (grade I and II*) • Registered battle fields • Areas of Outstanding Natural Beauty (AONB) • Protected open spaces • Landscape designations such as Areas of Special Character (part of the Green Belt) 	<p>primary route network</p> <ul style="list-style-type: none"> • Ground water protection zones • Surface waters • Major aquifers • Airfield safeguarding areas (Birdstrike zones) • Air Quality Management Areas • Unstable land • Green belt (for non-built facilities) • Local Plan designations • Settings of Scheduled Ancient Monuments • Settings of Listed Buildings • Settings of Registered Parks and Gardens (grade I and II*) • Neighbouring land uses • Proximity to sensitive receptors

Draft Plan Consultation

- 8.23 The sites and areas identified as a result of the methodology set out above were consulted on as part of the Draft Plan prepared under Regulation 18 of the Town and Country Planning Regulations 2012.
- 8.24 In preparing this (Proposed Submission) version of the NLWP, and deciding which sites and areas to take forward, the North London Boroughs took into account national and regional policy, the aims of the NLWP and consultation responses on the Draft Plan, including issues raised around deliverability and other constraints. Further work was undertaken to gather and assess additional information on the proposed sites and areas received during the consultation or as a result of new data being published.

- 8.25 The North London Boroughs developed a range of reasonable options for taking forward sites and areas in the Proposed Submission version of the plan. The preferred option was to take forward land designated as industrial land and high-performing (Band B) sites/areas, while achieving a better geographical spread by reducing the number of sites identified in Enfield. This focus on industrial land and the highest performing areas helps to locate waste facilities away from residential properties, as far as this is possible in an urban area like North London. Further details are set out in Options Appraisal for Sites and Areas to be taken forward in the Proposed Submission NLWP (2018).
- 8.26 The areas, shown in Figure 13 (see also Schedule 2 in section 9), have been identified as suitable for built waste management facilities.. The areas are being put forward as they comply with the NLWP Spatial Framework which is reflected in the site selection criteria, as well as a range of environmental, social and economic criteria set out in the Sustainability Appraisal Scoping Report. During the course of the plan, it is expected that land will become available as part of the business churn. Any proposals for waste facilities within the areas will be subject to planning permission. No provision is made for landfill due to the inability of the Plan area to accommodate development of landfill.

Figure 13: Location of proposed new areas



9 Policies

- 9.1 The policies set out in this section will form part of each Borough's 'development plan' which also includes the Mayor's London Plan and individual borough Local Plans (see Figure 2). All planning applications for waste uses will be assessed against the following NLWP policies and other relevant policies in the development plan and any associated Supplementary Documents (SPD)/guidance. Any proposals for waste development will be expected to take account of the full suite of relevant policies and guidance.
- 9.2 The NLWP policies will help deliver the NLWP's aim and objectives (section 3), Spatial Framework (section 4) and the Strategy Policy for North London's Waste (section 7). The supporting text sets out why the particular policy approach has been chosen, any alternatives considered and how the policy will be implemented.
- 9.3 The policies are:
- Policy 1: Existing waste management sites
 - Policy 2: Locations for new waste management facilities
 - Policy 3: Windfall sites
 - Policy 4: Re-use & Recycling Centres
 - Policy 5: Assessment criteria for waste management facilities and related development
 - Policy 6: Energy recovery and decentralised energy
 - Policy 7: Waste Water Treatment Works and Sewage Plant
 - Policy 8: Control of Inert Waste

Policy 1: Existing waste management sites

Policy 1: Existing waste management sites

All existing waste management sites identified in *Schedule 1: Existing safeguarded waste sites in North London*, and any other sites that are given planning permission for waste use, are safeguarded for waste use.

Expansion or intensification of operations at existing waste sites will be supported where the proposal is in line with relevant aims and policies in the North London Waste Plan, the London Plan, Local Plans and related guidance.

Applications for non-waste uses on safeguarded waste sites will only be permitted where it is clearly demonstrated to the satisfaction of the relevant borough that

compensatory capacity will be delivered in line with the spatial framework on a suitable replacement site in North London, that must at least meet, and, if possible, exceed, the maximum achievable throughput of the site proposed to be lost and help to promote the increased geographical spread of waste sites across the plan area.

Development proposals in close proximity to existing safeguarded waste sites or sites allocated for waste use which would prevent or prejudice the use of those sites for waste purposes will be resisted under the agent of change principle unless design standards or other suitable mitigation measures are adopted to ensure that the amenity of any new residents would not be significantly adversely impacted by the continuation of waste use at that location or suitable compensatory provision has been made for the waste use elsewhere within the Plan area.

This policy helps meet strategic objectives SO2 and SO3

This policy contributes towards Spatial Framework components A and C

- 9.4 The purpose of Policy 1 is to ensure that the existing waste capacity in North London is protected and is able to expand where appropriate. It applies to sites with existing operational waste facilities, and any other sites developed for waste use throughout the plan period.
- 9.5 *Schedule 1: Existing safeguarded waste sites in North London* is in Appendix 1. The London Plan requires boroughs to protect their existing waste capacity and each North London Borough is safeguarding this land through their Local Plan and Policies Map. The contribution currently made by these facilities, and their future contribution, is taken into account in the estimation of how much additional waste management capacity is needed throughout the plan period, so it is important to protect these existing facilities to ensure there is sufficient capacity available to meet identified needs over the plan period. If existing facilities were lost and the capacity not replaced elsewhere in North London, this would result in additional waste capacity being required to meet the identified need and achieve net self-sufficiency.
- 9.6 Planning applications for expansion of existing waste facilities will be supported where they are in alignment with policies in this Plan and with Borough Local Plans.
- 9.7 If, for any reason, an existing waste site is to be lost to non-waste use, compensatory provision will be required within North London. Replacement provision will be calculated using the maximum achievable throughput (tonnes per annum) that the site has achieved as set out in the EA Waste Data Interrogator. Maximum throughput for existing sites 2009-2016 can be found in the [Data Study Part 3: Sites Schedule Report](#) Tables 1-7: Assessment of existing waste management capacity. This information is sourced from the Environment Agency's Waste Data Interrogator. Applicants will need to demonstrate that provision of replacement capacity is secured before permission is granted for an alternative use. This could be through a

compensatory site of a suitable size to meet at least the maximum annual throughput or an increase of capacity in an existing facility. However, it may not be necessary for replacement sites to be on a 'like for like' basis, for example, a new site with a larger capacity might replace a number of sites with individually smaller, but combined equivalent, capacity.

- 9.8 Compensatory provision should be delivered in accordance with the spatial framework and such proposals will need to demonstrate compliance with Policy 3 (Windfall sites) and 5 (Assessment Criteria for waste management facilities and related development) of the NLWP. The area of search for a replacement site should be within North London. As set out within Section 4, a key Spatial Principle of the NLWP is to establish a geographical spread of waste sites across North London, consistent with the principles of sustainable development. The aim is to ensure that waste is managed efficiently and as close to its source as possible whilst minimising any negative cumulative impacts resulting from a high concentration of waste facilities. Avoiding an unduly high concentration of waste facilities in a location is consistent with the overarching objectives of sustainable development, identified within the NPPF and would leave land available for other uses. The most suitable location for the re-provision of a site lost to non-waste development may therefore not necessarily be within the same north London borough as the displaced site. Adequate evidence of compensatory provision will be required to the satisfaction of the local planning authority before planning permission for redevelopment proposing loss of a facility is granted.
- 9.9 Any sites that come forward and receive planning permission for waste development which are implemented in the lifetime of the NLWP will be regarded as existing waste sites in North London and safeguarded under the provisions of this Policy (1).
- 9.10 Policy 1 also seeks to protect existing and permitted waste sites from the influence of an incompatible use in close proximity prejudicing the continuation or further development of waste operations at that location. Waste facilities have an important role to play in ensuring that communities are sustainable. Identifying and safeguarding suitable sites for waste facilities is challenging with issues relating to public amenity, access, hydrology, and geology, amongst others, to consider. In addition, waste is a relatively 'low value' land use which, although capable of competing with other industrial type uses, cannot outbid higher value uses. The introduction of sensitive types of development nearby, such as housing, could have an adverse impact on the continued operation of the existing sites in North London and their ability to provide sufficient waste capacity as well as helping meet waste recycling, diversion and recovery targets. This would undermine the anticipated capacity of the network of existing facilities across North London to manage waste and consequently the overall deliverability of the NLWP. The NPPF and the draft London Plan sets out the 'Agent of Change' principle. This principle places the responsibility of mitigating the noise impact (from existing noise-generating

businesses) on the proposed new development. Developers proposing non-waste development in close proximity to existing waste sites should be aware of the potential impacts on existing waste operations and plan this into their development so as not to prevent or prejudice the continued waste use in that location, otherwise such developments will not be permitted. Accordingly proposed non-waste developments should be designed to protect both the amenity of potential new residential developments and the existing waste operation within that area.

Policy 2: Locations for new waste management facilities

Policy 2: Locations for new waste management facilities

Areas listed in *Schedule 2: Areas suitable for waste management* and *Schedule 3: Areas identified in LLDC Local Plan* are identified as suitable for built waste management facilities.

Applications for waste management development will be permitted on suitable land within the areas identified in Schedule 2 subject to other policies in the North London Waste Plan, the London Plan and Local Plans, and related guidance.

Development proposals will need to manage waste as far up the waste hierarchy as practicable.

Applications for waste management development within the areas identified in Schedule 3 will be assessed by the London Legacy Development Corporation.

This policy helps meet strategic objectives SO1, SO2, SO3 and SO5

This policy contributes towards Spatial Framework components B and F

Table 11: Schedule 2 Areas suitable for waste management

Area ref	Area Name	Area (ha)	Borough	Waste Facility Type				
				A	B	C	D	E
A02-BA	Oakleigh Road	0.99	Barnet	X		X		X
A03-BA	Brunswick Industrial Park	3.9	Barnet	X				X
A04-BA	Mill Hill Industrial Estate	0.9	Barnet	X				X
A05-BA	Connaught Business Centre	0.9	Barnet	X				X
A12-EN	Eley's Estate	26.1	Enfield	X	X	X	X	X
A15-HC	Millfields LSIS	1.48	Hackney			X		
A19-HR	Brantwood Road	16.9	Haringey	X			X	X
A21-HR	North East Tottenham	15.32	Haringey	X			X	X
A22-HR	Friern Barnet Sewage Works/	5.95	Haringey	X	X			X

Area ref	Area Name	Area (ha)	Borough	Waste Facility Type				
				A	B	C	D	E
	Pinkham Way							
A24-WF	Argall Avenue	26.91	Waltham Forest	X	X			X

Table 12: Schedule 3 Areas identified in LLDC Local Plan

Area ref	Area Name	Area (ha)	Borough	Waste Facility Type				
				A	B	C	D	E
LLDC1-HC	Bartrip Street	0.6	Hackney	X				X
LLDC2-HC	Chapman Road (Palace Close)	0.33	Hackney	X				X
LLDC3-WF	Temple Mill Lane	2.1	Waltham Forest	X	X			X

- 9.11 Policy 2 identifies areas and their suitability for a range of built waste management facilities. National and European requirements state that waste plans must identify locations where future waste development may take place. In addition, the London Plan requires boroughs to allocate sufficient land to provide capacity to manage apportioned waste.
- 9.12 The NLWP data study has identified capacity gaps for waste management during the plan period for the preferred option of net self-sufficiency. The purpose of Policy 2 is to ensure that sufficient land is identified to accommodate built waste management facilities to deal with these identified capacity gaps for North London.
- 9.13 The NLWP identifies several areas to provide land suitable for the development of waste management facilities. Each 'area' comprises a number of individual plots of land, for example, an industrial estate or employment area that is in principle suitable for waste use but where land is not safeguarded for waste. The identification of areas suitable for waste uses, subject to detailed site assessment at planning application stage, will help to achieve net self-sufficiency whilst encouraging co-location of facilities and complementary activities (an objective of the NPPW and Spatial Framework).
- 9.14 The areas are considered to be in the most suitable, sustainable and deliverable locations in North London for new waste management facilities when assessed against a range of environmental, economic and social factors and the Spatial Framework.
- 9.15 The site profiles in Appendix 2, indicate the size of each area, the type of facility likely to be accommodated on the area, and any mitigation measures which may be required. Developers should be aware that any type of facility listed as potentially

suitable is subject to consideration against the full suite of relevant local planning policies/guidance.

- 9.16 The ability of areas to accommodate a range of types and sizes of waste management facility is important to the flexibility of the Waste Plan. Table 13: Key to Waste Management Facility Types contains a full list of the types of facilities which were considered when assessing sites and which may be required over the plan period to meet the identified capacity gap. The facility types identified are broad categories which may come forward over the plan period. The order of facility types reflects their place in the waste hierarchy, with categories A and B at the 'recycling' level and C-E at the 'other recovery' level. Applicants should take account of this order when responding to the second criteria of Policy 2 which requires development proposals to manage waste as far up the waste hierarchy as practicable.
- 9.17 The NLWP recognises that currently emerging or unknown waste management technologies, not listed in Table 13 'Key to Waste Facility Types', may be proposed on allocated sites and within identified areas during the plan period as new ways of treating waste come to the fore. As with all proposals, those for waste management technologies not listed will be assessed against the relevant NLWP policies, policies in the London Plan, Borough Local Plan policies and related guidance.

Table 13: Key to Waste Management Facility Type

	Facility type
A	Recycling
B	Composting (including indoor / in-vessel composting)
C	Integrated resource recovery facilities / resource parks
D	Waste treatment facility (including thermal treatment, anaerobic digestion, pyrolysis / gasification, mechanical biological treatment)
E	Waste transfer

- 9.18 A full assessment of the suitability of the area for a facility type should be prepared by the developer to inform any development application for waste use. This will allow for a more detailed analysis and consideration of potential impacts associated with a specific proposal at the planning application stage.
- 9.19 In North London the most likely options for waste management will be recycling and recovery. The test of whether the proposed management is acceptable in terms of the waste hierarchy will be based on the type of waste and the treatment proposed and demand.
- 9.20 It is not within the remit of the NLWP to directly allocate sites/areas within the London Legacy Development Corporation (LLDC) planning authority area; this falls to

the LLDC Local Plan. Therefore Schedule 4 sets out separately those areas identified in the LLDC Local Plan as being potentially suitable for built waste management facilities.

Policy 3: Windfall Sites

Policy 3: Windfall Sites

Applications for waste development on windfall sites outside of the sites and areas identified in Schedules 1,2 and 3 will be permitted provided that the proposal can demonstrate that:

- a) the sites and areas identified in Schedules 1, 2 and 3 are not available or suitable for the proposed use or the proposed site would be better suited to meeting the identified need having regard to the Spatial Principles;
- b) the proposed site meets the criteria for built facilities used in the site selection process (see Table 10 of Section 8 of the NLWP) the proposal fits within the NLWP Spatial Framework, and contributes to the delivery of the NLWP aim and objectives;
- c) future potential development including Opportunity Areas identified in the London Plan, and transport infrastructure improvements such as West Anglia Main Line, Four Tracking and Crossrail 2 would not be compromised by the proposals,;
- d) it is in line with relevant aims and policies in the NLWP, London Plan, Opportunity Area Planning Frameworks, Local Plans and related guidance; and
- e) waste is being managed as far up the waste hierarchy as practicable

This policy helps meet strategic objectives SO2 and SO3

This policy contributes towards Spatial Framework components B

- 9.21 The purpose of this policy is to ensure that development for new waste facilities on sites which do not form part of the planned strategy in the NLWP make a positive contribution to managing waste in North London. Windfall sites refer to locations which are not identified in Schedules 1-3 of this Plan. Windfall sites will cater for the needs of new waste facilities as well as those of displaced facilities lost under proposals considered under Policy 1. Windfall sites will also need to comply with Policy 5 which applies to all proposed waste developments.
- 9.22 The site search process for suitable potential locations for waste facilities has been extensive, thorough, and subject to public consultation, Equality Impact Assessment (EQIA), Sustainability Appraisal (SA) and Habitats Regulations Assessment (HRA). However, there remains a possibility that sites not identified in the plan i.e. windfall

sites may be brought forward by operators or landowners for waste development over the plan period.

- 9.23 Developers of windfall sites are required to demonstrate why the sites and areas in Schedules 1, 2 and 3 are not available or suitable or that the proposed site would be better suited to meeting the identified need having regard to the Spatial Principles of the NLWP. There may be instances in the future where advances in waste technologies are such that the identified sites/areas do not meet the technical requirements of a proposed waste management facility, for example, the identified locations might be too small for the proposed development or the facility may need to be located near a specific waste producer or user of heat. Some of the areas identified in Policy 2 may become unavailable over the Plan period because they will be used for other purposes or affected by future development proposals such as Crossrail 2 and Opportunity Areas. Locating certain types of waste processing sites within large scale redevelopment areas may also have benefits for reducing need for waste transport especially during the construction phase for the management of CDE. In addition, it is also recognised that proposals on windfall site may come forward to provide capacity for displaced facilities from within the plan area where existing capacity needs to be re-provided locally and this need cannot be met through the existing allocations.
- 9.24 Proposals for waste development on windfall sites will be supported where the proposal would not compromise existing planning designations and where the impacts on communities and environment can be satisfactorily controlled. This should not work against the principle of balanced geographical distribution as set out in the Spatial Framework.
- 9.25 Proposals for waste development on windfall sites should be in line with the London Plan, the NLWP, and Local Plans adopted by the North London boroughs. Proposals for waste facilities on windfall sites will need to demonstrate compliance with the same planning and spatial criteria (Table 10, section 8) used for the identification of sites and areas in the NLWP, and any other relevant material considerations, including the assessment criteria as set out within policy 5. The windfall sites policy has been developed to ensure that any unplanned development contributes positively to future waste capacity in the plan area while not undermining the approach to development set out in the NLWP, the London Plan and Local Plans. Any waste development brought forward on a windfall site must meet the same high level of sustainability as the areas identified through the site selection process.
- 9.26 Applications for waste developments on windfall sites will need to demonstrate how the application supports delivery of the NLWP and assists in the aim of net self-sufficiency by providing capacity that addresses the requirements of North London to manage more of its own waste or in providing replacement capacity for an existing facility which has been displaced. In line with the aim and objectives of the

plan, planning applications will need to demonstrate that there will be social, economic and environmental benefits from the development and that amenity will be protected.

- 9.27 Historically, waste development has been concentrated within the east and west of North London. Policy 3 provides an opportunity to develop a wider network of sites across the area, in line with the Spatial Framework. This policy allows new sites to come forward across the area where demand and commercial opportunity arise helping to provide a wider spread of facilities across the plan area in future.
- 9.28 There will be mixed use developments across North London within the period of the NLWP. The revised London Plan sets out a framework for development of new housing and employment together with the ancillary development necessary to sustain that development. Crossrail 2 will impact considerably on north London as mixed use development is expected to accumulate around Crossrail 2 stations.
- 9.29 In large scale redevelopment areas across the boroughs there is opportunity to plan for waste uses to form part of the master-planning process. In this way it should be possible to design-out any potential land use conflicts with non-waste uses in close proximity and support the agent of change principle as promoted by the London Plan. In such areas it may also be beneficial to allow temporary sites that can manage CDE waste generated as part of the redevelopment, subject to licencing and planning requirements.
- 9.30 In areas which contain a mixed use of employment and housing, suitable waste uses are likely to be re-use, repair or recycling uses. The following issues need special considerations when designing waste facilities into a mixed use area as part of the master planning process.
- How to minimise visual and acoustic nuisance from the site to residential properties and other uses, including utilising suitable screening , building orientation including avoiding residential units overlooking waste operations or vehicle site access points, and use of appropriate building materials.
 - Impact of odour, dust, litter on local amenity – An Environmental Management Plan to be submitted in support of a planning application to be applied to prevent such impacts from becoming a nuisance;
 - Access and traffic – consider the most appropriate route and timing for vehicles to access the waste facility and separation of access to avoid conflict with traffic and access associated with neighbouring uses.

These issues are considered in more detail in policy 5 including a presumption that waste uses will be enclosed.

- 9.31 The test of whether the proposed operations are acceptable in terms of the waste hierarchy will be based on the type of waste and the treatment proposed and demand.

Policy 4 – Re-use & Recycling Centres

Policy 4 – Re-use & Recycling Centres

Proposals for Re-use & Recycling Centres will be permitted where:

- a) They are sited in an area of identified need for new facilities in Barnet or Enfield or elsewhere where they improve the coverage of centres across the North London Boroughs, and;
- b) They are in line with relevant aims and policies in the North London Waste Plan, London Plan, Local Plans and other related guidance.

This policy helps meet strategic objectives SO1, SO2 and SO3

This policy contributes towards Spatial Framework components B

- 9.32 Re-use & Recycling Centres (RRCs) provide members of the public with access to a wider range of recycling facilities and they also deal with bulky items. There are currently nine RRCs in North London of which eight are the responsibility of the North London Waste Authority (NLWA). They are safeguarded for waste use under Policy 1. The NLWA has identified areas of deficiency in coverage in parts of Barnet and Enfield and is seeking to address this by providing new or replacement sites so that 95% of residents live within two miles (measured as a straight line) of a facility¹⁹ - see Figure 7 in Section 4. The NLWA is also proposing a new RRC on the Edmonton EcoPark site as part of its current Development Consent Order (DCO) application on the site. The Spatial Framework seeks a network of waste sites across North London and, as part of this aim, to ensure residents have good access to RRCs where there is an identified need.
- 9.33 Re-use & Recycling Centres should be located where they can provide appropriate access for members of the public and for contractors and their vehicles. They are best sited on former waste sites or in areas of industrial or employment land and need to be of a sufficient size for the range and quantity of materials likely to be received. Sites within areas identified in Schedules 2 and 3 Areas suitable for waste

¹⁹ Household Waste Recycling Centre Policy, North London Waste Authority (June 2010)

management are likely to be suitable. There may be scope to provide localised recycling centres as part of major new development.

Policy 5: Assessment Criteria for waste management facilities and related development

Policy 5: Assessment Criteria for waste management facilities and related development

Applications for waste management facilities and related development, including those replacing or expanding existing sites, will be required to demonstrate to the satisfaction of the relevant Borough that:

- a) the amenity of local residents is protected;
- b) the facility will be enclosed unless justification can be provided by the developer as to why that is not necessary;
- c) adequate means of controlling noise, vibration, dust, litter, vermin, odours, air and water-borne contaminants and other emissions are incorporated into the scheme;
- d) there is no significant adverse effect on any established, permitted or allocated land uses likely to be affected by the development;
- e) the development is of a scale, form and character in keeping with its location and incorporates appropriate high quality design;
- f) there is no significant adverse impact on the historic environment (heritage assets and their settings, and undesignated remains within Archaeological Priority Areas), open spaces or land in recreational use or landscape character of the area including the Lee Valley Regional Park;
- g) active consideration has been given to the transportation of waste by modes other than road, principally by water and rail;
- h) there are no significant adverse transport effects outside or inside the site as a result of the development;
- i) the development makes the fullest possible contribution to climate change adaptation and mitigation;
- j) the development has no adverse effect on the integrity of an area designated under the Habitats Directive and no significant adverse effect on local biodiversity or water quality;
- k) there will be no significant impact on the quality of underlying soils, surface or groundwater;
- l) the development has no adverse impact on Flood Risk on or off site and aims to reduce

risk where possible;

- m) appropriate permits are held or have been applied for from the Environment Agency;
- n) there is no adverse impact on health
- o) there are no significant adverse effects resulting from cumulative impact of any proposed waste management development upon amenity, the economy, the natural and the built environment either in relation to the collective effect of different impacts of an individual proposal, or in relation to the effects of a number of waste developments occurring concurrently or successively.
- p) There are job creation and social value benefits, including skills, training and apprenticeship opportunities²⁰.
- q) The proposal is supported by a Circular Economy Statement

This policy helps meet strategic objectives SO4, SO5, SO7 and SO8

This policy contributes towards Spatial Framework component E

9.34 Policy 5 seeks to ensure that the construction and operation of waste facilities does not give rise to an unacceptable impact, or harm the **amenity** of local residents or the environment. Amenity is defined as any element providing positive attributes to the local area and its residents and impacts can include such issues as increased noise disturbance, light impacts including increased light or reduced light or sunlight, reduced privacy, loss of outlook and reduced visual amenity. Applicants will need to demonstrate that appropriate measures have been taken to minimise any potential impacts from the proposed waste development to ensure the protection of local amenity. The specific requirements will vary from site to site, however issues to be addressed may include strict hours of operation, effective cladding on buildings to prevent noise pollution, and dust and odour suppression systems as appropriate. These issues are discussed in more detail below.

9.35 Waste facilities can be separated into '**enclosed**' facilities, where waste is processed inside a building and 'open' facilities, which largely deal with waste in the open air. Waste facilities are often seen as bad neighbours, due to problems associated with open air facilities. It is current best practice that the operations are carried out within a covered building enclosed on all vertical sides with access and egress points covered by fast acting doors which default close in order to minimise local public

²⁰ This requirement is an issue for all development and waste applications should provide details as to how they will meet these objectives.

health and environmental impact. Such enclosed facilities are similar in appearance to modern industrial shed developments such as factories or logistics facilities and it is this type of facility that is the focus of the NLWP site allocations. 'Open' facilities are unlikely to be suitable for North London as outlined in the section 3 of the Plan except in exceptional circumstances. There are types of waste development for specific waste streams or waste types that may not need to or should not be enclosed but any activity likely to cause dust should be carried out within a building or enclosure. Enclosing waste management facilities not only results in less dust and particulate pollution but will also reduce the risk of pollution caused from other amenity issues such as noise, pests and odour. **Noise, vibration, dust, litter, vermin, odours, air and water-borne contaminants**, other emissions and their potential health impacts have been a major concern raised through public consultation. However, well sited, and well managed facilities should not cause harm or disturbance. Details of controls for emissions (including bio aerosols) from the site need to be supplied with the application. Planning conditions and section 106 agreements will be used to secure measures to address any issues where necessary and where control is not already exercised through other consent regimes (i.e. the requirement for environmental permits, which is assessed by the Environment Agency). Applicants will be expected to comply with Borough policies on contaminated land. The North London boroughs require that any development can safely complement surrounding uses.

- 9.36 The North London boroughs expect well controlled and well-designed waste facilities capable of fitting in with **surrounding land uses** and acting as good neighbours. Where development is proposed close to residential areas, in line with the agent of change principle, the design must incorporate noise reduction measures as well as dust and odour suppression as necessary. It should be designed to minimise its impact on the local area and ensure it is compatible with existing surrounding land uses. When assessing planning applications for waste uses, in addition to Policy 5, the boroughs will also have regard to the criteria in Appendix B of the NPPW and relevant London Plan and Local Plan policies. Applicants are required to submit sufficient information to enable the waste planning authority within which the subject site falls to assess the potential impact of the development proposal on all interests of acknowledged importance. Applicants are encouraged to contact the relevant borough prior to submitting a planning application to discuss relevant matters. Where new waste development is being sited near existing waste sites, developers will be expected to consider potential cumulative impacts as well as also demonstrating any possible benefits of co-locating waste development. **Good design** is fundamental to the development of high quality waste infrastructure and the North London boroughs seek approaches that deliver high quality designs and safe and inclusive environments. The documents submitted in support of the planning

application should set out how the development takes on board good practice such as the Defra/CABE guidance on designing waste facilities²¹. The supporting documents should set out how the siting and appearance complements the existing topography and vegetation. Materials and colouring need to be appropriate to the location. The development should be designed to be in keeping with the local area and include mechanisms for reducing highway deposits²², noise and other emissions where necessary.

- 9.37 The supporting documents should set out how landscape proposals can be incorporated as an integral part of the overall development of the site and how the development contributes to the quality of the wider urban environment. The applicant will need to demonstrate that there will be no significant adverse effect on areas or features of landscape, historic or nature conservation value. Where relevant, the delivery of waste facilities (through construction to operation) should take account of the need to conserve and enhance the historic environment in line with the NPPF.
- 9.38 Where sites include, or are likely to have an impact on the setting of a **heritage** asset both designated (Listed Buildings, Conservation Areas, Scheduled Ancient Monuments, Registered Historic Parks and Gardens and Battlefields) and undesignated, including archaeology, it should be demonstrated that the development will conserve the significance of the asset. Where the site has potential to include assets with archaeological interest, such as if it is in an archaeological area identified in a Borough Local Plan or may affect a site recorded on the Greater London Historic Environment Record, an appropriate desk based assessment and, where necessary, a field evaluation, is required to accompany the planning application. Where such an assessment and evaluation confirms significant archaeological interest then appropriate mitigation by design or investigation is also required.
- 9.39 A large part of the Lee Valley Regional Park (1483 ha) falls within four of the North London Boroughs involved in the Plan; Waltham Forest, Haringey, Enfield and Hackney. New development should contribute to the protection, enhancement and development of the Regional Park as a world class visitor destination and the wider public enjoyment of its leisure, nature conservation, recreational and sporting resources. The Lee Valley is a significant resource for North London and

²¹ Designing waste facilities – a guide to modern design in waste, Defra & CABE, 2008

²²This can be achieved through provision of wheel wash facilities etc where required and placing conditions of the applications to ensure all vehicles are covered

developments should not have an adverse effect on the **open space** and character of the area, and should aim to contribute to its enhancement where appropriate.

- 9.40 Waste and recyclables require transportation at various stages of their collection and management and so opportunities to employ more sustainable options such as rail and river should be fully considered. North London is characterised by heavy traffic on all principal roads. That is why developers need to prioritise **non-road forms of transport** if at all possible and to set out their assessment in a Transport Assessment detailing transport issues to be submitted with any planning applications for waste facilities (see below). In North London there exists considerable potential for sustainable transport of waste as part of the waste management process. There are a number of railway lines and navigable waterways in North London including the Regents Canal and the Lee Navigation. It is existing practice to transport waste by train and pilot projects have taken place to transport waste by water. Developers are required to demonstrate that they have considered the potential to use water and rail to transport waste before reliance on transport of waste by road. Where the site lies adjacent to a wharf or waterway, capable of transporting waste, developers need to demonstrate that consideration has been given to the provision and/or enhancement of wharf facilities.
- 9.41 Applicants will need to submit a **Transport Assessment** in line with the relevant borough Local Plan policy and the London Plan. The Transport for London Best Practice Guide contains advice on preparing Transport Assessments when they are required to be submitted with planning applications for major developments in London. Consideration should be given to access arrangements, safety and health hazards for other road users, the capacity of local and strategic road networks, impacts on existing highway conditions in terms of traffic congestion and parking, on-site vehicle manoeuvring, parking and loading/unloading areas, and queuing of vehicles. The statement should include a traffic management plan establishing the times of access for vehicles to minimise disruption on the local road network during peak hours, and setting out specific routes to ensure that vehicles are accessing the site via roads considered suitable by the Highways Authority and, where possible, avoid overlooking of the site access by residential properties.
- 9.42 The development of Servicing and Delivery Plans and Construction Logistic Plans (CLP) will be encouraged for all waste developments. Such Plans ensure that developments provide for safe and legal delivery and collection, construction and servicing including minimising the risk of collision with vulnerable road users such as cyclists and pedestrians. Consideration should be given to the use of Direct Vision Lorries for all waste vehicles and the use of freight operators who can demonstrate their commitment to TfL's Freight Operator Recognition Scheme (FORS) or similar.

- 9.43 Sustainable design, construction and operation of waste management development will be assessed against relevant borough Local Plan policies. Consideration should be given to how the development contributes to the mitigation of and adaption to **climate change**, promotes energy and resource efficiency during construction and operation with the aim of developments being carbon neutral, the layout and orientation of the site and the energy and materials to be used. Developments should achieve the highest possible standard under an approved sustainability metric such as BREEAM or CEEQUAL in line with the relevant borough's policies. Information supplied should enable the borough in question to assess the proposal against relevant planning policies by clearly setting out how the application complies with sustainable design and construction policies and guidance including measurable outputs where appropriate. Where appropriate, production of a site waste management plan should be provided prior to the commencement of construction of the development.
- 9.44 Waste developments should be designed to protect and enhance local **biodiversity**. Development that would have an adverse effect on any area designated under the Habitats Directive will not be permitted. Assessments undertaken for the Plan have identified sites of European Community importance within and nearby the Plan area. Sites at least partially within the Plan boundary are the Lee Valley Special Protection Area (SPA) and RAMSAR site and part of Epping Forest Special Area for Conservation (SAC). Additional sites at least partially within 10 km of the Plan area boundary are Wormley-Hoddesdon Park Woods SAC and Wimbledon Common SAC3. Developers need to be able to demonstrate that their proposals will not have an adverse effect on the integrity of any European site. In addition there are six Sites of Special Scientific Interest and 20 Local Nature Reserves as well as sites of importance to nature conservation (SINC). Developers should take note of existing Biodiversity Action Plans, protect existing features and promote enhancement for example through the use of green walls where acoustic barriers are required. Where a development site is adjacent to a river the Environment Agency has advised that a setback of a minimum of 8 metres from the top of the bank should be incorporated into any redevelopment proposals. Consistent with this advice, setting back waste management development (not including wharf development) from watercourses and providing an undeveloped buffer zone free from built structures will be important for maintaining access to the river, to allow the landowner access for routine maintenance activities and for the Environment Agency to carry out Flood Defence duties. Maintaining a sufficient wildlife and riverside corridor is also important for minimising the potential adverse impacts to the **water quality** and riverine habitats. This will provide opportunities for flood risk management in line with the Environment Agency Catchment Flood Management Plans. Opportunities for river restoration through the development of sites should also be encouraged to

ensure compliance with requirements under the Water Framework Directive and the Thames River Basin Management Plan.

- 9.45 There are a number of **groundwater** source protection zones in North London to protect drinking water supplies and prevent contamination of aquifers. Source protection zone 1 boundaries are defined in the immediate area of boreholes and other abstraction points. Waste facilities may be permitted in source protection zone 1 provided that any liquid waste they may contain or generate or any pollutants they might leach, especially if hazardous, do not pose an unacceptable risk to groundwater. A groundwater risk assessment will be required. Soil quality will need to be protected from potential adverse impact by certain operations, such as open windrow composting. The following waste facilities are considered lower risk and are more likely to be acceptable:
- Energy from Waste ;
 - In-Vessel Composting activities;
 - Mechanical Biological Treatment;
 - Materials Recycling Facility (dry wastes only), and;
 - Waste Electrical and Electronic Equipment (WEEE) sites that exclude potentially polluting wastes.
- 9.46 Higher risk waste uses are less likely to be acceptable in source protection zone 1. Early liaison with the Environment Agency is encouraged.
- 9.47 Source protection zone 2 covers a wider area around an abstraction point. Where developments are proposed in source protection zone 2, a risk assessment will be required and any waste operation apart from landfill may be considered. Where sites are in source protection zones, developers are encouraged to engage in early discussions with the Environment Agency.
- 9.48 The North London Strategic Flood Risk Assessment (SFRA) and individual borough 'Level 2' SFRA's have demonstrated the risks from **flooding** from various sources across North London and site specific flooding assessments have been undertaken on new sites/areas in schedules 2 and 3. Where a site is near or adjacent to areas of flood risk, the development is expected to contribute through design to a reduction in flood risk in line with the NPPG. Waste facilities are often characterised by large areas of hardstanding for vehicles and large roof areas. Development proposals will be required to show that flood risk would not be increased as part of the scheme and, where possible, will be reduced overall through the use of Sustainable Drainage Systems (SuDS) and other techniques. Any proposed development should be reviewed by the Environment Agency at an early stage to discuss the reduction of flood risk on the site.

- 9.49 Developers of waste facilities should at the time they submit their planning application be engaged with the Environment Agency and hold or be in the process of applying for appropriate **permits from the Environment Agency** as the contemporaneous consideration of planning and environmental permit enables the application to be considered in the round.
- 9.50 Developers of waste facilities will need to fully identify the **health implications** of the development and plan the most appropriate scheme to protect the surrounding uses and community. Any proposed waste development which is required to have an Environmental Impact Assessment will also require a Health Impact Assessment.
- 9.51 Paragraph 5 of the National Planning Policy for Waste (NPPW) requires consideration be given to:
“The cumulative effect of existing and proposed waste disposal facilities on the well-being of the local community, including any significant adverse impacts on environmental quality, social cohesion and inclusion or economic potential”.
- 9.52 **Cumulative impacts** relate to the way in which different impacts can affect a particular environmental resource or location incrementally, for example, combined noise, dust and traffic emissions on a dwelling from a new road scheme. In essence, cumulative impacts are those which result from incremental changes caused by other past, present or reasonable foreseeable actions together with the proposed development. Therefore, the potential impacts of the proposed development cannot be considered in isolation but must be considered in addition to impacts already arising from existing or planned development.
- 9.53 In determining an application for a new waste facility, account will normally be taken of the potential cumulative impact of waste management and other development within the locality and in particular the area’s capacity to absorb that change. Factors to be taken into account will include; the nature of the waste and the process involved; the direction of the prevailing wind; the amount of enclosure for the processes; use of odour neutralisation and minimisation; measures for dust control; the number of persons affected by the development and its duration; the effects on amenity that pollution would cause; local topography providing natural screening; the extent of noise and vibration generated by the operations; the proposed hours of working; and the impact of flood-lighting. In some instances, the combined impact of development over a sustained period of time may be sufficient to warrant refusal of planning permission. However it is acknowledged that cumulative impacts can have positive impacts through synergies with other local waste uses and businesses in the area. Such synergies may lead to less road miles for waste as well as the potential development of green industry hubs attracting more highly skilled and technical jobs. Proposals should seek to make a positive contribution to improving issues of

deprivation and inequality within local communities. Where an area has historically hosted significant waste infrastructure and is moving towards regeneration initiatives to improve its economic and investment potential, the cumulative impact on these regeneration activities should be considered when waste development is proposed, especially where the benefits of co-location and economies of scale are outweighed by a resultant reduction in land values, employment opportunities and regeneration potential. In these circumstances where development takes place, opportunities to address inequalities should be taken up in order to promote a better spatial distribution of facilities and avoid undue concentration of waste uses.

- 9.54 As stated throughout this document applications will be assessed against the full suite of relevant **national, London Plan and Local Plan policies** and guidance. However, given the status of the NLWP as a multi-Borough DPD which will form part of the Local Plan of each of the seven Boroughs, Policy 5 is a valuable signpost to impacts that will be considered in the determination of applications.
- 9.55 As part of the application, and in line with policies in the borough local plan, Developers should give details of the jobs created as a result of the new development, the level of skills required and the availability of **training and apprenticeship** opportunities. Developers should seek to meet the aspirations of borough economic and employment strategies and make a positive contribution to the local economy.
- 9.56 As part of the Circular London programme, LWARB published a **Circular Economy** Route Map in June 2017. The Route Map recommends actions for a wide range of stakeholders, including London's higher education, digital and community sectors as well as London's businesses, social enterprises and its finance sector. Developers should submit a Circular Economy Statement in line with the London Plan and guidance issued by the Mayor.

Policy 6: Energy Recovery and Decentralised Energy

Policy 6: Energy Recovery and Decentralised Energy

Where waste cannot be managed at a higher level in the waste hierarchy and recovery of energy from waste is feasible, waste developments should generate energy and/or recover excess heat (including the recovery of energy from gas) and provide a supply to networks including decentralised energy networks.

Where there is no available decentralised energy network and no network is planned

within range of the development, as a minimum requirement the proposal should recover energy through electricity production and be designed to enable it to deliver heat and/or energy and connect to a Decentralised Energy Network in the future.

Developers must demonstrate how they meet these requirements, or provide evidence if it is not technically feasible or economically viable to achieve them, as part of a submitted Energy Statement.

This policy helps meet strategic objectives SO1 and SO6

This policy contributes towards Spatial Framework component D

- 9.57 Tackling climate change is a key Government priority for the planning system and a critical new driver for waste management. The purpose of this policy is to ensure that applications for waste management facilities incorporate opportunities for sustainable energy recovery and combined heat and power (CHP) where feasible and practicable. The policy complements more detailed policies in borough Local Plans on financial contributions relating to feasibility, sustainable design, CHP and development of heat networks, against which applications will also be considered.
- 9.58 The NPPW and the London Plan both recognise the benefits to be gained from any energy from waste facility to capture both heat and power, and encourage all developments of this kind to achieve that end.
- 9.59 National policy for renewable energy says that Local Development Documents, such as the NLWP, should contain policies that promote and encourage, rather than restrict, the development of renewable energy resources. The London Plan includes minimum performance for technologies for generating energy from London's waste, known as the carbon intensity floor. This has been set at 400 grams of CO₂ eq generated per kilowatt hour (kwh) of electricity generated.
- 9.60 The GLA has committed to working with London Boroughs and partners in the private sector to develop opportunities by providing assistance for commercialisation of large decentralised energy projects. Opportunities for district heating were identified across London as part of the Decentralised Energy Master Planning programme led by the GLA in 2008-2010²³. The programme initially focused on identifying opportunities for district heating networks through heat mapping and energy masterplanning with the London Boroughs.

²³ London Heat Map – www.londonheatmap.org.uk

- 9.61 Work is already underway to progress the delivery of a decentralised network in the Lee Valley known as the Lee Valley Heat Network (LVHN). The LVHN will capture affordable low carbon heat from waste to energy facilities and combined heat and power plants, supplying it to buildings and industry across the Lee Valley. The LVHN is requesting hot water to be supplied for the energy from waste facility (EfW) at Edmonton EcoPark. However, over time, the network will connect additional heat sources, including other waste developments, elsewhere in the Lee Valley.

Policy 7: Waste Water Treatment Works and Sewage Plant

Policy 7: Waste Water Treatment Works and Sewage Plant

Proposals for the provision of new facilities for the management, treatment and disposal of wastewater and sewage sludge will be permitted, provided that:

- it is demonstrated that there is an identified need for such a facility within the North London Waste Plan Area, which cannot be met through existing waste facilities; and
- the proposals meet the other policies of this North London Waste Plan together with all other relevant policies of the appropriate borough's Development Plan, and meet environmental standards set by the Environment Agency.

This policy helps meet strategic objectives SO1, SO2 and SO5

This policy contributes towards Spatial Framework component B

- 9.62 Waste Water Treatment Works in North London are operated by Thames Water, with the main facility being Deephams Sewage Treatment Works (STW), which is the ninth largest in England. Deephams STW serves a Population Equivalent (PE) of 891,000 (as at 2011). Works to Deephams STW are planned to commence in 2018 providing sufficient capacity to meet Thames Water's projections of future requirements into the next decade.
- 9.63 The Environment Agency has issued a significantly tighter environmental permit that came into force in March 2017 and requires Thames Water to make improvements to the quality of the discharged effluent. The need for an effluent upgrade to Deephams STW is highlighted in the National Planning Statement on Waste Water, and planning permission for this work was granted by Enfield Council in 2015. The site is to be retained for waste water use and Thames Water anticipates that the

approved upgrade to Deephams STW will provide sufficient effluent treatment capacity to meet their needs during the plan period.

- 9.64 The boroughs will work with Thames Water and the Environment Agency to ensure that adequate and appropriate waste water treatment infrastructure is provided to meet environmental standards and planned demand. In September 2014 the Government approved plans to build the Thames Tideway Tunnel - a 25km conduit flowing beneath the Thames which would provide collection, storage and transfer capacity for waste water and rainwater discharge from a significant part of Central London. Construction is scheduled to begin in 2018 with completion scheduled for 2023. Once completed the new tunnel will be connected to the Lee Tunnel which will transfer sewage to the expanded Beckton Sewage Treatment complex. The proposal has indirect implications for the Plan area in that it will benefit from the additional capacity and this will relieve pressure for further expansion of local Waste Water Treatment Works.
- 9.65 Any other new waste water and sewage treatment plants, extensions to existing works, or facilities for the co-disposal of sewage with other wastes will be supported where the location minimises any adverse environmental or other impact that the development would be likely to give rise to, and the suitability of the site can be justified in accordance with this Plan. The Plan has a supporting role to identify suitable locations for additional infrastructure.

Policy 8: Control of Inert Waste

Policy 8: Control of Inert Waste

Proposals for development using inert waste will be permitted where the proposal is both essential for, and involves the minimum quantity of waste necessary for:

- a) The purposes of restoring former mineral working sites; or
- b) Facilitating an improvement in the quality of land; or
- c) Facilitating the establishment of an appropriate use in line with other policies in the Local Plan; or
- d) Improving land damaged or degraded as a result of existing uses and where no other satisfactory means exist to secure the necessary improvement.

Where one or more of the above criteria (a-d) are met, all proposals using inert waste should:

- a) Incorporate finished levels that are compatible with the surrounding landscape. The finished levels should be the minimum required to ensure

- satisfactory restoration of the land for an agreed after-use; and
- b) Include proposals for high quality restoration and aftercare of the site, taking account of the opportunities for enhancing the overall quality of the environment and the wider benefits that the site may offer, including biodiversity enhancement, geological conservation and increased public accessibility.

Proposals for inert waste disposal to land will not be permitted if it can be demonstrated that the waste can be managed through recovery operations and that there is a need to dispose of waste.

This policy helps meet strategic objectives SO1, SO2 and SO3

This policy contributes towards Spatial Framework component B

- 9.66 Construction, demolition and excavation waste is largely made up of inert construction waste, such as bricks and hardcore which can be used in site restoration and land reclamation projects.
- 9.67 Recycling and reuse of inert waste applications for all types of development should demonstrate that viable opportunities to minimise construction and demolition waste disposal will be taken, making use of existing industry codes of practice and protocols, site waste management plans and relevant permits and exemptions issued by the Environment Agency.
- 9.68 Inert waste materials can be used for beneficial purposes, such as the restoration of mineral sites and in engineering works, or at other 'exempt sites' rather than disposed of at inert landfill sites. Increased use of recycled and secondary aggregates can reduce the need and demand for primary aggregates extraction.
- 9.69 Inert waste will continue to be deposited to land where it is reused for beneficial purposes, including within engineering schemes, for the restoration of mineral workings, and for agricultural improvement. Recycling and recovery are the preferred methods of management and inert waste should only be disposed of to land as a last resort, consistent with the waste hierarchy. Proposals on unallocated sites for the recycling of inert waste will be permitted where it can be demonstrated that there is a market need, consistent with the principle of net self-sufficiency.
- 9.70 There should be a clear benefit or benefits from the proposed development. This should be a benefit to the site itself, for example, the use of residual inert material associated with the restoration of an active or dormant mineral working the restoration of a former mineral working to agriculture or an engineering operation for the provision of a new leisure facility. However, given the likely disturbance to

local communities and the local environment, for example, due to the movement of HGVs, there should be benefits for the wider area, for example, through environmental improvement or the creation of new public rights of way.

10. Monitoring and Implementation

Monitoring the Plan

- 10.1 The Planning and Compulsory Purchase Act (2004) requires planning authorities to monitor and report annually on whether the Aims and Objectives of all local plans (whether prepared individually or in conjunction with other authorities) are being achieved (paragraph 35). The NPPW identifies the need to monitor and report on the take-up of allocated sites and areas; changes in the available waste management capacity as a result of closures and new permissions; and the quantities of waste being created locally and how much is being managed at different levels in the waste hierarchy i.e. recycling/composting, recovery, and disposal.
- 10.2 Monitoring is also required to check on whether the intending policy outcomes of the NLWP are being delivered and whether the identified capacity gaps are being met through the allocated areas listed in Policy 2. Monitoring will also ensure that sufficient identified land remains available for new facilities during the plan period which is also likely to see intense competition for land for other uses especially housing. The results of monitoring will also play an important role in informing Development Management decisions when authorities determine planning applications for new waste facilities.
- 10.3 Responsibility for monitoring lies with the individual boroughs. Data will be collated by each borough and included in their Authority Monitoring Report, which is produced annually.
- 10.4 To supplement the boroughs' annual monitoring, it will be important for the GLA to monitor London Plan Policies 5.16 and 5.17 and gather data in partnership with the boroughs on waste arisings, waste management capacity, both within London and landfill outside of London.

Proposed monitoring framework

- 10.5 The aim of monitoring is to check whether the policy framework in the NLWP is working as intended. The proposed monitoring indicators reflect a number of National Indicators and also the statutory and non-statutory performance targets including those set by the EU, the Waste Policy for England and the London Plan. The list of indicators is not intended to be exhaustive and is intentionally focused on parameters where it is possible to evaluate the effect of the NLWP. For example, an indicator reporting on the number of times air quality thresholds were exceeded is of little use if the contribution of waste management facilities and transport of waste cannot be differentiated from those of other activities.

- 10.6 Table 14 sets out the monitoring indicators proposed for each policy in the NLWP and identifies targets where appropriate. In some cases it will only be necessary to monitor (i.e. count the number of instances of) what has happened in the preceding year. In line with statutory requirements, the North London boroughs will review the plan every five years. If any targets are not being met the boroughs will assess where changes can and should be made.

Table 14: NLWP Monitoring Indicators

Indicator	Target(s)	What it monitors	Outcome(s) sought
<p>1. Amount of Land within identified areas or on windfall sites brought forward for waste use during the plan period.</p>	<p>In line with Table 7: landtake requirements</p>	<p>SO2 (capacity provision) Policy 2: Area allocations Policy 3: Unallocated sites</p>	<p>To check that identified sites and areas are being taken up as anticipated.</p>
<p>2. Sites in Schedule 1 and Areas in Schedules 2 and 3 lost to other non-industrial uses through a major regeneration scheme or designated for non-industrial uses in a review of the London Plan or Local Plan</p>	<p>Less than 25% of land lost If 50% of land is lost this will trigger review of plan</p>	<p>SO2 (capacity provision) Policy 2: Area allocations</p>	<p>To check that identified land is sufficient to deliver the plan’s aims To ensure sufficient existing capacity remains for managing the levels of waste expected across North London over the plan period as set out in Table 8.</p>
<p>3. Tonnage of waste capacity, including new waste capacity available by management type (recycling/composting, recovery and disposal) and type of wastes handled (LACW, C&I and CD&E)</p>	<p>Capacity sufficient to manage capacity requirements as set out in Table 6 Capacity Gaps. New waste facilities in line with Table 7: land take requirements</p>	<p>Strategic Aim (capacity supply and self-sufficiency) Strategic Aim (move waste up Waste Hierarchy) SO1 (resource efficiency) SO3 (net self-sufficiency) Meeting Future Requirements as specified in</p>	<p>Ensure that new waste facilities will close identified capacity gaps Support delivery of the London Plan apportionment and the additional capacity required to achieve a net self-sufficient outcome across the principal waste streams</p>

Indicator	Target(s)	What it monitors	Outcome(s) sought
		<p>the NLWP</p> <p>Policy 2: Area allocations</p> <p>Policy 3: Unallocated sites</p> <p>Policy 4. Reuse and Recycling Centres</p> <p>Policy 7 Waste Water Treatment Works and Sewage Plant</p> <p>Policy 8 Control of Inert Waste</p>	
4. Loss of existing waste capacity and provision of replacement capacity	<p>Zero loss</p> <p>Replacement locally, within the Borough, North London or London</p> <p>Replacement capacity for Brent Cross Cricklewood provided within Barnet</p>	<p>Strategic Aim (capacity supply and net self-sufficiency)</p> <p>SO2 (capacity provision and protection)</p> <p>Policy 1: Safeguarding existing waste management sites</p>	<p>Ensure sufficient capacity of the right type is available throughout the plan period</p> <p>Ensure that capacity is replaced locally unless valid planning reasons are provided for not doing so.</p>
5. Total quantity of waste arisings managed by waste stream (LACW, C&I and CD&E)	In line with Table 8 in Section 7 and the Data	Strategic Aim (capacity supply and self-sufficiency)	Ensure the NLWP meets EU, national Waste Policy and London Plan targets

Indicator	Target(s)	What it monitors	Outcome(s) sought
and management route (recycling/composting, recovery and disposal)	Study	Strategic Aim (move waste up Waste Hierarchy) SO1 (resource efficiency) SO3 (net self-sufficiency) Meeting Future Requirements as specified in the NLWP % waste diverted and % landfilled	Ensure the NLWP delivers a net self-sufficient waste management outcome for the principal waste streams
6. Amount of waste exported to landfill by waste stream (LACW, C&I and CD&E)	Exported waste to landfill in line with Table 9 of the NLWP	Net self-sufficiency	Waste exports are in line with those estimated in the NLWP and through the duty to co-operate
7. Number of approvals for new waste facilities which meet legislative requirements	100%	SO5 (sustainability) SO8 (protect the environment) Spatial framework (Reduce impact on amenity) Policy 5: Assessment Criteria for waste management facilities and related	Avoid impact on sensitive receptors or maximise scope for effective mitigation

Indicator	Target(s)	What it monitors	Outcome(s) sought
		development	
8. Number of new CHP facilities serving district heat networks in which the principal fuel source is residual waste or recovered waste fuel	Monitor only	<p>Strategic Aim (green London)</p> <p>SO6 (decentralised energy) Spatial framework (Provide opportunities for decentralised heat and energy networks)</p> <p>Policy 6: Energy recovery and decentralised energy</p>	Contribute to delivery of decentralised energy and incremental improvement in environmental performance with respect to climate change
9. Sufficient infrastructure in place for management of waste water	Monitor only – information to be obtained from Thames Water	<p>Strategic Aim (capacity supply and self-sufficiency)</p> <p>SO5 (sustainability)</p>	To ensure that Thames Water have sufficient capacity to management the levels of waste water generated in Noth London over the plan period
11. Number of developments permitted which include disposal of inert waste to land	To ensure that inert waste is managed in line with the waste hierarchy	<p>Strategic Aim (capacity supply and self-sufficiency)</p> <p>Strategic Aim (move waste up Waste Hierarchy)</p> <p>SO1 (resource efficiency)</p>	To ensure that proposals involving the importation and disposal of inert waste to land are achieving in line with waste hierarchy.

Indicator	Target(s)	What it monitors	Outcome(s) sought
		SO3 (net self-sufficiency) SO5 (sustainability) SO8 (protect the environment) Meeting Future Requirements as specified in the NLWP % waste diverted and % landfilled	

Implementing the Plan

- 10.7 Development and adoption of the Plan must be followed by actions by a range of agencies and other organisations to ensure that its Aims and Objectives are met. The section summarises proposals for how these outcomes will be delivered and who will be responsible for them.
- 10.8 Implementation has four components – infrastructure delivery; application of the policies to planning proposals for waste facilities; ongoing regulation and monitoring of the local waste management sector; and achieving performance levels – each of which involves different actors. Table 15 summarises the organisations involved in each component.

Table 15: Roles and responsibilities involved in implementing the Plan

Organisation	Role	Responsibilities
Local planning authorities (including London Legacy Development Corporation)	Apply Plan policies	Assessing suitability of applications against Plan policies and priorities Deliver the strategic objectives and policies of the NLWP alongside wider development and regeneration objectives
	Regulate / monitor	Inspect operating waste sites periodically Monitor Plan performance annually
	Performance delivery	Support / promote waste reduction initiatives through the planning system
Borough waste collection authorities	Infrastructure delivery	Bring forward new / replacement waste sites for recycling / composting LACW
	Performance delivery	Implement waste collection activities to deliver desired performance levels as appropriate Support / promote waste reduction initiatives
North London Waste Authority (NLWA)	Infrastructure delivery	Delivery of replacement Edmonton ERF plant Delivery of other facilities enabling achievement of desired performance levels

Organisation	Role	Responsibilities
	Performance delivery	<p>Prioritising infrastructure delivery that moves waste up the Waste Hierarchy</p> <p>Support / promote / deliver waste reduction initiatives</p>
Landowners	Infrastructure delivery	Propose new waste sites in line with NLWP policies that deliver capacity requirements
Waste industry	Infrastructure delivery	Propose new waste sites and deliver new waste facilities in line with NLWP policies that deliver capacity requirements
Environment Agency	Regulate / monitor	<p>Advise on planning applications according to the nature of the proposal</p> <p>Assess applications for Environmental Permits, issue licences where the proposal meets the necessary standards</p> <p>Inspect operating waste sites periodically</p> <p>Collect and publish information about waste movements for use in Plan monitoring</p> <p>Monitor water quality</p>
	Performance delivery	Promote waste reduction initiatives
Health & Safety Executive	Regulate	<p>Advise on planning applications according to the nature of the proposal</p> <p>Monitor</p>
Other statutory bodies (e.g. Natural England)	Regulate / monitor	<p>Advise on planning applications according to the nature of the proposal</p> <p>Monitor protected sites such as SSSI</p>
Greater London Authority	Performance delivery	<p>Promote waste reduction initiatives</p> <p>Promote carbon reduction initiatives</p>
	Apply Plan policies	Assessing suitability of applications against London Plan policies and

Organisation	Role	Responsibilities
		<p>priorities</p> <p>Regional coordination of waste planning</p>
London Waste and Recycling Board	Infrastructure delivery	Support to new waste infrastructure
	Performance delivery	<p>Support to waste collection authorities to deliver desired performance levels</p> <p>Support / promote waste reduction initiatives</p>

10.9 New commercial infrastructure required during the plan period will be funded by private funding through sources that cannot be identified at this time. In addition, there may be other sources of funding available such as public sector borrowing. Facilities required for the management of LACW will be funded by NLWA. The waste industry has been invited to take part in the development of the Plan through involvement in the various consultation processes and calls for them to propose suitable sites for waste management use. The NLWP identifies infrastructure priorities for the next 15 years and this will help to provide the industry with greater certainty about waste management priorities in the North London Boroughs that can inform future investment decisions.

10.10 Table 16 sets out how policies in the NLWP will be implemented and who will be involved in each action and which of the Strategic Objectives are addressed as a result.

Table 16: How the NLWP policies will be implemented

Mechanism	Stakeholders involved	Objectives implemented
Policy 1: Existing waste management sites		
<p>Planning permission for the expansion or intensification of operations at existing waste facilities.</p> <p>Refusal of planning permission for non-waste use on existing waste sites unless capacity is</p>	Local planning authorities/ Landowner/developers/NLWA	SO2, SO3

Mechanism	Stakeholders involved	Objectives implemented
<p>re-provided.</p> <p>Identifying compensatory provision when it is proposed to redevelop existing waste management facilities for non-waste uses.</p>		
Policy 2 Locations for new waste management facilities		
Planning permission and subsequent development	Landowners and developers / waste management companies / NLWA / local planning authorities / Environment Agency and other statutory bodies	SO1, SO2, SO3, SO5
Policy 3: Windfall sites		
Planning permission and subsequent development	Landowners and developers / waste management companies / NLWA / local planning authorities / Environment Agency and other statutory bodies	SO2, SO3
Policy 4: Re-use & Recycling Centres		
Planning permission and subsequent development	Landowners and developers / waste management companies / NLWA / local planning authorities / Environment Agency and other statutory bodies	SO1, SO2, SO3
Policy 5: Assessment criteria for waste management facilities and related development		
Planning permission and subsequent development	Local planning authorities / Environment Agency and other statutory bodies	SO4, SO5, SO7, SO8
Policy 6: Energy recovery and decentralised energy		
Planning permission and subsequent development	Landowners and developers / waste management companies / local planning	SO1, SO6

Mechanism	Stakeholders involved	Objectives implemented
	authorities / NLWA / Environment Agency and other statutory bodies	
Policy 7: Waste Water Treatment Works and Sewage Plant		
Planning permission and subsequent development	Thames Water / Environment Agency and other statutory bodies / local planning authorities	SO2, SO4, SO5, SO8
Policy 8: Control of Inert Waste		
Planning permission and subsequent development	Landowners and developers / waste management companies / local planning authorities / Environment Agency and other statutory bodies	SO1, SO2, SO3, SO5, SO8

Appendix 1: Schedule 1: Existing safeguarded waste sites in North London**Table 17: Schedule 1: Existing safeguarded waste sites in North London**

Site ID	Site Name	Borough
BAR 2	Scratchwood Quarry	Barnet
BAR 3 [♦]	P B Donoghue, Claremont Rd	Barnet
BAR 4 [♦]	W R G, Hendon Rail Transfer Station	Barnet
BAR 5	Summers Lane Reuse and Recycling Centre	Barnet
BAR 6 [♦]	Mc Govern Brothers, Brent Terrace, Hendon	Barnet
BAR 7 [♦]	Cripps Skips Brent Terrace	Barnet
BAR 8	Apex Car Breakers, Mill Hill	Barnet
BAR 9	Railway Arches, Hendon Savacase Ltd	Barnet
BAR 10	G B N Services Ltd, New Southgate	Barnet
BAR 11	Mill Hill Depot	Barnet
CAM1	Regis Road Reuse and Recycling Centre	Camden
ENF 1	Crews Hill Transfer Station	Enfield
ENF 2	Barrowell Green Recycling Centre	Enfield
ENF 3	Pressbay Motors Ltd, Motor Salvage Complex	Enfield
ENF 4	Chase Farm Hospital, The Ridgeway (SITA)	Enfield
ENF 5	Jute Lane, Brimsdown	Enfield
ENF 6	Tuglord Enterprises (AMI Waste) Stacey Avenue	Enfield
ENF 7	Budds Skips, The Market Compound, Harbert Road	Enfield
ENF 8	Biffa Edmonton, Adra Road, Edmonton	Enfield
ENF 9	Hunt Skips, Commercial Road, Edmonton	Enfield
ENF 10	Rooke & Co Ltd, Edmonton	Enfield
ENF 11	Edmonton Bio Diesel Plant	Enfield
ENF 12	Camden Plant, Lower Hall Lane, Chingford	Enfield
ENF 13	Personnel Hygiene Services Ltd, Princes Road, Upper Edmonton	Enfield
ENF 15	Yard 10 - 12 Hastingwood Trading Est. A & A Skip Hire Limited	Enfield
ENF 17	Albert Works, Kenninghall Road, Edmonton	Enfield
ENF 19	London Waste Ltd Composting, Edmonton Eco Park, Advent	Enfield

- [♦] These sites will be redeveloped under the approved planning permission for the regeneration of Brent Cross Circlewood (Barnet planning application reference F/04687/13). The Hendon Rail Transfer Station (BAR 4) will be replaced as part of the BXC development with a new facility on site S01-BA to meet the NLWA's requirements. The existing facilities at BAR 6 and BAR 7 fall within the land required to deliver the first Southern phase of the BXC regeneration which is anticipated will commence in early 2018. Replacement capacity for these sites will not be provided prior to their redevelopment and therefore replacement capacity will be sought outside of the BXC regeneration area on alternative sites / areas to be identified within the London Borough of Barnet.

Site ID	Site Name	Borough
	Way	
ENF 20	London Waste Bulk Waste Recycling Facility, Edmonton EcoPark, Advent Way	Enfield
ENF 20	London Waste Ltd, Edmonton Ecopark, Advent Way	Enfield
ENF 22	Edmonton Clinical Waste Treatment Centre	Enfield
ENF 23	J O' Doherty Haulage, Nobel Road, Edmonton	Enfield
ENF 24	Oakwood Plant Ltd, Edmonton	Enfield
ENF 25	Envirocom Ltd, Stonehill Business Park, Edmonton	Enfield
ENF 26	Powerday Plant Ltd, Jeffreys Road	Enfield
ENF 27	Edmonton EFW	Enfield
ENF 31	Volker Highways Ltd	Enfield
ENF 32	Guy Lodge Farm	Enfield
ENF 33	Ballast Phoenix Ltd	Enfield
ENF 34	London & Metropolitan Recycling Facility	Enfield
ENF 35	Unit 25 Enfield Metal Kingswood Nursery, Theobalds Park road	Enfield
ENF 36	Greenstar Environmental	Enfield
HAC 1	Millfields Waste Transfer & Recycling Facility	Hackney
HAC 2	Downs Road Service Station (Braydon Motor Company), Clapton	Hackney
HAR 1/2	Hornsey Central Depot, Haringey LBC	Haringey
HAR 3	Garman Road, Tottenham	Haringey
HAR 4	O'Donovan, Markfield Rd, Tottenham	Haringey
HAR 5	Redcorn Ltd, White Hart Lane, Tottenham	Haringey
HAR 6	Restore Community Projects, Ashley Road, Tottenham	Haringey
HAR 7	Brantwood Auto Recycling Ltd, Willoughby Lane	Haringey
HAR 8	O'Donovan, Markfield Road, Tottenham	Haringey
HAR 9	Park View Road Reuse and Recycling Centre	Haringey
HAR 10	LondonWaste Ltd. Western Road H W R C	Haringey
ISL 1	Hornsey Household Re-use & Recycling Centre	Islington
WAF 2	Kings Road Household Waste Recycling Centre	Waltham Forest
WAF 3	South Access Road Household Waste Recycling Centre	Waltham Forest
WAF 4	G B N Services, Estate Way, Leyton	Waltham Forest
WAF 5	T J Autos (U K) Ltd	Waltham Forest
WAF 6	B J Electronics, Ravenswood road Industrial Estate, Walthamstow	Waltham Forest
WAF 8	Leyton Reuse & Recycling Centre	Waltham Forest
WAF 10	Malby Waste Disposal Ltd, Staffa Road, Leyton	Waltham Forest
WAF 11	Baseforce Metals, Unit 1 Staffa Road, Leyton	Waltham Forest

Site ID	Site Name	Borough
WAF 14	Tipmasters	Waltham Forest
WAF 15	Argall Metal Recycling, Staffa Road	Waltham Forest

MUNICIPAL YEAR 2018/2019 REPORT NO. 109**MEETING TITLE AND DATE:**Cabinet 14th November 2018**REPORT OF: Tony Theodoulou**

Executive Director: People

Agenda – Part: 1**Item: 8****Subject:** Children's Social Care Demand and Pressures**Wards: All****Key Decision: KD 4771****Cabinet Member consulted: Cllr Achilleas Georgiou**

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1. EXECUTIVE SUMMARY

Children's Services is a key priority for the Council and Children's Social Care are on a trajectory of continuous improvement with strong, stable leadership in place. Services for looked after children, care leavers, fostering and adoption are good.

Following a recent focused visit on 25th and 26th September 2018, Ofsted found that there had been considerable progress in many areas of practice, the changes to the SPOE and early help services have significantly improved the quality and timeliness of responses to most children in need. They specifically highlighted the Change and Challenge Service, Parent Support Service, Joint Service for Disabled Children and Child Sexual Exploitation Team as making a real difference to children and their parents.

The inspectors who carried out the focused visit identified weaknesses that were confined to one service area, the Referral and Assessment Service. They found that social work caseloads were too high, and the volume of work is unsustainable, impacting on the quality and timeliness of assessments and visits to some vulnerable children.

A full Ofsted inspection of Children's Social Care is expected within 6 months. In readiness for this, immediate action was taken to address the weak areas highlighted during the focused visit.

Cabinet are asked to approve:

- The action plan (Appendix 1) and temporary resources already in place funded through a one-off allocation of £600k from reserves in this financial year
- A further £1million on going investment in the Referral and Assessment service to be included as part of the medium term financial planning in the 2019/20 budget setting process.

This investment will enable recruitment to 18 frontline posts to address the demands and relieve pressure in Children's Social Care, increasing the social care workforce and reducing caseloads to an acceptable level in line with the Pan London agreement. It will help maintain Enfield's strong reputation and further improve it. Senior officers and the Cabinet Member will review the need for further investment once the current situation in the Referral and Assessment team is stabilised.

2. RECOMMENDATIONS

- Cabinet to approve the action plan attached as an Appendix to this report.
- Allocate a one-off £600k from reserves this year and £1 million ongoing funding to invest in permanent increased capacity in the Referral and Assessment service to be included as part of the medium term financial planning in the 2019/20 budget setting process.

3. BACKGROUND

- 3.1 Following a recent focused visit (25th and 26th September 2018) Ofsted found that there had been considerable progress in many areas of practice however several areas were identified that needed to improve. These were primarily confined to one service area, Referral and Assessment, highlighting high social work caseloads and inconsistent quality of assessments and plans, management oversight and quality assurance processes.
- 3.2 Ofsted recognised that senior leaders have continued to work extremely hard in challenging circumstances. Immediate action was taken following the focused visit to address the areas that required improvement and an action plan put into place.
- 3.3 The Single Point of Entry continues to process around 2000 contacts every month. In March 2017 a restructure was implemented which reduced capacity in other service areas to increase capacity in the SPOE to manage demand. Evidence from the recent Ofsted focused visit indicates that the SPOE is making good, consistent triage decisions in a timely manner, based on sound information.
- 3.4 The Referral and Assessment (R&A) team is responsible for assessing all children that meet the threshold for statutory services. In June 2018 new investment was secured to create extra capacity in this team. The recruitment processes are complete, and the permanent team starts operations on 1st November 2018, releasing agency staff that were covering the posts.

Currently, as of 19th October 2018, caseloads for qualified social workers in the Referral and Assessment team are between 31-36. The demand continues to rise with new cases coming in for assessment reaching 90 per week. The new team starting on 1st November alleviates some pressure but not enough. Caseloads remain too high; the Pan London agreement recommends caseloads to be in the region of 15 – 21. This investment will increase the number of qualified social workers and reduce caseloads to an acceptable level in line with the Pan London agreement.

- 3.5 Enfield Children's Services spends less compared to most other local authorities, for example one neighbouring local authority invests £20 million more while a statistical neighbour invests almost double that of Enfield. Social workers in Enfield are over performing and this leads to fragility.
- 3.6 This paper requests allocation of £600k from reserves this year and seeks ongoing funding of one million pounds to permanently increase frontline staff in the Referral and Assessment team. This new investment will enable recruitment to 18 frontline posts to address the demands and relieve pressure in Children's Social Care, increasing the social care workforce and reducing caseloads to an acceptable level in line with the Pan London agreement. It will prevent delay in seeing children, strengthen consistency of assessments and quality assurance processes. It will help maintain Enfield's strong reputation and further improve it. Senior officers and the Cabinet Member will review the need for further investment once the current situation in the Referral and Assessment team is stabilised.
- 3.7 The Local Safeguarding Children Board will scrutinise the action plan and it will be monitored by the Cabinet member through monthly progress reports. The service will seek further independent benchmarking opportunities for example through peer reviews/mock inspection to benchmark performance and ensure continuous improvement. expenditure.

4. ALTERNATIVE OPTIONS CONSIDERED

There are a small number of social care agencies who provide additional capacity to local authorities who have demand issues. Some enquiries were made, but they were not cost effective.

5. REASONS FOR RECOMMENDATIONS

A full inspection of Enfield Children's Social Care is expected in early 2019. Increasing frontline staffing in the Referral and Assessment team will firm up the strong foundations in social care and further hone our trajectory of continuous improvement. Ensuring that Enfield Council deliver high quality, safe services to children and families and meets regulatory expectations through additional investment in the service.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

For 2018/19, costs are estimated to be £600k which will need to be funded from the council's risk reserves on a one-off basis. It is not possible to fund this additional cost from within the departments existing resources because Children's Social Care are currently forecasting a £3.5m overspend which is reported in the Quarter 2 Revenue Monitoring report. However, the ongoing funding of £1m will need to be considered during the 2019/20 budget setting process.

6.2 Legal Implications

- 6.2.1 The recommendations set out within this report are within the Council's powers and duties. The report recommends investment in Children's Social Services to strengthen delivery of the service and ensure that it can continue to support the Council in meeting its statutory obligations.
- 6.2.2 Every local authority has a general duty under Schedule 2 paragraph 4(1) of the Children Act 1989 to take reasonable steps through the provision of services under sections 17-30 of the Children Act 1989 to prevent children in their area suffering ill-treatment or neglect. The recommendations set out in this report comply with this legislation.
- 6.2.3 Under the Local Government Act 1972 the Council can appoint such officers as it thinks fit for the proper discharge of its functions. Section 111(1) of the Local Government Act permits a local authority to do anything calculated to facilitate the discharge of any of their functions. The recommendation to invest in Children's Services is in accordance with these powers.
- 6.2.3 Any recruitment and selection process must be carried out in accordance with the Council's policies, procedures and employment law, and avoid unlawful discrimination in advertising and recruiting to the posts.
- 6.2.4 An equality impact assessment of the impact of any reorganisation proposals should be prepared to enable decision-makers to consider compliance with the Council's duties generally under the Equality Act 2010, to avoid discrimination and promote equality of opportunity and access, including monitoring any possible negative impact hereafter.

6 KEY RISKS

Without this investment the strong foundation and positive trajectory of improvement within Children's Social Care will weaken. Caseloads will remain high the Referral and Assessment team will not be able to meet demand and the quality of work will not improve. This would also affect staff morale, recruitment and retention, reversing the positive trend we have established in recent months.

7 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

The work of Children's Social Care meets all 3 of the council's key priority areas within the corporate plan and the objectives within the Children and Young People's Plan. With emphasis and more weighting upon improving services to those children, young people and families that require prevention and intervention from safeguarding services across a broad spectrum from early help to statutory interventions. Through early intervention and specialist statutory services children are supported to live wherever possible within their families and communities.

8 EQUALITIES IMPACT IMPLICATIONS

Children's Social Care forms part of the Councils programme of retrospective equalities impact assessments (EQIA). The retrospective EQIA collates equalities monitoring of service users, and consider how the service impacts on disadvantaged, vulnerable and protected characteristic groups in the community.

9 PERFORMANCE AND DATA IMPLICATIONS

This proposal will enhance practice and performance which is monitored regularly through national statutory returns and at political, corporate, departmental, service and team levels.

10 HR IMPLICATIONS

- Consultation to take place with trade unions in accordance with statutory regulations and Council guidelines.
- Upon approval, once it has been identified which frontline posts will be created and where they will sit in the structure, HR to be provided with up to date organisational charts to enable us to create the posts and provide post numbers for recruitment to commence without delay.
- Generic Social Worker and Advanced Social Work Practitioner posts will not require formal job evaluation.
- Any changes to job role profiles affected by the proposals to be submitted to HR for updating of records, or possible evaluation where the change is material.
- The Council's recruitment policy to be applied.

11 PUBLIC HEALTH IMPLICATIONS

Safeguarding children is a public health issue: preventing abuse and supporting vulnerable children and their families increases wellbeing. Children's Social Care protects and promotes the welfare of children and young people in Enfield and works in partnership with all health partners to improve outcomes in early life and childhood that leads to healthier, successful adults and improve the health of the population. For example: protecting children and young people results in improved population health outcomes by reducing mental health issues, sexually transmitted diseases and other issues e.g. obstetric complications in FGM victims.

Background Papers

None

Appendix 1

Enfield Improvement Plan Following Ofsted Focused Visit on 25th and 26th September 2018.

The cases of concern that Ofsted identified are linked to one service area, the Assessment Team, we have assured ourselves that this is not a systemic failing across services in Enfield the focused visit observed many strong areas of practice. Targeted action is being progressed.

We have a track record of making and sustaining improvements and recognised that the pace of change in the Assessment Team had to increase. There is increasing demand and high caseloads in the Assessment Team. The improvement plan below has been implemented to reduce caseloads, develop a more comprehensive understanding of the child's lived experience and setting clear expectations about the quality of practice for social workers and first line managers.

ENFIELD IMPROVEMENT PLAN				
	Action	Lead	By when	Impact
Extending the remit of MASH and improving recording of rationale for decision making	All strategy meetings will take place in the MASH on new referrals.	Executive Director & Director of Children and Family Services (DCFS)	Go live 5/11	Strengthening the involvement of all partner agencies in strategy discussions. MASH will hold responsibility for S47 decisions. Update: Recruitment in hand for increased staffing. MASH processes reviewed to include change in procedures. Operational partners informed. Go live week of 5/11.
	All MASH staff will link the application of the thresholds to the cause for concern for the child.	Head of Service (HoS) & MASH team manager	Immediate	More consistent identification of risk. Supporting all teams to have the child's needs central to the decision making. Improving practice standards ensuring the intervention improves the child's circumstances. Update: Action complete, a more robust audit and moderation process is in place from 1/11.
Practice & Standards	Increase capacity in the assessment team and reduce caseloads.	Executive Director & Director Children and Family Services	Mid-October	Social Workers will have more time to focus on practice, tailored to the individual needs, rather than process. Increased management oversight

	<p>Deliver bespoke child focused and experiential workshops for all staff.</p> <p>Attach a practice leader to each team in the Assessment Team for a minimum period of 3 months.</p>	<p>Head of Practice Improvement (HPI) & HoS</p> <p>Executive Director and Director Children and Family Services</p>	<p>Immediately</p> <p>2- 3 weeks</p>	<p>capacity to further improve quality assurance of casework.</p> <p>Update: 4 newly recruited experienced social workers starting mid- October, further staff starting 1/11, recruitment ongoing. Business case to Cabinet mid-November for further investment to increase capacity and reduce caseloads.</p> <p>Social Workers and team managers will develop further insight and understanding of the child/children's daily lived experience in that household and tailor their interventions to individual needs.</p> <p>Update: Programme of focused bite sized workshops in place.</p> <p>Develop and increase the confidence of current managers to quality assure all aspects of work as part of their everyday practice.</p> <p>Update: Recruitment to practice leaders completed all in post.</p>
Leadership	<p>Fortnightly High-Risk Case Review Meeting with HOS & Head of Practice Improvement (HPI)</p> <p>Refocus the audit tool to strengthen analysis and measure the impact of the intervention on the child's life.</p>	<p>HOS & HPI</p> <p>Operational Management Group</p>	<p>1 week</p> <p>1 week</p>	<p>Building on the work that has started by the HoS to directly oversee high risk cases, there will be greater scrutiny and challenge of safety plans ensuring the child needs are at the heart of the work.</p> <p>Update: Fortnightly meetings in place, update on progress and impact overseen by November Practice and Performance Board.</p> <p>Developing a deeper understanding of the child's lived experience and setting clear expectations about the quality of practice.</p> <p>Update: Audit tool reviewed and signed off at OMG away day on 18/10.</p>

	Embed CHaT (Children's Services Analysis Tool), regularly review Annex A and drive improvement through the monthly practice & performance board.	Executive Director and Director Children and Family Services	2 weeks	More accurate up to date data, greater understanding of trends informing improvement in practice. Easier identification of anomalies and our ability to take corrective action. Update: CHaT analysis of Annex A and any trends that arise from the report tabled for next Practice and Performance Board 25/10.
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Oversight and governance arrangements are in place, this improvement plan will be reviewed by the Executive Director: People and the Director of Children and Family Services, progress will be reported to the Executive Management Team. The Local Safeguarding Children Board has a role in scrutinising the plan and it will be monitored by the Cabinet member through monthly progress reports.

MUNICIPAL YEAR 2018/2019 REPORT NO. 110

MEETING TITLE AND DATE:

14th November 2018
Cabinet

REPORT OF:

Executive Director of
Place – Sarah Cary

Agenda – Part: 1	Item: 9
Subject: Housing Repairs – Update on improvements and future options	
Wards: All	
Key Decision No: KD4773	

Contact officer and telephone number:

Garry Knights, Head of Housing

Property Services

E mail: garry.knights@enfield.gov.uk

Cabinet Member consulted: Cllr Lemonides

1. EXECUTIVE SUMMARY

- 1.1. The Housing service in Enfield carries out circa. 54,000 repairs annually to the borough's housing stock through a total of 4 external contractors (2 for Responsive Repairs, 2 for Mechanical and Electrical (M&E) works). All of these 5-year contracts are due to expire in March 2020, with the option of extensions for a further year or more.
- 1.2. In light of concerns about current performance, an improvement plan is currently in place, and consideration is being given to how these functions can best be delivered in future.
- 1.3. This report sets out a a) progress to date in improving the customer experience for responsive repairs, and b) a timeline for a full options appraisal of future delivery models, and a recommendation to Cabinet based on the outcome of that analysis.

2. RECOMMENDATIONS

- 2.1 That Cabinet note the establishment of the officer/member repairs task force and the improvements made since its inception, along with the work of the Transformation team on repairs.
- 2.2 That Cabinet note the creation of a small in-house 'property MOT' team under delegated authority to work alongside the term contractors, improving the quality of stock data and resolving routine repairs issues.
- 2.3 That Cabinet note the options for future delivery now being assessed, and delegate authority to the Director for Housing and Regeneration to consider further these options in consultation with the Cabinet Member for Housing
- 2.4 That Cabinet approve the timeline and actions shown at para. 7.7, including the presentation of a further paper in April 2019 making recommendations on the future delivery model for repairs.
- 2.5 Cabinet are requested to note the draft minutes for the Overview and Scrutiny Committee which will be tabled at the cabinet meeting.

*

3. BACKGROUND

- 3.1. As a social landlord the Council has a total of over 14,500 properties in management, occupied by circa 10,000 tenants and circa 4,500 leaseholders. Approximately 42,000 repairs are carried out each year across these properties.
- 3.2. The current partnerships with private contractors mean that day-to-day repairs are delivered by 2 term contractors, MCP Ltd. and MNM Ltd., whilst T Brown Ltd. and Purdy's Ltd. deliver mechanical and electrical repairs and all compliance works.
- 3.3. The existing contracts all end in March, with the option of up to 5 one-year extensions. Within the contract is a requirement to give 1 years notice of any contract extension, therefore notice would be required by April 2019.
- 3.4. Our current delivery model has multiple repairs contractors across the borough which has led to a fragmented service which is difficult to deliver consistently to the required standard. The current perception of the existing contractors is largely negative based on resident and member feedback – while the service they offer could be improved, analysis of these difficulties suggests they also reflect previous procurement and mobilisation being sub-optimal and creating structural problems with the contracts.
- 3.5. In order that we tackle the issues of poor performance Council Housing has put in place a repairs task force, with member involvement, and worked closely with staff in the Transformation team who have identified housing repairs as a key process for improvement in the Customer Experience Strategy.
- 3.6 To supplement these intensive efforts to improve delivery through the contracts in the short term, a decision has now been taken to set up an internal 'property MOT' team to drive improvements and to test the operation of a 'hybrid' model for the stock in which contractors and directly employed staff each have an operational role.

4. Repairs Task Force

- 4.1. The repairs task force was created as a working group made up of Cllrs and officers who would take a targeted approach to identify and implement improvements.
- 4.2. Key to the success of the Task force has been the creation and monitoring of a number of performance indicators which have targeted officers' efforts in driving improvements.
- 4.3. The below table shows the improvement made in service since the creation of the task force;

Measures	Actions	Week 1 (2/8/18)	Week 15 (25/10/18)
1. Number of overdue repairs	Wider circulation of data to teams, intensive contract management, tightening of timescales on variation approvals	705 (6044) 11.7%	723 (12,862) 5.6%
2. Number of outstanding complaints (Stage 1 and Pre-complaints)	Ensure complaints closed when works completed; better analysis of complaints to address underlying issues	45	14
3. Number of complaints upheld	Incorporate into contract management meetings; better analysis of complaint reasons to identify where improvements need to be made.	8	7
4. Number of missed appointments (Appointments reported to the contact centre by residents as missed)	Proposed - contractors to contact call centre when they have a no access so outbound call can be made to resident to ensure they are not at home or less than 5 minutes away. Review of contractor appointment slots to minimise the changing of appointments by the contractor.	9 (370) 2.4%	5(555) 0.90%
5. Percentage of first time fixes	Surveyor based in call centre providing technical advice on correct priorities and codes. / Call centre staff (specialists) to re-locate to housing? Refining call centre scripts to improve diagnostic stage Options appraisal for call centre function Increase contractor self vary limit to £250 / streamline variation process / increase number of post-inspections / amend process and/or system to 'automate' approval up to limit	1058 (4027) 26.27%	105 (198) 53.0%

Measures	Actions	Week 1 (2/8/18)	Week 15 (25/10/18)
6. Overall customer satisfaction with the repairs contractor	Intensive contract management, ensure our surveys include the right questions Drill down to contractor q/a's rather than overall service Consider transferring to market research company through tender	82.79%	83.71%
7. Number of penalties/sanctions sent (Current penalties for missed appointments)	Ensure we are issuing all penalties in accordance with the terms of the contract Initial focus on main areas of concern (e.g. missed appointments, repairs completed out of time) Financial penalties applied in first phase (default notice as reserve position)	9	5

5. Transformation team

- 5.1. As part of the Housing Systems Programme, staff from the Transformation team were tasked with undertaking a review of several existing processes relating to repairs and understand where these failed to deliver customer focussed outcomes.
- 5.2. A total of 26 improvements were identified, some of which relate to the culture of the service and contractors while others are more IT- and process- driven.
- 5.3. Flowing from this work and related analysis within Housing, a number of 'quick wins' have been implemented including the following: improving the appointment process by ensuring contractors confirm appointment times in advance: changing the job variation limits to reduce the need for repeat inspections; making use of the financial penalties available to the Council (through which for example contractors pay tenants a compensation fee for missed and late appointments); and giving more ownership of issues to Council Housing staff through stronger performance management and information-sharing.
- 5.4. A number of other items are in the process of being implemented, including improving scripts for customer service staff, to improve the accuracy of the instructions going to contractors, and the introduction to the Call Centre of a new 'repairs diagnostic' software tool, which further improves identification of necessary repairs at the first point of contact.

- 5.5. An operational project board has been set up including members of Housing property services, customer service team, IT and the transformation team to continue to deliver improvements on the processes.

6. MOT Team

- 6.1. To enhance the above actions aimed at achieving service improvements, and to inform the consideration through the options appraisal of moving to an in-house delivery model, we are also establishing a 'property MOT' team within the Housing Property Repairs Service. This is a cyclical maintenance approach aimed at reducing the high cost and high resident impact of day to day responsive repairs.
- 6.2. On an agreed cyclical programme each property is visited, a standard checklist of items is checked, and any small repairs identified will be completed without being referred to contractors. These checks will tackle problems before they become a repair, moving from a reactive to a planned approach.
- 6.3. A typical MOT will take 1-2 hours and all items which generally result in repairs calls will be checked. These checks will tackle problems before they become a repair and essentially improve the condition of the property. The focus of the team will be minor repairs, although the team will also raise jobs, larger jobs and make appointments for further visits.
- 6.4. Whilst this is an approach which can be used to address issues in all of the stock, initially it will be targeted towards both high and low users of the repairs service, i.e. properties with persistent repairs issues and those where the absence of any repairs being logged gives rise to a concern about the condition of the property and/or the possible vulnerability of the resident. By targeting these categories we can tackle both problematic properties and those residents who may be using a disproportionate amount of the overall repairs resource. The team will also act as a 'troubleshooting' team who the Council will be able to direct in a more flexible way to tackle a range of issues for residents.
- 6.5. Initially we plan to engage 3 teams of two multiskilled in-house operatives, plus 1 planner/manager to oversee the programme. Recruitment will commence shortly. The team will be fully funded from existing Housing Revenue Account budgets – we are confident that these additional staffing costs will over time be wholly offset by a reduction in revenue spend, as fewer repairs need to be carried out by contractors and funded from the same budget source.

7. Timeline for future delivery model

- 7.1. Following discussions with members, in the coming months a full options appraisal will be conducted to arrive at recommendations for the best future service model. This will include analysis of benchmarking data, for example from the independent Housemark survey, to compare performance and costs under the current arrangements with those of other social landlords. Visits to other boroughs are also envisaged, as well as a robust analysis of all local intelligence and data to arrive at a fully considered view of the best way forward. This approach will also ensure that we learn all the lessons of the previous procurement and mobilisation exercises and arrive at the best set of future arrangements for residents and stakeholders.
- 7.2. In November 2017 the Overview and Scrutiny Committee recommended as part of their repairs workstream report that a feasibility study should be carried out into bringing the repairs service in-house. This feasibility study will form part of the options appraisal described above, and can now incorporate consideration of the property MOT team as a partial in-house model.
- 7.3. The issues with the current repairs service have been further exacerbated by procuring all repairs, compliance and major works contracts at the same time and with the same contract durations. It is therefore proposed that we look to stagger any procurement of these contracts in future. This change was recommended by the Overview and Scrutiny Committee in their report on repairs in November 2017.
- 7.4. We also believe it would be advantageous to move from two overall compliance contracts (in the North and South of the borough) to a number of individual contracts for the whole borough, e.g. for gas servicing in all properties. This will ensure the right specialist contractors are responsible for key areas of compliance, enhancing the safety of residents. It will also eliminate potential conflicts of interest. The proposed timeline below will allow officers to determine a more appropriate approach based on investigating all the available models.
- 7.5. The proposed timeline would mean that the existing contracts may need to be extended for circa 4 months whilst we mobilise new contracts. Any such extensions will follow existing contract structures and will be carried out according to the council's procurement rules.
- 7.6. The following indicative timeline shows how the service will complete the options appraisal, make a recommendation to Cabinet of the preferred future model, and then take the necessary steps to implement whatever option is selected. The key dates shown are common to all potential models, so that the new arrangements commence in August 2020. This is a provisional overall timescale as the exact timing of the steps towards implementation may vary according to the option which is selected.

7.7.

<p>November 2018</p> <p>November 2018 – April 2019 Options appraisal</p>	<p>November Cabinet Approval of options appraisal and overall timeline.</p> <p>Activities; Further involvement of repairs task force Key driver discussions, Full options appraisal Peer visits Assessment of feasibility of in-house model (including property HMO team) Customer engagement Strategy for staggering contracts</p>
<p>April 2019</p>	<p>April Cabinet</p> <p>Approval of recommended option based on the above information Key considerations include; length of contract (where applicable) social value requirements scale of works for partners and/or in-house service value for money/impact on HRA Business Plan relationship of responsive repairs to planned/cyclical repairs and of both to capital programme, major works Legal requirements, procurement rules, etc. ,</p>
<p>April 2019 - June 2019</p>	<p>(Subject to above decision) Preparation of; Tender approach (cost/quality, tender questions, minimum requirements etc) Works and product specifications Tender documents Repairs history Draft Contracts Other relevant information OR Notification of termination Consideration of TUPE/contractual issues etc.</p>
<p>June 2019 - February 2020</p>	<p>(Subject to above decision) Full OJEU tender process Timeline includes provision for full stages, cool-off periods, challenge periods OR Transition to new model (in-house/hybrid)</p>
<p>March 2020 - April 2020</p>	<p>(Subject to above decision) Contract Award</p>

	Including any further required negotiations Execution of Contracts
March 2020	Existing Contracts End
April 2020 -August 2020	(Subject to above decision) Contract mobilisation period Short extension of current contracts IT integration (Civica/Northgate issue) Cultural integration Call centre training Recruitment (internal/external) TUPE Supply Chain engagement Demobilisation of existing contractor (significant risk) OR Transition to new model (in-house/hybrid)
August 2020	Go live of new delivery model

8. NOVEMBER 2018 – APRIL 2019 TASK FORCE ACTIVITIES

8.1. As highlighted in the above table several actions will need to be undertaken prior to a recommendation being developed.

8.2. Key to understanding the potential solution is an understanding of our requirements from the future delivery model. These discussions will need to determine the relative importance of a number of factors including;

- internal/external delivery balance,
- length of contract,
- preference for partnering/Joint ventures,
- importance of social value,
- local supply chain,
- balance between cost and quality/customer outcomes
- level of control to be exercise by Council
- assessment of risk – appropriate model to mitigate and/or share financial/ reputational risks
- cultural influence
- appropriate scale of task for each party

8.3. Once these factors have been determined it will be possible to determine the most suitable model to deliver each of the requirements. A number of solutions are being considered and will be appraised ahead of a Cabinet recommendation, including;

- Full in-source delivery
- Creation of a Special Purpose vehicle (SPV)

- Full out-source solution through re-procurement
- Mixed or 'hybrid' delivery model, e.g. externally managed in-sourced delivery, mixture of delivery between partners and direct provision
- Joint venture/partnering approach
- Cost Sharing Model

8.4 An options paper already prepared for the repairs task force appears as Appendix A. This will form the basis of the options appraisal workstream and will be refined as this work progresses.

9. ALTERNATIVE TIMELINE OPTIONS CONSIDERED

9.1. Consideration was previously given to seeking cabinet approval for the future delivery model in November 2018, but for the reasons given above this is not recommended.

9.2. It may be possible to mobilise new contracts in a shorter period with a partial service based around manual processes, however we would be unlikely to see any initial service improvement (in fact we may initially see a worsening of service) and Cllrs would need to accept this compromise.

9.3. The timeline for moving to an in-house model may be different from the indicative timeline for all options set out above, as this would not require the same level of compliance with statutory procurement periods. It is recommended however that a relatively long period is still approved for what will be a significant change with impacts on budget, contracts, TUPE, and building the service's capacity.

10. REASONS FOR RECOMMENDATIONS

10.1 As detailed above part of the issues with the existing contract performance is because of poor procurement choices and poor mobilisation on the current contracts.

10.2 The approach of allowing sufficient time to undertake a fuller options appraisals exercise and allowing a suitable mobilisation/conversion period is recommended to achieve the optimum model. The service will continue in the interim to work on performance improvement with the current contractors, resulting in ongoing improvements in residents' experience of the repairs function.

11. COMMENTS OF OTHER DEPARTMENTS

11.1 Financial Implications

The repairs contract budget is included within the HRA 30-year business plan with annual inflationary increases. Therefore, extending the contract for a further 4 months will not affect the financial position.

11.2 Legal Implications

11.2.1 Under Section 11 of the Landlord and Tenant Act 1985 the Council, as Landlord, has the responsibility for keeping its property in good repair.

11.2.2 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.

11.2.3 In addition the Council has a general power of competence under Section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.

11.2.4 The recommendations in this report will enable the Council to facilitate its housing and lessor functions

11.2.5 The Council must comply with all requirements of its Constitution, Contract Procedure Rules (“CPRs”) and the Public Contracts Regulations 2015 (“ PCR 2015”).

11.2.6 The proposed extension of the current contracts for 4 months from April 2020 must be in accordance with Regulation 72 of the PCR 2015

11.2.7 So far as the possible new procurement is concerned as the contracts are likely to be over the EU threshold a formal tender process must be undertaken, in compliance with EU requirements or a compliant Framework be used

11.2.8 The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.

11.2.9 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance and Legal Services.

11.3 Property Implications

11.3.1 None identified at this time

12. KEY RISKS

12.1 Risks will form part of the task force discussions on proposed solutions and will be managed throughout the process

13. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

- 13.1 *Good homes in well-connected neighbourhoods* – a high quality well performing repairs and maintenance service will ensure the highest possible quality of homes is provided to our customers
- 13.2 *Sustain strong and healthy communities* – well maintained homes and neighbourhoods will help to improve lives for our residents who in turn may invest in their local communities
- 13.3 *Build our local economy to create a thriving place* – a full assessment of delivery option for the repairs service will allow assessment of the use of SMEs and local supply chains which support our local economy

14. EQUALITIES IMPACT IMPLICATIONS

No assessment has been undertaken as the repairs service is open to all residents of LBE council housing.

15. PERFORMANCE AND DATA IMPLICATIONS

The performance of the MOT team and progress of action against the proposed timeline will be monitored by the repairs task force and regular updates to the portfolio holder for Council Housing.

16. HEALTH AND SAFETY IMPLICATIONS

There are no H&S implications involved with approving the proposed timeline.

A full H&S assessment will be undertaken (and document suite established) to include all risk assessments, safe working practices, PPE and relevant training as part of the mobilisation stage of the MOT project.

17. HR IMPLICATIONS

There are no HR implications involved with approving the proposed timeline.

Additional staff will be recruited to deliver the MOT service, this will be funded from existing budgets

18. PUBLIC HEALTH IMPLICATIONS

Housing is a fundamental determinant of health as evidenced by that those without homes have a life-expectancy some 30 years lower than the national average. Good quality homes are associated with higher life expectancies and better health. Ultimately these repairs should therefore improve public health through the provision of better quality housing.

Background Papers

None

Appendix A – Ridge Report

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RIDGE

PROPERTY & CONSTRUCTION CONSULTANTS



REPAIRS AND MAINTENANCE OPTIONS REPORT

Draft for Discussion

February 2017

Prepared for

London Borough of Enfield

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1. EXECUTIVE SUMMARY

Ridge and Partners LLP (Ridge) has been commissioned by the London Borough of Enfield to undertake an Options Appraisal of delivery models for its reactive maintenance and void works.

In summary the London Borough of Enfield required specialist support in connection with the following elements:

- Indicative investment required for the establishment of an in house service to carry out Responsive Repairs and Voids bearing in mind the Council has no in house capability at all at this stage for this service. This needs to be in very broad terms;
- Some indication as to how these costs change as a result of moving to Joint Venture's or a mixed economy of the Provider;
- The likely timescale for establishing an in house service from the current standing start;
- Indicative costs of re-procurement of the Repairs contracts along fairly traditional lines using external contractors;
- Options for providing a regularised position for voids in the short-term; and
- General support in the preparation of the report.

Ridge undertook a four stage approach to this Option Appraisal comprising:

- a) A brief review of existing London Borough of Enfield documentation in relation to the existing service;
- b) Preparation of high level costs for the most appropriate service delivery models;
- c) Consideration of approximate timescales for the implementation of the most appropriate service delivery models; and
- d) Preparation of this report to set out all the options and associated costs together with risks to the London Borough of Enfield.

Ridge has been provided with outturn costs for 2015/16 and year to date figures for 2016/17 (as at February 2017) which are summarised in the table below:

Summary Outturn Costs	2015/16	2016/17 (part)	Ridge Benchmark
Responsive repairs (New, old and non term)	£2,296,659	£1,908,647	
Planned repairs (indicative turnover)	£1,414,468	£1,414,468	
Voids (New, old and non term)	£1,667,043	£1,893,449	
	<u>£5,378,170</u>	<u>£5,216,564</u>	
Costs per Unit			
Responsive	£343.40	£307.50	£360 to £380
Voids	£154.26	£175.21	£150 to £170
Combined	<u>£497.66</u>	<u>£482.70</u>	£510 to 550

The figures above exclude mechanical and electrical related repairs and other specialist works such as asbestos and cyclical maintenance. We have added the indicative turnover figures for planned repairs to provide a more realistic assessment of the quantum of responsive repairs however understand that these works have not been completed due to the lack of the responsive contractor's resources.

In overall terms the 2015/16 outturn costs compare relatively well with our own expected benchmarks however consideration needs to be given to the level of back log repairs and other associated works that have not been completed within that year. In addition the outturn costs do not include the London Borough of Enfield's own on costs such as management, supervision, office overheads etc. which would increase the overall cost of the service and result in significantly higher costs per unit.

Having reviewed the current contract Ridge then considered a number of delivery models for the service. Our report considers the following options in detail together with associated costs:

- 5.1 Outsourced i.e. traditional procurement of a new contract(s);
- 5.2 In House Direct Labour Organisation; and
- 5.3 A Managed Service Direct Labour Organisation.

Within our report we have provided a brief description, advantages, disadvantages and risks to the London Borough of Enfield for each of the first three options.

There are also a number of other models that could be considered however these generally require a higher level of turnover of repairs and voids works to justify the set-up and associated operational costs, which can be significant. Following the discussion with the London Borough of Enfield we agreed that the Wholly Owned Subsidiary, Joint Venture and Cost Sharing Vehicle options would not be considered in detail as these are not deemed appropriate at this stage. These options may however be considered longer term and mechanisms exist to migrate from options 5.1 to 5.3 above into these alternatives.

This report therefore considers the principles of these other models but does not contain details of associated costs. The longer term options considered are:

- 5.4 Wholly Owned Subsidiary;
- 5.5 Cost Sharing Vehicle; and
- 5.6 Joint Venture.

A summary of the estimated costs are shown in the table below. Detailed costings are provided within the main report.

Summary Costs							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
DLO - All Services In-House	£1,196,000	£7,543,000	£7,528,000	£7,513,000	£7,508,000	£7,508,000	£38,796,000
Cost Per Property Per Annum		£698	£697	£695	£695	£695	
DLO - PSC Managed Service	£625,000	£7,283,000	£7,273,000	£7,253,000	£7,253,000	£7,253,000	£36,940,000
Cost Per Property Per Annum		£674	£673	£671	£671	£671	
Outsourced contract	£80,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£38,130,000
Cost Per Property Per Annum		£704	£704	£704	£704	£704	

As can be seen from the table above the relative total costs of each option range between £36.9m and £38.8m with the Direct Labour Organisation Managed Service contract providing the lowest indicative cost in overall terms. There are however a number of advantages, disadvantages and risks associated with each option and the London Borough of Enfield should consider these in tandem with the cost estimates. These are set out within each section relating to each model. In respect of the Direct Labour Organisation models, the managed option also provides a significantly reduced Year 0 set up investment. This is partly due to the significantly reduced investment in IT that maybe avoided if using a private sector contractors system.

Timetable

For a new outsourced contract we would anticipate that due to the mandatory timescales required under OJEU and the need to review the specification for the service this process may be completed within 12 to 18 months. The implementation of an in-house Direct Labour Organisation is not a straight forward undertaking could be achieved within 18 months but could take longer dependant on the London Borough of Enfield's ambition for integrated Information Technology infrastructure requirements.

For a managed direct labour organisation the London Borough of Enfield could take advantage of contractors that can mobilise within a matter of weeks in emergency situations, however, as a guide and considering that an OJEU notice will be required for the management services, it would be prudent to allow a period of at least six months for set up.

Next Steps

Having determined the models for more detailed review, Ridge has identified a number of steps that the London Borough of Enfield will now need to consider:

- a) Presentation and discussion with the London Borough of Enfield senior management;
- b) Engage legal and financial advice relating to the shortlisted options;
- c) Undertake soft market testing and dialogue with potential Private Sector Contractors;
- d) Assess the in-house client side functions and undertake gap analysis to determine if further support/resources are required;
- e) Obtain more detailed costings from stakeholders, private sector contractor's, suppliers etc. for each model;
- f) Consider the menu of options available from private sector contractor's to reduce risk and set up costs;
- g) Undertake detailed risk analysis and mitigation methods;
- h) Develop a programme plan for implementation with detailed analysis of workstreams and likely roles, responsibilities and inter-dependencies e.g. finance, procurement, private sector contractor, consultants, residents etc.; and
- i) Review and validate against the London Borough of Enfield 30 year business plan.

2. INTRODUCTION AND BRIEF

Ridge and Partners LLP (Ridge) has been commissioned by the London Borough of Enfield to undertake an Options Appraisal of delivery models for its reactive maintenance and void works.

This report responds to the requirements of the London Borough of Enfield as set out within its Invitation to Quote document entitled “Strategic Repairs and Maintenance Advice Direct Call-off from Fusion 21 Framework” issued via email on 6 February 2017 by Due North Limited. A copy of the Invitation to Quote is included at Appendix A. In summary the London Borough of Enfield required specialist support in connection with the following elements:

- Indicative investment required for the establishment of an in house service to carry out Responsive Repairs and Voids bearing in mind the Council has no in house capability at all at this stage for this service. This needs to be in very broad terms;
- Some indication as to how these costs change as a result of moving to Joint Venture’s or a mixed economy of the Provider;
- The likely timescale for establishing an in house service from the current standing start;
- Indicative costs of re-procurement of the Repairs contracts along fairly traditional lines using external contractors;
- Options for providing a regularised position for voids in the short-term; and
- General support in the preparation of the report.

At present the responsive repairs and voids works are provided by MCP Property Services Limited and MNM Property Services Limited, external small medium enterprise contractors appointed through a JCT Measured Term Contract expiring in April 2020.

It should be noted that additional consultancy support may be required by the London Borough of Enfield depending on which delivery model is adopted in relation to specialist legal and accountancy matters.

3. OUR APPROACH

Ridge undertook a three stage approach to this Option Appraisal comprising:

- a) A brief review of existing London Borough of Enfield documentation in relation to the existing service;
- b) Preparation of high level costs for the most appropriate service delivery models;
- c) Consideration of approximate timescales for the implementation of the most appropriate service delivery models; and
- d) Preparation of this report to set out all the options and associated costs together with risks to the London Borough of Enfield.

We have set out below the documentation that the London Borough of Enfield has provided to Ridge. This has been analysed and considered by Ridge in the formulation of this report.

- Voids Briefing Paper – Appendix 2;
- Tender Book Pricing Summary;
- Stock Listing at February 2017
- Repairs Categorisations and Right to Repair rates LB Enfield;
- Indication of Possible Annual Turnover 2014;
- Existing SAP structure (as at March 2015);
- LB of Enfield – Priority Codes;
- Letting Standard June 2008;
- Options and costs November 2016 for Direct Labour Organisation IT systems;
- Staffing Costs; and
- Outturn costs for responsive and voids 2015/16 and part year 2016/17.

4. REVIEW OF THE CURRENT SERVICE

Ridge has reviewed a number of documents as detailed in Section 3 relating to the current contractual arrangements and performance of the service providers. In summary the original contract arrangements in respect of responsive and void works comprise:

- Contract – JCT Measured Term Contract;
- Commencement – 1 May 2015;
- Term – 5 years with an option to extend to annually for a further 5 years;
- Contractors – MNM Property Services Ltd and MCP Property Services Ltd;
- Schedule of Rates – National Housing Federation V.6 and the London Borough of Enfield bespoke composite rates. Deductions set out in the table below;

	MCP	MNM
	% Addition/ Deductions	% Addition/ Deductions
Council Composite Schedule of Rates – Day to Day Responsive Repairs	-2.00%	5.00%
Fixed Price Per Job of £70 – Day to Day Responsive Repairs to Dwelling Internals Only	-25.71%	-5.00%
National Housing Federation Schedule of Rates – Day to Day Responsive Repairs	-5.00%	-13.00%
Fixed Price Per Job of £70 – Day to Day Responsive Repairs to Dwellings Internals Only	-25.71%	-5.00%
National Housing Federation Schedule of Rates – Planned Repairs and Cyclical Maintenance Works	-3.00%	-20.00%
National Housing Federation Schedule of Rates – Void Property Works	-9.00%	-18.00%

There are nine priorities for responsive repairs as follows:

- Priority A – 1 working day
- Priority B – 3 working days
- Priority C – 7 working days
- Priority E – 4 hours (emergency)
- Priority 6 – 20 working days
- Priority 7 – 30 working days
- Priority 3 – 60 working days
- Priority 4 – 120 working days
- Priority 1 – 10 working days

Ridge would anticipate a maximum of four priorities with many modern day contracts having less than this.

A number of providers have moved away from the traditional priority codes and utilised the following options:

- Same day / next day repair service;
- A reduced number of categories e.g. voids only 3 and 10 days;
- Repair service as customer requires; and
- Average time to complete **all** repairs.

It is important that the objectives of the service are aligned to Key Performance Indicator's.

Current Performance

The London Borough of Enfield has not provided Ridge with projected outturn costs to determine how the current contracts are performing financially.

Set out in the table below is a summary of the key performance indicators and performance data that Ridge has collated and calculated for the responsive and void services.

Summary Outturn Costs	2015/16	2016/17 (part)	Ridge Benchmark
Responsive repairs (New, old and non term)	£2,296,659	£1,908,647	
Planned repairs (indicative turnover)	£1,414,468	£1,414,468	
Voids (New, old and non term)	£1,667,043	£1,893,449	
	<u>£5,378,170</u>	<u>£5,216,564</u>	
Costs per Unit			
Responsive	£343.40	£307.50	£360 to £380
Voids	£154.26	£175.21	£150 to £170
Combined	<u>£497.66</u>	<u>£482.70</u>	£510 to 550

The figures above exclude mechanical and electrical related repairs and other specialist works such as asbestos and cyclical maintenance. We have added the indicative turnover figures for planned repairs to provide a more realistic assessment of the quantum of responsive repairs however understand that these works have not been completed due to the lack of the responsive contractor's resources.

In overall terms the 2015/16 outturn costs compare relatively well with our own expected benchmarks however consideration needs to be given to the level of back log repairs and other associated works that have not been completed within that year. In addition the outturn costs do not include the London Borough of Enfield's own on costs such as management, supervision, office overheads etc. which would increase the overall cost of the service and result in significantly higher costs per unit.

In respect of void benchmarks, care needs to be taken to ensure this is aligned to the London Borough of Enfield Void Standard which may be higher than our expectations.

Costs/key performance indicators are based on the following core data:

- Stock: 10,807 (excludes 4,836 leaseholders)
- Responsive orders: 18,878 (51 weeks) pro-rated to 19,241 per annum
- Void: 396 (6 months) pro-rated to 792 per annum

REPAIRS AND MAINTENANCE OPTIONS



The proportions of Emergency, Urgent and Routine repairs in 2014/15 are set out in the table below:

TYPE	NUMBER	% OF ALL REPAIRS	RIDGE BENCHMARK
Emergency	3,636	19%	10%
Urgent	7,918	42%	20%
Routine	7,324	39%	70%
Total	18,878	100%	100%

As can be seen from the table above the proportions of Emergency and Urgent repairs were significantly higher than Ridge benchmarks which may still be impacting costs and reflect the improvements required in areas such as diagnosis and scheduling.

5. THE OPTIONS

Within this section we have identified the various delivery models which may be considered by the London Borough of Enfield for the service.

To summarise the options considered in this section are as follows:

- 5.1 Outsourced i.e. procurement of a new contract;
- 5.2 In House Direct Labour Organisation; and
- 5.3 A Managed Service Direct Labour Organisation.

There are also a number of other models that could be considered however these generally require a higher level of turnover of repairs and voids works to justify the set-up and associated operational costs, which can be significant. These options may however be considered longer term and mechanisms exist to migrate from options 5.1 to 5.3 above into these alternatives. This report therefore considers the principles of these other models but does not contain details of associated costs. The longer term options considered are:

- 5.4 Wholly Owned Subsidiary;
- 5.5 Cost Sharing Vehicle; and
- 5.6 Joint Venture.

We have set out a brief description of the commonly used delivery models in the housing sector. For the outsourced and Direct Labour Organisation options we have also included the following:

- Advantages/disadvantages to the London Borough of Enfield;
- Risks to the London Borough of Enfield;
- Costs associated with the model; and
- Ridge recommendation for further consideration.

In respect of the costs for each model we have made the following assumptions in our estimates:

- Stock number is 10,807 (excluding leaseholders);
- Responsive repairs orders per annum 19,241 (1.8 repairs per dwelling per annum);
- Void rate of 7.3% (792 voids per annum);
- Year 0 costs are for those incurred prior to a go live of 1 April 2018;
- Depot/stores costs are excluded on the basis of an expected agreement with a local supplier (e.g. Travis Perkins or similar for material purchases);
- Total number of operatives is 60, 40 responsive, 20 void;
- Allowance has been made for office overheads but will need to be confirmed with the London Borough of Enfield;
- Senior management costs (Client side) have not been included/apportioned at this stage;
- Legal and financial advisory costs have been included as provisional sums and should be confirmed directly with consultants by the London Borough of Enfield;
- Allowances have been made for support to the London Borough of Enfield through the implementation phase with the provision of consultant surveyor and program management to reflect the size and importance of this project and likely time that will need to be dedicated to it prior to go live in April 2018;
- Costs have been included to reflect the likely procurement approach and the number of contractual agreements that maybe required;
- Costs are exclusive of inflation;

- Costs and assumptions should be compared to the business plan to ensure that there is no double counting; and
- We have not included cyclical or responsive repairs related to mechanical and electrical (M&E) installations which are undertaken by separate contractors.

5.1 Outsourced

Brief Description

This model will be very familiar to the London Borough of Enfield being the same arrangement as currently exists with MNM and MCP. A new contract would be procured following an OJEU compliant process utilising an appropriate Form of Contract (such as JCT) and pricing mechanism (such as National Housing Federation V6). Alternatives include open-book, cost plus arrangements, bespoke schedules and increased cost certainty via annual prices / price per property and price per void arrangements. We would recommend that such an approach is best initiated on schedule of rates basis and when established move to a price per property and price per void basis.

As with any procurement, the London Borough of Enfield would need to undertake this process judiciously in order to ensure that any contractors who are ultimately appointed will deliver the most efficient and Value for Money service available.

The London Borough of Enfield are likely to secure greater value for money in return for a broader package of works i.e. extending the scope beyond responsive and void to include elements such as gas servicing, planned works, external painting, grounds maintenance and cleaning. Compliance related services (such as fire risk assessment, water quality, electrical testing etc.) and traditional client functions such as surveying and call centre management may also be considered for inclusion.

Responsive repair and other services benefit from longevity in the formal arrangements, incentivising the contractor's investment in the early years and it requires a strategically aware contractor for this to be successful. Contract durations of 10 and 15 years are not unusual in the sector at the present time e.g. Basildon DC have recently let a 15 year contract with Morgan Sindall. We would recommend suitable break clauses within such a long term contract and market testing at regular intervals.

Advantages to the London Borough of Enfield

- This is a tried and tested route for the London Borough of Enfield which transfers a large proportion of risk to the contractor;
- It is a model which is familiar to all partners alike;
- The contractor alone carries the risk of its own losses;
- The contractor can typically handle variations in work volumes;
- The contractor can bring in "best practice" from other contracts;
- Added Value and community benefits can be built into outsourced contracts e.g. apprentices, recruitment and training;
- The London Borough of Enfield are familiar with the process and have an established organisational structure, but for the new arrangement to be successful will require a review of the current team skills and capacity for change ; and
- Provisions can be included within the OJEU notices and tender documents to provide longer term flexibility if the London Borough of Enfield decided to move to an alternative delivery model such as a wholly owned subsidiary.

Disadvantages to the London Borough of Enfield

- Some risks still remain with the London Borough of Enfield in respect of the service delivery and a robust 'client side' team is required;

- Vagaries and financial events in the private sector (insolvency, takeovers etc.) can potentially negatively impact on the service provided to the London Borough of Enfield and its customers e.g. Connaught and ROK insolvency in the last recession;
- Changes to the service required by the London Borough of Enfield post-contract may need formal negotiation within a commercial context (adding cost);
- The London Borough of Enfield would still retain overall budget and compliance risk;
- A 'core' London Borough of Enfield business / service is delivered externally;
- The London Borough of Enfield will lack direct control over the workforce providing the service, and the performance of the service will need to be managed through the contract; and
- The London Borough of Enfield must have the correct skills (in-house or consultants) to effectively manage the Client/Employer side aspects of the contract from commencement including effective mobilisation of the contract(s).

Risks to the London Borough of Enfield

- Non/below required performance;
- Price increases that cannot be sustained;
- Form of contract not understood by client team;
- Contract only remedies for poor performance;
- Pressure to award more work to contractor; and
- Claims possible if terminated or volume of work reduced.

Costs associated with the model

Ridge has estimated the cost of a newly procured contract based on our knowledge of rates within the sector for undertaking similar responsive repair and voids work within the London area. In addition to the costs for the contractor's works we have also included the on costs that the London Borough of Enfield will incur in managing and administering such a contract such as the client side team, office overheads, mobilisation and a 10% contingency allowance.

A summary of the costs including an OJEU compliant procedure are set out in the table below:

Outsourced Contract	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Procurement costs & audit	£35,000	£5,000	£5,000	£5,000	£5,000	£5,000	£60,000
Responsive repairs	£10,000	£4,110,000	£4,110,000	£4,110,000	£4,110,000	£4,110,000	£20,560,000
Void works	£10,000	£1,745,000	£1,745,000	£1,745,000	£1,745,000	£1,745,000	£8,735,000
Supervision and management		£1,220,000	£1,220,000	£1,220,000	£1,220,000	£1,220,000	£6,100,000
Office overheads (IT/finance/HR/legal)		£165,000	£165,000	£165,000	£165,000	£165,000	£825,000
Mobilisation	£20,000	£0	£0	£0	£0	£0	£20,000
Contingencies	£5,000	£365,000	£365,000	£365,000	£365,000	£365,000	£1,830,000
Total	£80,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£38,130,000
Cost Per Property Per Annum		£704	£704	£704	£704	£704	

Timetable

It is expected that due to the mandatory timescales required under OJEU and the need to review the specification for the service this process can be complete within 12 to 18 months.

Other considerations

There are a number of other considerations which may be prudent for the London Borough of Enfield to consider as follows:

- The London Borough of Enfield has had a poor experience with the current external small medium enterprise contractors so there may be a stigma associated with this option;
- A robust and suitable procurement approach needs to be established by the London Borough of Enfield with lessons learnt from the current contract considered;
- If small medium enterprises are to be considered then a provider that is capable of working in partnership at a strategic level with the London Borough of Enfield will be essential;
- If a national contractor is appointed the actual service delivered locally can vary;
- The success of a contract is heavily dependent on the Area Manager appointed;
- External arrangement do provide a more 'arm's length' option and provide the London Borough of Enfield with a facility to pursue the contractor if there are any problems;
- Difficult to embed the London Borough of Enfield visions and values with an external provider;
- Question – do the London Borough of Enfield want an added value contract with return on social investment or just provide the basic service?
- Question – why have so many response categories? Preference to have those required by statutory regulations etc. and provide appointments to suit resident's needs.

Ridge recommendation for further consideration

An outsourced contract is an option that should be considered in further detail alongside a robust procurement strategy to ensure that selected contractors have the track record and infrastructure to deliver responsive repairs and void works on the scale anticipated by the London Borough of Enfield. A degree of future proofing can be included aligned to longer term London Borough of Enfield aspirations. Considering the inclusion of other services would also provide better value for money as the London Borough of Enfield benefit from the economies of scale and savings that a contractor would be able to pass on.

5.2 In House Direct Labour Organisation

Brief Description

The London Borough of Enfield could opt to exercise termination terms within the existing contracts (we understand separate legal advice is being obtained in this regard) and provide its own repairs and maintenance service by bringing the workforce in-house through the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) i.e. create a direct labour organisation. The alternative would be to continue with current contractual arrangements and try to implement a performance improvement plan for each contractor assuming that they have capability and resources to implement these measures.

All human resources involved in the delivery of the service would be directly employed by the London Borough of Enfield. The employment/ Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) transfer of an experienced senior manager to run the Direct Labour Organisation would be essential, although cannot be assured and recruitment may be necessary (this is not an easy role to fill within the affordable housing sector).

Advantages to the London Borough of Enfield

- Direct Labour Organisations can work well where the stock is concentrated, as is the case for the London Borough of Enfield;
- Enables the employment of local people to work on stock owned by the London Borough of Enfield;
- The London Borough of Enfield can influence the culture of the team, embedding customer centric ethos;
- The London Borough of Enfield can alter its service expectations without the need to negotiate with a third party and hence save costs;
- The London Borough of Enfield retains direct control over repairs - one of the most important service areas to customers;
- Avoids market vagaries of the commercial sector; and
- Enables the London Borough of Enfield vision, values and corporate objectives to be prioritised.

Disadvantages to the London Borough of Enfield

- The London Borough of Enfield retains all risks and costs (some of which will be significant) associated with the delivery of the repairs and voids services including:
 - IT provision and management;
 - Health and Safety compliance;
 - Employment (including pensions);
 - Commercial;
 - Waste Management;
 - Budget;
 - Quality Control;
 - Vehicles and plant; and
 - Supply chain management in particular materials purchasing and administration;
- Higher cost of mobilisation, compared to other models, for the London Borough of Enfield having no existing Direct Labour Organisation e.g. IT, vehicles and supply chain etc.;
- Shortage of skilled and experienced Direct Labour Organisation Managers in the sector;
- Risk of provider led internal culture losing customer focus;
- The London Borough of Enfield will need to consider the effect of TUPE as this option may mean that the staff currently providing the service employed by MNM and MCP have the right to transfer to the London Borough of Enfield (note this is a right therefore not a guarantee of workforce joining the London Borough of Enfield). Consideration will need to be given to any other regularly used sub-contractors e.g. voids

contractors procured via the London Portal. Staff may be on different terms and conditions from the London Borough of Enfield staff. The London Borough of Enfield would need to manage the integration of the staff into the workforce, including dealing with any equal pay issues;

- Additional finance resource required, especially regarding set-up costs; and
- Increased HR liability/support (pensions).

Risks to the London Borough of Enfield

- There will be pressure on the London Borough of Enfield to ensure that the Direct Labour Organisation performs and this will require significant investment in many elements affecting service delivery;
- Availability of suitable resource (trades & supervision);
- The London Borough of Enfield will need to consider the strength of its own client side team and whether this needs further support and resources;
- Securing a competent Direct Labour Organisation Manager, particularly if TUPE option not exercised;
- Risk that the London Borough of Enfield can become too focused upon the Direct Labour Organisation as opposed to other core housing services;
- Demonstration of value for money still needs to be shown/achieved;
- Sustainability; and
- Reputation as the service directly reflects upon the London Borough of Enfield.

The London Borough of Enfield need to consider what in-house management expertise is available and whether there is a need to procure third party Direct Labour Organisation management services, staff that transfer might not include such personnel. The European public contracts directive would apply to these third party Direct Labour Organisation management service and the London Borough of Enfield might need to run an OJEU procurement process if the likely value of the service is over the relevant thresholds (currently £164,176 for services net of VAT).

Costs associated with the model

Ridge has prepared estimated costs on the basis of our experience in setting up Direct Labour Organisation's for other clients and the assumptions are set out on page 9. We have set out below the main cost categories with estimates for Year 0 (i.e. mobilisation and implementation costs prior to contract commencement) and then for the next 5 years of operations. We have included contingency sums (15% per annum) this can be reduced as more certainty is evidenced.

LBE Responsive & Void Costs - All Services In-House							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Information & Communication Technology (ICT)	£800,000	£145,000	£135,000	£140,000	£135,000	£135,000	£1,490,000
Direct Costs - employee related	£111,000	£4,960,000	£4,960,000	£4,940,000	£4,940,000	£4,940,000	£24,851,000
Supervision & Management Costs	£0	£1,260,000	£1,260,000	£1,260,000	£1,260,000	£1,260,000	£6,300,000
Office Overheads (IT/Finance/HR/Legal)	£0	£190,000	£190,000	£190,000	£190,000	£190,000	£950,000
Consultant Surveyors Costs (PC/QS)	£0	£3,000	£3,000	£3,000	£3,000	£3,000	£15,000
Legal Costs (Provisional Sum)	£30,000	£0	£0	£0	£0	£0	£30,000
Program Manager (Implementation)	£100,000	£0	£0	£0	£0	£0	£100,000
Contingencies	£155,000	£985,000	£980,000	£980,000	£980,000	£980,000	£5,060,000
Total	£1,196,000	£7,543,000	£7,528,000	£7,513,000	£7,508,000	£7,508,000	£38,796,000
Cost Per Property Per Annum		£698	£697	£695	£695	£695	

The cost table illustrates the significant cost items of labour, materials, IT (particularly in Year 0) and vehicles. Ridge estimate a Year 0 cost of £1.2m and thereafter an average annual operating cost of approximately £7.5m. Total estimated costs for Years 0 to 5 are £38,796,000.

Timetable

The implementation of an in-house Direct Labour Organisation is not a straight forward undertaking could be achieved within 18 months but could take longer dependant on the London Borough of Enfield's ambition for integrated Information Technology infrastructure requirements. Implementation time could be reduced depending on the urgency required and the utilisation of interim measures that could be adopted before full implementation and an integrated Information Technology system. Use of emergency measures and a different interim contractor could be considered but noting that certain elements such as Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) have defined timescales that could not be shortened.

Other considerations

There are a number of other considerations which may be prudent for the London Borough of Enfield to consider as follows:

- The Housing Management system (Northgate) is being reviewed so it may be an ideal opportunity to provide integrated IT for in-house requirements; and
- Concern over set-up costs especially IT.

Ridge recommendation for further consideration

An in house Direct Labour Organisation is an option that should be considered in further detail by the London Borough of Enfield providing a greater level of control over an important housing service. The London Borough of Enfield will need to consider its current strengths and weaknesses to provide such a service and the significant initial and on-going investment that will be required. Other local authorities have chosen such a route but it must be supported by sufficient infrastructure and capability to be successful. Gap analysis should be undertaken to identify areas that may need support or improvement and consideration of whether this can be sourced internally. The setting up of a Direct Labour Organisation does keep future options open such as the creation of a wholly owned subsidiary if this became an aspiration for housing service delivery.

5.3 A Managed Service Direct Labour Organisation

A variation to the in-house Direct Labour Organisation that the London Borough of Enfield could also consider is a Managed Service Direct Labour Organisation.

Brief Description

Under this arrangement, the London Borough of Enfield would create a Direct Labour Organisation which would carry out the works and services with directly employed operatives. A private sector contractor would then be procured to manage it and provide other support if required. The partner could for example provide the following:

- a) A senior manager to oversee the Direct Labour Organisation who is focused on service and productivity improvements with tight budget management;
- b) The IT system for the Direct Labour Organisation to use and manage work flow;
- c) Access to materials supply chain arrangements;
- d) Any other equipment, plant, uniforms, PPE etc. required; and
- e) Support when and as required to address key risks such as Health and Safety, customer service and supply chain management.

Advantages to the London Borough of Enfield

All of the benefits of the Direct Labour Organisation arrangement apply to this variation. Other benefits include:

- a) The majority of repairs and maintenance staff, including operatives, remain directly employed by the London Borough of Enfield;
- b) The private sector contractor can bring a tried and tested IT system that provides integrated processes and controls for the service delivery;
- c) An innovative mix of direct provision with private sector know-how which reduces the London Borough of Enfield's exposure to risk. The management of the Direct Labour Organisation would be provided by the private sector contractor with that individual responsible for the day-to-day operations. The Direct Labour Organisation Manager can also be allocated responsibility for more strategic issues such as bringing forward proposals for organisational restructures and the review of the overall repairs policy;
- d) The London Borough of Enfield retains direct control and assurance over service continuity; and
- e) Pricing arrangement with the private sector contractor is based on a straightforward annual management fee.

In the event, that the Direct Labour Organisation manager, or other resources, needs to be replaced or augmented, then it is the private sector contractor's responsibility to provide a replacement or support which meets the London Borough of Enfield's full requirements.

The London Borough of Enfield can select from a menu of services it wants to receive from the private sector contractor, which may be assessed through 'gap analysis' of the current arrangements and the London Borough of Enfield's own resources.

Disadvantages to the London Borough of Enfield

Similar disadvantages as the Direct Labour Organisation model apply to this option. Additional disadvantages would be:

- The loss of control at the top of the organisation with the appointment of the private sector contractor as the Project/Direct Labour Organisation Manager;
- Need to procure the management services through an OJEU compliant process; and
- Additional costs related to the private sector contractor management fee however often this can be off set against the savings made in other areas such as materials purchasing where savings are realised utilising the buying power of the contractor.

Risks to the London Borough of Enfield

Similar risks as the Direct Labour Organisation model apply to this option. Other risks include:

- a) The Direct Labour Organisation manager provided by the private sector contractor is not of the calibre that the London Borough of Enfield require;
- b) Not being able to totally embed the culture and ethos of the London Borough of Enfield; and
- c) The London Borough of Enfield will still need to consider the strength of its own client side team for any functions not provided by the private sector contractor and whether these need further support and resources;

Costs associated with the model

Ridge has prepared estimated costs on the basis of our experience in setting up Direct Labour Organisation's for other clients and the assumptions set out on page 9. We have set out below the main cost categories with estimates for Year 0 (i.e. mobilisation and implementation costs until the current contract expires) and then for the next 5 years of operations. The principle difference to the Direct Labour Organisation model is that the management is undertaken by the private sector contractor and therefore costs are deducted from the London Borough of Enfield supervision and management but with the addition of private sector contractor annual management fees. We have also assumed that Information Technology to run the Direct Labour Organisation function is provided by the private sector contractor. The client side costs (in-house or consultants) associated with implementing the IT interface with the private sector contractors system have not been included below. We have also considered the likely savings that may be achieved for materials reflecting the private sector contractor buying power discounts from the supply chain. We have included contingency sums of 15% per annum within our estimates.

LBE Responsive & Void Costs - PSC Managed Service							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Information & Communication Technology (ICT)	£84,000	£55,000	£45,000	£45,000	£45,000	£45,000	£319,000
Direct Costs - employee related	£111,000	£4,776,000	£4,776,000	£4,756,000	£4,756,000	£4,756,000	£23,931,000
Supervision & Management Costs	£0	£1,159,000	£1,159,000	£1,159,000	£1,159,000	£1,159,000	£5,795,000
Office Overheads (IT/Finance/HR/Legal)	£0	£190,000	£190,000	£190,000	£190,000	£190,000	£950,000
Consultant Surveyors Costs (PC/QS)	£0	£3,000	£3,000	£3,000	£3,000	£3,000	£15,000
Legal Costs (Provisional Sum)	£45,000	£0	£0	£0	£0	£0	£45,000
Program Manager (Implementation)	£100,000	£0	£0	£0	£0	£0	£100,000
Private Sector Contractor Management Fee	£200,000	£150,000	£150,000	£150,000	£150,000	£150,000	£950,000
Contingencies	£85,000	£950,000	£950,000	£950,000	£950,000	£950,000	£4,835,000
Total	£625,000	£7,283,000	£7,273,000	£7,253,000	£7,253,000	£7,253,000	£36,940,000
Cost Per Property Per Annum		£674	£673	£671	£671	£671	

Ridge estimate a Year 0 cost of £625,000 and thereafter an average annual operating cost of approximately £7.3m. Total estimated costs for Years 0 to 5 are £36,940,000.

Timetable

This can be achieved in a matter of weeks in emergency situations, however, as a guide and considering that an OJEU notice will be required for the management services, the London Borough of Enfield should allow for a period of at least six months.

Ridge recommendation for further consideration

A managed Direct Labour Organisation is an option that should be considered in further detail by the London Borough of Enfield providing the benefits of an in house option but with advantages of a private sector know how and reduction of associated risks. A menu of options can be discussed with a private sector contractor to determine the key aspects that the London Borough of Enfield require and which would otherwise require substantial set up investment.

Again the setting up of a managed Direct Labour Organisation does keep future options open such as the creation of a wholly owned subsidiary if this became an aspiration for housing service delivery. A private sector contractor could also be engaged as part of the mobilisation period to deal with back log issues and immediate service delivery issues such as voids. Such an arrangement could provide time for more effective induction and training for operatives and other staff prior to go live.

5.4 Wholly Owned Subsidiary

Brief Description

This option is a hybrid of an in-house service and direct contract model mentioned above. Essentially under this model the operatives would be provided by a wholly owned subsidiary of the London Borough of Enfield and the management expertise provided by a private sector contractor. This is a model which has been adopted by Registered Providers in an attempt to replicate, as far as possible, a direct contract but on a more tax efficient basis. This model is also common in new build development with the creation of a Local Housing Company.

Current MCP and MNM staff that provide the operational part of the services to the London Borough of Enfield may transfer into the subsidiary. The subsidiary would then provide that labour workforce to the London Borough of Enfield. A private sector provider would manage and oversee the work carried out by those employees under a contract with the London Borough of Enfield.

The London Borough of Enfield would need to run a procurement exercises in relation to the private sector provider for the services it provides, again making sure that this is a robust process which ensures that as far as possible, the London Borough of Enfield engages with a private sector provider that it is happy with can provide the services it needs.

This option also allows clear delineation of the repairs and maintenance service from the rest of the London Borough of Enfield's housing functions.

Whilst operational staff would sit within the subsidiary, the management would be such that on a day to day basis the arrangements and delivery of the service would feel much the same as they do now where a Private Sector Contractor provides the services.

The subsidiary would have the obligations of an Employer for those that decide to transfer. This would include the requirement to pay costs associated with this employment transfer including responsibility for paying any employer pension contributions. This will mean the private sector contractor's fee under the services contract would be reduced by all relevant employment costs.

It will be important that in its relationship with the private sector contractor, the new subsidiary has the benefit of HR support functions from the private sector contractor through its contractual obligations. A consequence of this is that the London Borough of Enfield would need to have authority over the employees and the new subsidiary company would be reliant on enforcement of the contractual relationship to ensure that the private sector contractor remained compliant with employment legislation.

Amongst other things, the contracts between the private sector contractor and the London Borough of Enfield would need to be clear about details such as:

- Responsibility for management;
- Assessment of productivity and implementation of efficiency improvements (key performance indicators/metrics/service standards etc.);
- Training and support;
- Health and safety, compliance matters;
- Recruitment and appointment and agreement of pay/reward/benefits;
- Administration of holidays/sick leave;
- Career development and promotion;

- Dealings with unions; and
- Implementation of disciplinary proceedings including dismissals and grievances.

It would also be sensible for the subsidiary to require indemnification by the private sector contractor for any claims caused by the management of employees – for example for discrimination or harassment.

The London Borough of Enfield may enter into separate contractual arrangements with a private sector contractor to:

- a) Manage the subsidiary;
- b) Deliver the service, as a Private Sector Contractor; and
- c) Provide all necessary resources to deliver the works on the same basis as if it was fully outsourced (IT systems, plant, vehicles, support services input etc.).

Advantages to the London Borough of Enfield

- The model can provide the London Borough of Enfield with a platform for growth for service development and other deliverables;
- The London Borough of Enfield can secure all the benefits of an outsourced partnered service delivery arrangement including, for example private sector contractor warranties, responsibilities and management expertise whilst also receiving all the benefits of being the sole owner of the subsidiary;
- Risk is transferred to the external partner on the same basis as risks would be allocated under an outsourced service arrangement;
- The wholly owned subsidiary will be viewed by customers as being part of the London Borough of Enfield. This will help to shape the service's identity and culture whilst also building brand recognition and loyalty amongst residents;
- The London Borough of Enfield can maximise opportunities to support local craft training and employment initiatives and closely target community benefits;
- The establishment of a wholly owned subsidiary can be used as a platform to energise some new community initiatives and support social enterprises and local small medium enterprises;
- The London Borough of Enfield would receive the benefit of private sector contractor buying power through the use of the supply chain (materials, PPE, vehicles etc.);
- The London Borough of Enfield can achieve additional benefits through on-going review of which party is best able to deliver each function under the new arrangements;
- In the longer term the London Borough of Enfield through the wholly owned subsidiary could offer services to other affordable housing providers and leaseholders thus bringing income to the wholly owned subsidiary for potentially little increase on the established overhead. This additional income would be expected to generate a contribution for the London Borough of Enfield;
- The risk for getting the work done to the required standards remains with the private sector contractor which is also responsible for ensuring there is a 'match' in the labour and resource levels available via the wholly owned subsidiary;
- Employees in the wholly owned subsidiary will be subject to the employment terms and conditions, including pensions, established by the wholly owned subsidiary and these are likely to be more commercial than those that apply where the employees are employed directly by the London Borough of Enfield;
- A wholly owned subsidiary can later be amended to become a Cost Sharing Group (refer Section 5.6 below) should the London Borough of Enfield require that flexibility in the future (on expiry of existing contractual arrangements);

- The wholly owned subsidiary can trade with third parties (usually up to 20% of overall wholly owned subsidiary trading levels); and
- Joint decisions can be made on annual budgets and efficiencies.

Disadvantages to the London Borough of Enfield

- Some HR and other responsibilities will technically remain with the London Borough of Enfield (although these can be mitigated via the contracts with the external service provider);
- TUPE will apply and will need to be properly managed;
- Any pension issues will need to be addressed;
- Legal support will be required to establish the wholly owned subsidiary in the first instance and costs for this will need to be addressed by the London Borough of Enfield; and
- private sector contractor support staff will need to amend some of their processes, documentation and working practices to accommodate the fact that they do not employ the employees delivering most of the works (as the wholly owned subsidiary is the employer).

Risks to the London Borough of Enfield

- Higher costs than in-house/tendered;
- No guarantee of value for money;
- Securing correct private sector contractor/consultancy;
- Significant risk for contractor as private sector contractor and directing/supporting staff; and
- HMRC – who is the employer? This needs clear definition and processes to ensure adherence with tax regulations.

5.5 Cost Sharing Vehicle

Brief Description

The London Borough of Enfield could consider setting up a cost sharing vehicle to take advantage of greater economies of scale arising from the provision of services to a larger stock.

Under this structure the London Borough of Enfield would set up a separate cost sharing vehicle in partnership with at least one other Affordable Housing Provider who requires the same services. There are a number of different ways to staff a cost sharing vehicle, but for the purpose of this description we have assumed that all relevant staff would transfer into the cost sharing vehicle.

For reasons relating to EU procurement legislation, tax and profit (which would need to be reviewed by a financial consultant), a Private Sector Contractor (private sector contractor) is unlikely to be a member of the cost sharing vehicle. The London Borough of Enfield could provide the resource to manage the cost sharing vehicle thereby negating the requirement for a private sector contractor. The cost sharing vehicle would also source directly other elements such as IT, materials, safety equipment, fleet etc. with no private sector contractor contribution. If the cost sharing vehicle was unable to perform this management role, via the London Borough of Enfield, or provide other elements of the service then it would need to follow an OJEU complaint procurement process for a private sector contractor to provide them.

The London Borough of Enfield may not be able to identify other similar organisations locally looking for this type of arrangement at the moment. Within local authorities in London there has been limited activity in setting up such a model and it is therefore unlikely that the London Borough of Enfield would find a suitable partner in the short term.

Advantages to the London Borough of Enfield

- Efficiencies can be gained by virtue of pooling the resources of a number of providers;
- Partnership working;
- Economies of scale; and
- The London Borough of Enfield can take the lead to retain principle control and direction.

Disadvantages to the London Borough of Enfield

- Reduced control and greater complexity with a second provider in the model;
- No benefits gained from the use of a private sector contractor;
- Considerable time, resource and costs will be incurred in researching and reaching agreement with a partner organisation;
- Repairs Standards may not be as easily determined; and
- Legal and other fees can be significant.

Risks to the London Borough of Enfield

- Service standards may be compromised through a shared service model.

5.6 Joint Venture

Brief Description

There are two main Joint Ventures for the London Borough of Enfield to consider: A Joint Venture Company and a Limited Liability Partnership.

Joint Venture Company

A company limited by shares incorporated under the Companies Act 2006 is the most common legal form for joint ventures as the corporate structure is tried and tested and is underpinned by an established body of law and practice.

The London Borough of Enfield and a private sector contractor would each agree to subscribe for shares in the joint venture company and the rights and obligations of the partners with regard to the venture would be set out in a shareholders' agreement.

Limited Liability Partnership

The Limited Liability Partnerships Act 2000 allows a Limited Liability Partnership to combine limited liability for members with the relaxed internal regulation of a traditional partnership. It is also a body corporate which is a legal entity separate from its members.

The London Borough of Enfield and a private sector contractor would be the members of the Limited Liability Partnership and the relationship between them would be governed by the terms of a Members' Agreement. The Members' Agreement would set out any special protections to be granted to the members. A Limited Liability Partnership is a body corporate, a separate legal person from its members. The assets and liabilities belong to it and not the members. The members in turn participate in the Limited Liability Partnership under the members' agreement.

Advantages to the London Borough of Enfield of Joint Venture Company

- Limited liability – as a separate legal entity, the Joint Venture Company can own and deal in assets, sue and be sued and contract in its own right. The circumstances in which shareholders can be held legally liable for a company's debts (beyond their unpaid capital contribution) are extremely limited;
- Financial flexibility - in terms of overall control and financial and tax planning, the structure of a limited company provides considerable flexibility through the creation of different types of share and loan capital;
- Companies can only distribute profits as dividends if profits have been made because of rules relating to maintenance of capital; and
- A Joint Venture Company is, for tax purposes, treated as a separate entity from its shareholders. The Joint Venture Company will pay corporation tax on its profits/capital gains.

Advantages to the London Borough of Enfield of a Limited Liability Partnership

- A Limited Liability Partnership has no share capital. Capital can therefore be reduced or increased at the will of the members;
- Limited Liability Partnership members, like company shareholders, have limited liability;
- When the Limited Liability Partnership commits a tort (such as an act of negligence), the Limited Liability Partnership is liable in much the same way as a limited company;
- Members are also protected from direct liability for the negligence of other members and employees by the fact that the Limited Liability Partnership is a separate legal entity;

- The running of the Limited Liability Partnership rests with the members as they agree it. In practice, a body similar to a board is usually established as the decision making forum for most important matters; and
- The members are free to agree how to share profits and are also free to agree how management roles and responsibilities are divided.

The London Borough of Enfield would need to consider several other matters when considering these Joint Venture options including:

- Exit strategies;
- TUPE;
- Regulatory issues;
- Tax issues;
- Payments and benefits to board members and officers;
- Governance arrangements;
- Meeting the Landlord's objectives; and
- IT provision post-contract.

Advantages of a Joint Venture (both Joint Venture Company and Limited Liability Partnership) to the London Borough of Enfield

- The Joint Venture partners can agree to cap private sector profits and share any additional surplus;
- Joint Ventures can be seen as the pinnacle of 'partnering' arrangements;
- There is transparency around the profit and loss accounts and joint decisions can be made on annual budgets and efficiencies;
- The London Borough of Enfield can include some rights of veto over matters which it priorities in the shareholders / members agreement; and
- The Joint Ventures can be established in a way which encourages its growth and therefore maximise returns for all parties.

Disadvantages of a Joint Venture to the London Borough of Enfield

The main disadvantage is that there is some complexity to setting up a Joint Venture and therefore should only be considered where the turnover is significant enough to justify the effort and complexity. Ridge would suggest that a threshold of £10m turnover per annum is required for this model which is greater than the London Borough of Enfield's current out-turn/budget expectations. Therefore, for this reason this option is not to be considered further at this stage.

5.7 Regularisation of Voids Short Term

The London Borough of Enfield have advised that the current contractors have failed to perform their contractual obligations in relation to void works. The works required in voids are currently being individually procured via the London Procurement Portal resulting in increased costs and assumed time delays. The current estimated cost of 'stock' voids is in the region of £5,500 per void which is well above our recommended benchmark of £2,000 - £2,500 (minimum standard). The London Borough of Enfield require options to be considered for the regularisation of the void position in the short-term ahead of the decision on the new strategic route to be taken for Responsive and Voids contract.

Ridge considers the following to be viable options:

1. Interim short – term (sub-OJEU) procurement;
2. Establishment of Direct Labour Organisation for voids only
3. Interim Private Sector Contractor Repairs Team: and
4. Negotiation with a neighbouring provider.

Interim short-term (sub-OJEU) procurement

Based on a term of between 12-18 months duration, meaning the value is below current OJEU thresholds for works it would be possible to tender a contract based on a National Housing Federation Schedule of Rates. Utilising a select list of contractors approach without advertising will reduce the overall timescale. The likely costs of procurement for this will be £15,000 (including a review of the void specification/process) and this could be achieved with a start on site in approximately 6 months (subject to finding willing provider(s)).

Advantages

- Fairly quick mobilisation;
- Provides better value for money than the current arrangements; and
- With due diligence should provide an interim solution whilst the future procurement route is decided.

Disadvantages

- Cost of procurement; and
- Contractors may not find the voids only option attractive;

Establishment of Direct Labour Organisation for voids only

Consideration could be given to the establishment of an in-house provision (Direct Labour Organisation) just for void works. Given that the current contractors do not provide this work the TUPE issues could be simplified. Clearly this option should only be considered further if the strategic decision for Responsive and Voids was the establishment of either an in-house Direct Labour Organisation or a Managed Direct Labour Organisation.

Advantages

- The London Borough of Enfield has direct control of operatives and programming;
- The London Borough of Enfield would build up knowledge of this way of working which may be an advantage if a Direct Labour Organisation was established for Responsive and Void works;
- A re-defined specification/process should result in better value for money; and

Investment in IT projects is less than required for Responsive works.

Disadvantages

- At present the TUPE issues relating to the London Portal provider is unknown;
- Legal costs for TUPE advice;
- Health & Safety and reputational risks lie with the London Borough of Enfield.
- Upfront investment required in vehicles, communications, branding, tools, materials sourcing and equipment and training; and
- No certainty of Value for Money.

Risks

- Ability to recruit experienced and qualified workforce;
- Reputational risks rest directly with the London Borough of Enfield;
- Adequate experience in the current structure to manage and in-house provision; and
- Health and safety risks rest with the London Borough of Enfield

Interim Private Sector Contractor Repairs Team

It could be possible to negotiate with a Private Sector Provider to provide a short-term interim arrangement for the supply of labour and supervision to undertake all the voids work. A specific team of the correct size could be provided to work alongside the existing Client side team.

Listed in the table below are the indicative rates that might be relevant to an interim arrangement:

Managed DLO Assistance - Weekly Rates		
	From	To
Operations Director	£3,200	£3,400
General Manager	£2,800	£2,950
Quantity Surveyor	£2,600	£2,750
Specialist H&S Manager	£2,050	£2,250
Customer Care Manager	£2,000	£2,150
IT Support	£2,800	£2,950
Fleet Manager	£1,900	£2,075

Advantages

- Possibility of a short implementation period;
- Costs likely to be lower than the current arrangement; and
- Little input required from existing staff team as manager can be provided.

Disadvantages

- Cost may be higher than the tendered option; and
- Local knowledge of stock.

Risks

- Control of costs.

Negotiation with a Neighbouring Provider

This option could be considered but further research would be needed to establish if there was a willing provider a willing contractor and the neighbouring contract would have to have been advertised in their original OJEU notice. Also there would need to be an advantage to the housing provider to let their contractor do works for a neighbour whilst maintaining their current level of service to their tenants. Due to the above reasons this is the least likely option.

If there was a neighbouring housing provider with its own Direct Labour Organisation this could be explored but due to the short-term nature the likely level of interest would likely to be low.

Ridge recommends that Options 1, 2 & and 3 are explored in much further detail to establish the likely outturn costs in comparison with the current arrangements through the London Procurement Portal. The strategy should also be considered within the context of the likely model adopted for the responsive repairs for example utilising a private sector contractor team to undertake backlog repairs and voids during a mobilisation period. It is recognised that pursuing the direct labour organisation (option 2) route for voids would only be an advantage if this aligns with the intended strategic direction for Responsive and Voids in the long-term.

6. SUMMARY AND NEXT STEPS

Ridge has considered the models for service delivery and their associated advantages, disadvantages and risks.

Ridge has prepared estimated costs for the three models agreed as those with potential to deliver the service which the London Borough of Enfield requires. A summary of the costs is set out in the table below.

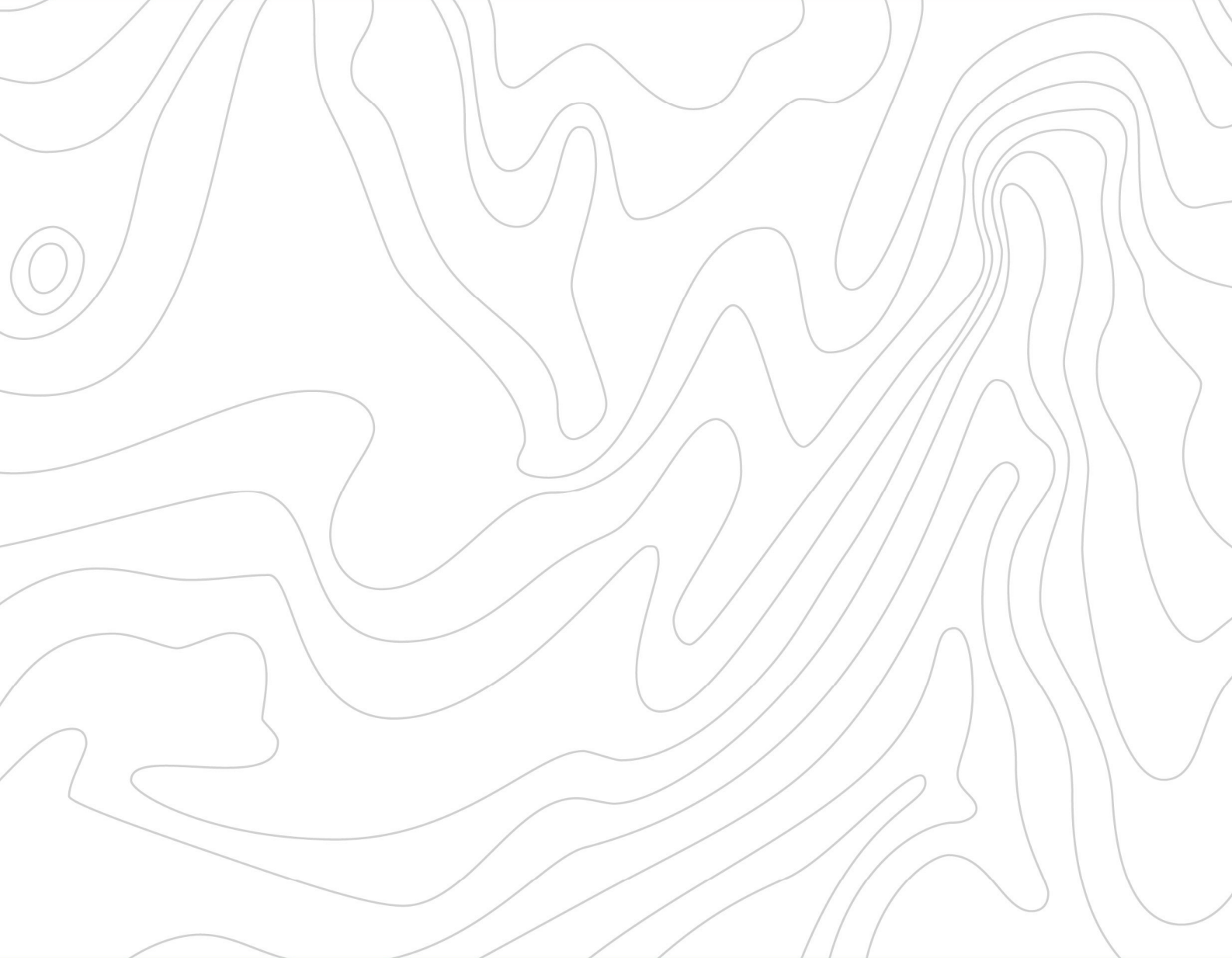
Summary Costs							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
DLO - All Services In-House	£1,196,000	£7,543,000	£7,528,000	£7,513,000	£7,508,000	£7,508,000	£38,796,000
Cost Per Property Per Annum		£698	£697	£695	£695	£695	
DLO - PSC Managed Service	£625,000	£7,283,000	£7,273,000	£7,253,000	£7,253,000	£7,253,000	£36,940,000
Cost Per Property Per Annum		£674	£673	£671	£671	£671	
Outsourced contract	£80,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£7,610,000	£38,130,000
Cost Per Property Per Annum		£704	£704	£704	£704	£704	

Having considered the models set out in the table above and associated implementation and operational costs Ridge recommend that these are reviewed in more detail as set out in the next steps section below:

Next Steps

- Presentation and discussion with the London Borough of Enfield senior management;
- Engage legal and financial advice relating to the shortlisted options;
- Undertake soft market testing and dialogue with potential Private Sector Contractors;
- Assess the in-house client side functions and undertake gap analysis to determine if further support/resources are required;
- Obtain more detailed costings from stakeholders, private sector contractor's, suppliers etc. for each model;
- Consider the menu of options available from private sector contractor's to reduce risk and set up costs;
- Undertake detailed risk analysis and mitigation methods;
- Develop a programme plan for implementation with detailed analysis of workstreams and likely roles, responsibilities and inter-dependencies e.g. finance, procurement, private sector contractor, consultants, residents etc.; and
- Review and validate against the London Borough of Enfield 30 year business plan.

APPENDIX A – INVITATION TO QUOTE



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MUNICIPAL YEAR 2018/2019 REPORT NO. **112**

MEETING TITLE AND DATE:

Cabinet - 14 November
2018

REPORT OF:

Director of Commercial

Contact officer and telephone number:

Nicky Fiedler, Commercial Director

E mail: Nicky.fiedler@enfield.gov.uk

Agenda – Part:1	Item: 10
Subject: Variation to the co-managed procurement and commissioning hub contract	
Wards: All	
Key Decision No: KD 4754	
Cabinet Member consulted:	
Cllr Mary Maguire	

1. EXECUTIVE SUMMARY

As part of the Enfield 2017 Programme staff from across the Council were consolidated into a procurement, commissioning and market management hub (“Procurement & Commissioning Hub”) prior to the award of a long-term procurement and commission co-sourced contract.

Following a tender process, the contract was awarded to Ernst & Young LLP in October 2016 and commenced in February 2017.

Following an Executive level restructure in May 2018 and a review of the contract by the new Commercial Director, this report recommends that the contract in its current form no longer represents value for money and through negotiation with EY is recommending a variation to the contract and transitioning the service back in house. This will significantly reduce the external spend.

2. RECOMMENDATIONS

It is recommended that Cabinet

- 2.1 Agree to vary the contract to reflect the changes as set out in the heads of terms in Part 2 Report Appendix 1 with a resultant deed of variation to be entered into by the parties.
- 2.2 Agree to end the current risk and reward element of the contract.
- 2.3 Agree to transition the service back to LBE and reduce the core fee by £2.46m over the three year remainder of the contract
- 2.4 Note there will be a need for investment in staff to deliver the new operating model as the current EY resource on the contract is reduced
- 2.5 Agree to delegate authority for agreement of the final form of the transition and transformation plan and Specification to the Director of Commercial in consultation with Director of Law and Governance as detailed in section 3.12

3. BACKGROUND

- 3.1 As part of the Enfield 2017 transformation programme, the Council decided to engage external expertise and capacity to develop and deliver the Procurement and Commissioning Hub, as an expansion of a successful model already trialled in the Health and Adult Social Care (HASC) brokerage function.
- 3.2 The Hub comprises of staff formerly from across the Council and is responsible for all procurement and commissioning activity across the Council, including the delivery of a market management function that ensures that the Councils future needs across a range of service departments such as temporary accommodation and domiciliary care, can be provided in a sustainable manner.
- 3.3 Enfield entered into a co-sourced contract with Ernst Young LLP (EY) in February 2017 for a period of 5 years to January 2022, to provide leadership and operational management of the hub and to maximise the delivery of savings for LBE. The contract is made up of a 'core service' element and a 'risk and reward' hopper (of which the latter is agreed annually with the Council).

In managing the hub there are 4 elements and 5 pillars in the contract.

The 4 Elements are:

- Operation of Hub
- Strategic Management of Hub
- Continuous Improvement & Savings Programme
- Commercial Opportunities

The 5 Pillars are:

- Procurement,
- Commissioning,
- Contract Management,
- Brokerage, and
- Specialist Advice.

With the exception of specialist advice the other functions are all in the core contract.

- 3.4 Since the commencement of the contract the following has been achieved in the contact:
- A phase 1 restructure of the hub which has reduced overall staffing costs, progression opportunities to LBE staff and replaced contracted staff.
 - Delivered successful procurements, and reduced waivers by 95%, and improved the spot procurements for temporary accommodation and care clients.

- Improved the procurement process, developed the contracts register further, updated the CPR's, roll out of Neptune, and commenced contract reviews.
 - Supported cross council initiatives with EY expertise.
- 3.5 In addition, over the first 15 months of the contract, the Hub has delivered across the organisation the core contract savings (£2.5m) and a risk and reward hopper of savings (£4.4m), which total £6.9m of cost avoidance/ savings to LBE relating to the 2017/18 financial year, which have been signed off, and are projected by EY to grow in future years.
- 3.6 Following the Executive level organisational restructure in May 2017 and the creation of a Commercial Division, the Procurement and Commissioning co-sourced service with EY has been reviewed following the first year of delivery. The recommendation is that going forward in its current form it does not offer the Council value for money (refer to part 2). For 18/19 there is currently no agreed pipeline of risk reward work, as this does not represent VFM for the Council under the current contract terms. As part of the review and renegotiation of the contract it has been agreed with EY to re frame the contract.
- 3.7 The key principles in reframing the contract have been to:
- Simplify the contract, by separating the hub from the risk and reward work
 - End the current risk and reward up to 31st August 2018 and agree a fee to do this (see part 2 report)
 - Ensure the vision for the P&C hub is delivered and clearly specified in the revised heads of terms and a detailed transition and transformation plan
 - Transition hub back sooner to reduce core fee (recommendation 2.3)
 - Provide an option for a new project based work to be agreed on a commercial basis should the Council wish to use this element of the contract
 - Put in place new governance arrangements
 - Ensure transparency of costs and deliverables
- 3.8 The proposed variation is therefore for the remaining 38 months of the contract from November 2018 to December 2021, to reframe the EY support and deliverables to the P&C hub and build the internal capacity.
- 3.9 The vision for the P&C Hub is to be a centre of excellence, delivering and governing a high quality and cost effective Procurement and Commissioning function for the Council that drives savings across the Council departments through the services it delivers. This will involve working with services at the start of the commissioning cycle to

challenge existing models of delivery and working more closely with services and their partners to deliver innovation, transformation and value.

- 3.10 The 5 Pillars in the contract have been retained within the specification which has been reviewed to ensure it still meets council objectives. Following this a transition and transformation plan has been drafted and will be agreed between the Council and EY which will detail how and when the functions of the P&C hub will transition back to the Council.
- 3.11 To ensure a managed transition there will be four key transition points where significant deliverables, management and operational areas of the P&C hub will be transitioned. The transition points are:

Transition Point 1	July 2019
Transition Point 2	April 2020
Transition Point 3	January 2021
Transition Point 4	April 2021
Contract End	31 st December 2021

Please see appendix 1 for details of the outcomes required at each Transition Point.

- 3.12 The transition and transformation plan is currently being developed and final details will be agreed along with the final revised specification by the Director of Commercial in consultation with Director of Law and Governance within the overall financial cost envelope agreed. It is proposed that management control and leadership of the hub will transfer to the Council in July 2019 at which point the monthly fee will reduce. Fees will continue to reduce at defined transition points until April 2021 when there will be no further fees payable to EY.
- 3.13 During the transition EY will be required to deliver core savings of 1.5x the contract sum paid in any given financial year. The contract sum and associated core savings reduce as profiled below:

Financial Year	2019/20	2020/21	2021/22
	£,000	£,000	£,000
Contract sum	1,460	765	0
Core Saving	2,190	1,148	
Net Saving	730	383	

Please note there is an existing savings target of £1.1m for the 2018/19 financial year for the hub to enable. This will remain under the transformation proposals.

- 3.14 Prior to transition EY will be required to demonstrate appropriate resource, systems, process and outcomes have been met before the transition is approved. This will be performance managed through a

balanced scorecard that covers Financial, Operational and Staff requirements under the contract as well as close reference to the relevant contract specification outputs.

- 3.15 The transformation of the P&C hub services will require some investment in the staff resources within the hub. The level of investment needed will be substantially below the current contract sum. This will be the subject of a separate restructure report that will be brought forward before July 2019.
- 3.16 Overall governance of the contract transition will be via a Strategic Board set up for that purpose chaired by the Council's Commercial Director and comprising officers from EY and the Council. This will be supported by an Operational Board which will ensure contract deliverables are being progressed.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Continue with the current contract. This would increase the core contract costs by £2.46m over the remaining 38 months of the contract. Further it would leave uncertainty over the future risk and reward payments which are cumulative but also linked to the adjustment factor.
- 4.2 Seek to terminate the contract. Based on the current performance there is no basis to do this.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The Council has undergone an Executive level restructure and the review of the contract by the Commercial Director has concluded that going forward the contract in its current form does not represent VFM and through a variation it should be transformed and transitioned back in house.
- 5.2 Both parties have agreed to re frame the contract and end the current risk and reward mechanism and other aspects set out in 3.5
- 5.3 It is preferable now for the Council to transition the service back in house, but still ensure the vision for the P&C hub is delivered and a legacy is left which will be via the transition plan.
- 5.4 There are financial benefits in bringing the service back in house earlier than originally anticipated in the original contract of £2.46m.
- 5.5 There are new core contract savings targets set out in the table in 3.12.

6. COMMENTS OF OTHER DEPARTMENTS

6.1 Financial Implications

See Part 2 Report

6.2 Legal Implications

- 6.2.1** S.111 Local Government Act (1972) gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 6.2.2** The Council also has a general power of competence in s.1(1) Localism Act (2011). This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation.
- 6.2.3** This report seeks authority to vary the existing contract with Ernst & Young and the parties to the contract are both agreeable to the proposed variations.
- 6.2.4** Variations to existing contracts must be carried out in accordance with the Council's Constitution and in particular, its Contract Procedure Rules ("CPRs"). The Council must ensure it complies with CPR 7 – 'Variations to Contracts'.
- 6.2.5** In addition to the requirements of CPR 7, where the value of the variation exceeds the relevant EU Threshold, officers must also comply with the Public Contract Regulations (2015) ("PCR 2015"). The Council has considered the PCR 2015 in light of the proposed variations and is satisfied that the agreed variations are PCR 2015 compliant.
- 6.2.6** The Council must also comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.2.7** As the contract variation value exceeds £250,000 this is a Key Decision and the Council must comply with the Key Decision procedure.
- 6.2.8** All legal agreements arising from the matters described in this report must be in a form approved by Legal Services.

6.3 Property Implications

None

6.4 Procurement Implications

The procurement implications are contained within the body of the report.

7. KEY RISKS

7.1 The contract is not managed and the deliverables in the transformation and transition plan are not achieved. This will be mitigated by an assigned officer being responsible for the contract management and performance. Further a mechanism will be included to provide for deductions should there be under performance (see part 2)

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The Co-managed service contract supports all procurement activity. Supporting all services across the council, enabling them to deliver front lines services to the community, including the development and maintenance of the Councils housing estate

8.2 Sustain strong and healthy communities

Supporting front line services such as public health, adult social care, and children's services enabling them to deliver services that sustain strong and healthy communities

8.3 Build our local economy to create a thriving place

The Co-managed service contract supports and promotes the use of local suppliers and local business, to develop the local economy. It has a sustainable procurement policy to promote social value and ethical sourcing through procurement.

9. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report However it should be noted that the any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

10. PERFORMANCE AND DATA IMPLICATIONS

Delivery of the Transformation and outstanding contract requirements will be managed by the Strategic Board as detailed in Para 3.15

11. HEALTH AND SAFETY IMPLICATIONS

Not applicable

12. HR IMPLICATIONS

Not applicable

13. PUBLIC HEALTH IMPLICATIONS

See Part 2 Report

Background Papers

None

THE CABINET

**Draft list of Items for future Cabinet Meetings
(NOTE: The items listed below are subject to change.)**

MUNICIPAL YEAR 2018/2019

DECEMBER 2018

- 1. Quarterly Corporate Performance Report** Fay Hammond

This will provide the latest quarterly corporate performance report. (Non key)
- 2. Phase 3 Savings and Income Generation Proposals** Fay Hammond/
Matt Bowmer

This will provide an update on the development of the budget for 2019/20. This report will contain the third phase of savings proposals to be progressed with the approval of Cabinet. **(Key decision – reference number 4745)**
- 3. Contract for the provision of Agency Workers** Jeremy Chambers

The current contract for the provision of agency workers will expire on 31 January 2019. This report will recommend a contract provider to begin on 1 February 2019. **(Key decision – reference number 4720)**
- 4. Enfield Safeguarding Children Board Annual Report 2017/18** Tony Theodoulou

This will present the Enfield Safeguarding Children Board Annual Report 2017-18. (Non key)
- 5. Future Commissioning of the 0-19 Services** Tony Theodoulou

This will seek approval to the proposals for future commissioning arrangements for the 0-19 Service in Enfield. These commissioning arrangements will improve community health services for children and young people through a more flexible and integrated approach **(Key decision – reference number 4721)**
- 6. Enfield Safeguarding Adults Strategy 2018-23
And Safeguarding Adults Annual Report 2017/18** Tony Theodoulou/
Bindi Nagra

This will present the Enfield Safeguarding Adults Strategy 2018/23 and the Safeguarding Adults Annual Report 2017-18. **(Key decision – reference number 4781)**

7. **Fire Safety Programme - Council Housing** Sarah Cary

This will outline the fire safety programme and expenditure report for approval. **(Key decision – reference number 4774)**

8. **Ponders End Library Temporary Relocation Report** Sarah Cary

This will set out the rationale and costs associated with the temporary relocation of the Ponders End Library service to enable the construction of a new library building on Ponders End High Street as part of the Electric Quarter Development. **(Key decision – reference number 4791)**

JANUARY 2019

1. **Civic Centre Phase II** Sarah Cary

This will consider the refurbishment and remodelling of the Civic Centre. **(Key decision – reference number 4617)**

2. **Temporary Accommodation Placement Policy/ Preventing Homelessness Strategy** Sarah Cary

This policy will explain how the Council will assist homeless households in finding accommodation. **(Key decision – reference number 4676)**

3. **ICT and Digital Strategy** Kari Manovitch

This will seek approval of the ICT and Digital Strategy. **(Key decision – reference number 4680)**

4. **Joyce and Snells Estate Regeneration** Sarah Cary

This will update on progress with potential housing schemes in the Housing Zone Edmonton Futures. **(Key decision – reference number 4590)**

5. **Tranche 2 Draw Down for Energetik** Nicky Fiedler

This will seek approval to draw down the Tranche 2 funding for Energetik's business case. Energetik's business case was approved in January 2017, with Tranche 2 funding added to the Council's indicative capital programme. **(Key decision – reference number 4642)**

6. **Council Tax Support and Collection Fund** Fay Hammond/Matt Bowmer

This will seek agreement of the Council Tax Support for 2019/10 and the Council and Business Rate Tax Base. **(Key decision – reference number 4762)**

7. Loneliness and Social Isolation Scrutiny Work stream Jeremy Chambers
Report

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

8. Modular Housing Pan London Group Nicky Fiedler

This will seek approval for Enfield to become a member of the Pan London Group and sign up to the London Council's Modular Housing Special Purpose Vehicle (SPV). **(Key decision – reference number 4674)**

9. Temporary Accommodation Rent Review Sarah Cary

This will review the rents that the Council currently charges for temporary accommodation. **(Key decision – reference number 4713)**

10. Building Council Homes for Londoners and Right to Buy Expenditure Sarah Cary

This will seek approval of the development programme and right to buy expenditure. **(Key decision – reference number 4780)**

11. Small Sites 1 Scheme Update Sarah Cary

This will provide an update on small sites 1 and on Enfield Innovations Ltd. (EIL). **(Key decision – reference number 4789)**

12. Property Strategy – Corporate Property Investment Programme Sarah Cary

This will provide for the initiation of a Corporate Property Investment Programme (CPIP) for the Council and will set out proposals for early pilot projects to address urgent needs. **(Key decision – reference number 4792)**

FEBRUARY 2019

1. Housing Revenue Account (HRA) Business Plan Budget 2019/20, Rent Setting and Services Charges Sarah Cary/
Fay Hammond

This will present the annual report to update Cabinet on the HRA Business Plan 2018/19 expenditure and approval for 2019/20 budgets. **(Key decision – reference number 4741)**

2. Budget 2019/20 and Medium Term Financial Plan 2019/20 to 2022/23 Fay Hammond/
Matt Bowmer

This will set out the Council's 2019/20 Budget and Council Tax levels. Consideration is also given to the updated four year Medium Term Financial Plan. **(Key decision – reference number 4744)**

3. **Broomfield House** Sarah Cary

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)**

4. **Electric Quarter Land Appropriation Report** Sarah Cary

Details awaited. (Key decision – reference number tbc)

5. **Revenue Monitoring Quarter 3 – 2018/19** Fay Hammond

This will provide an update on the Council's revenue monitoring position as at December 2018. **(Key decision – reference number 4764)**

6. **Capital Monitoring Report Quarter 3 – 2018/19** Fay Hammond

This will provide an update on the projected position of the Council's capital programme for 2018/19 as at the end of the third quarter. **(Key decision – reference number 4767)**

7. **Bury Street West - Development** Sarah Cary

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

8. **Housing Allocations Scheme** Ian Davis

The allocations scheme will set out who can apply for affordable and social rented housing in Enfield, how applications are assessed and how the Council sets the priorities for who is housed. It also sets out other housing options, including private rented sector, intermediate rent and shared ownership. **(Key decision – reference number 4682)**

9. **Sheltered Housing Service Charge Alignment** Sarah Cary

This will review Sheltered Housing Service charges. **(Key decision – reference number tbc)**

10. **Joining a Regional Adoption Agency** Tony Theodoulou

Details awaited. (Key decision – reference number tbc)

MARCH 2019

1. **Heritage Strategy** Sarah Cary

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

2. **Invest to Save in Solar Photovoltaics** Nicky Fiedler

This will seek consideration of the commercial investment opportunities for Enfield Council in solar photovoltaics. **(Key decision – reference number 4604)**

APRIL 2019

1. **Quarterly Corporate Performance Report** Fay Hammond

This will provide the latest quarterly corporate performance report. (Non key)

2. **Building a Business Case for Future Enfield – Vision 2060: An Evidence Based Strategy** Sarah Cary

This will present a business case for Future Enfield – Vision 2060. **(Key decision – reference number 4749)**

3. **Claverings Industrial Estate** Sarah Cary

(Key decision – reference number 4381)

MUNICIPAL YEAR 2019/2020

1. **Meridian Water Financial Review** Sarah Cary

This will provide an update for Members. **(Key decision – reference number 4469)**

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CABINET - 17.10.2018

**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 17 OCTOBER 2018****COUNCILLORS****PRESENT**

Nesil Caliskan (Leader of the Council), Daniel Anderson (Deputy Leader of the Council), Yasemin Brett (Cabinet Member for Public Health), Alev Cazimoglu (Cabinet Member for Health and Social Care), Guney Dogan (Cabinet Member for Environment), Achilleas Georgiou (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety and Cohesion), Dino Lemonides (Cabinet Member for Housing), Mary Maguire (Cabinet Member for Finance and Procurement) and Ahmet Oykenar (Cabinet Member for Property and Assets)

Associate Cabinet Members (Non-Executive and Non-Voting): Councillor Ahmet Hasan (Enfield North), Councillor George Savva (Enfield South East)

ABSENT

Councillor Dinah Barry (Associate Cabinet Member – Enfield West)

OFFICERS:

Ian Davis (Chief Executive), Tony Theodoulou (Acting Executive Director People), Sarah Cary (Executive Director Place), Jeremy Chambers (Director of Law and Governance), Fay Hammond (Director of Finance), Doug Wilkinson (Director - Environment and Operational Services), Nicky Fiedler (Commercial Director), Dominic Millen (Traffic and Transportation), Dr Glenn Stewart (Assistant Director of Public Health) and Andrew Golder (Press and New Media Manager)
Jacqui Hurst (Secretary)

Also Attending:

Councillors Derek Levy (Chair of the Overview and Scrutiny Committee), Lee David-Sanders and Lindsay Rawlings.
Ian Guest (Energetik)
Representative of the Enfield Youth Parliament
Press representative

1**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dinah Barry (Associate Cabinet Member – Enfield West) and Bindi Nagra (Director of Health and Adult Social Care).

2**DECLARATION OF INTERESTS**

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

In response to a question raised, the Director of Law and Governance clarified Members' required declarations of interest in relation to the Council's budget setting.

**3
URGENT ITEMS**

NOTED, that the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local Authority (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012. These requirements state that agendas and reports should be circulated at least 5 clear days in advance of meetings.

**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 items to be referred to Full Council.

**6
PHASE 2 SAVINGS AND INCOME GENERATION PROPOSALS**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Director of Finance (No.87) setting out an update on the progress of budget development for 2019/20 to 2022/23 and putting forward Phase 2 proposals for savings and income generation.

NOTED

1. That this report presented phase two of the savings and income generation proposals following Cabinet consideration of phase one in July 2018. For the 2019/20 financial year the starting budget gap was £18m, as detailed in the report. The progress made to date and the further proposals coming forward were highlighted and discussed. Phase three of the proposals was due to be considered at the Cabinet meeting in December 2018.

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2. The budget consultation proposals as set out in section 5 of the report. The budget challenge process outlined in section 6 of the report was also noted and considered. Members acknowledged that this was a financially challenging period.
3. The intention was to deliver a rigorous budget process which would seek to minimise the impact of savings as far as possible. The Council would continue to take a responsible approach to its financial management.
4. Members highlighted a current campaign by the Local Government Association (LGA) regarding the nationally difficult financial situation being faced by councils.
5. Councillor Caliskan (Leader of the Council) outlined the involvement of the Cabinet and the wider Labour Group in the budget process.
6. A discussion took place regarding the continued need to lobby Central Government for sufficient funding, and it was noted that the Local Government Association (LGA) was continuing to lobby on behalf of local authorities. The budget pressures being faced in Enfield were mirrored in other councils, particularly in the provision of Children's Services and Adult Social Care. The Council awaited the outcome of the Fair Funding Review and, the Government's Autumn Statement.
7. The proposals for income generation are as set out in the report. In considering potential income generation for the Council, the importance of accurate and realistic budget projections was highlighted - the estimates must be achievable and able to be delivered.

Alternative Options Considered: The Council operated a budget planning and consultation process during which a wide range of options were considered in detail.

DECISION: The Cabinet agreed

1. To note the progress made to date in the preparation of the 2019/20 budget.
2. That the savings proposals of £4.9m and income generation proposals of £2.9m set out in Appendix A of the report be progressed.
3. That the 2019/20 Budget Consultation proceeds in consultation with the Cabinet Member for Finance and Procurement.

Reason: To manage the 2019/20 financial planning process having regard to constraints in public spending.

(Key decision – reference number 4746)

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7

QUARTERLY CORPORATE PERFORMANCE REPORT

Councillor Daniel Anderson (Deputy Leader) introduced the report of the Director of Finance (No.88) presenting the quarterly report on the new Corporate Performance Scorecard that reflected the Council priorities.

NOTED

1. That Appendix 1 to the report showed the Quarter 1 performance for 2018/19 and compared it to the Council's performance in Quarter 1 2017/18.
2. That Appendix 2 of the report focused on a selection of priority measures where performance was currently off target and/or the direction of travel was negative. This document would be updated as progress was made. Members noted the areas highlighted together with the improvement plans as detailed in the document.
3. That the indicators set out in Appendix 1 of the report would also continue to be monitored and any trends causing concern highlighted for further required actions.
4. Members considered the document in detail and a discussion followed on highlighted issues in response to questions raised. The progress being made on the performance review of the planning application profile was noted; and, the actions being taken by the Executive Director - Place and Cabinet Member for Environment outlined in detail particularly with regard to recruitment.
5. The work being progressed within the Council around cultural change and ensuring that Enfield Council was a good place to work. Ian Davis (Chief Executive) outlined the work being undertaken and the outcomes sought. Positive progress had been made and work would continue on a number of initiatives. In response to questions raised, Members were advised of the specific progress and developments regarding equalities over a range of areas. Senior management were working closely with staff and trade unions in moving forward. The changes introduced in recruitment processes were outlined. Members could be provided with more detailed data if required. A number of issues were highlighted by Members and information provided on the developments taking place within the Council to address a range of equalities issues including BAME, disabilities and gender. In conclusion, it was noted that a report was due to be presented to the Cabinet for consideration early in 2019.
6. Councillor Anderson invited Cabinet Members to feedback any specific comments to him in respect of the performance indicators and actions required. Cabinet Members and Officers were also asked to continue to

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monitor the indicators and trends within their portfolios and seek improvements where necessary.

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.

DECISION: The Cabinet agreed to note, for information only, the progress being made towards achieving the identified key priorities for Enfield.

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

**8
THE ENFIELD TRANSPORT PLAN INCORPORATING THIRD LOCAL
IMPLEMENTATION PLAN (STATUTORY DOCUMENT)**

Councillor Guney Dogan (Cabinet Member for Environment) introduced the report of the Executive Director – Place (No.89) providing details of the Enfield Transport Plan that included Enfield's Third Local Implementation Plan.

NOTED

1. That the Local Implementation Plan (LIP) was a statutory document setting out how a London borough proposed to implement the London Mayor's Transport Strategy.
2. That Members' attention was drawn to section 6.9 of the Plan outlining the three-year indicative programme of investment. A number of points were highlighted including the wide-ranging cycling and walking programmes; the comments received from stakeholders; the positive outcome of an equality impact assessment; the potential health benefits of the initiatives; and the statutory requirements. It was also noted that the LIP was predominantly concerned with how the Mayor's Transport Strategy would be delivered on the transport network which the Council manages.
3. Members were advised in detail of the internal and external stakeholders discussions that had been undertaken - during the period of preparation, over approximately one year. These included detailed discussions that had taken place, and would continue to take place, with Transport for London (TfL). Comments received during consultation had been incorporated as far as possible.
4. Members discussed the importance of good infrastructure in the Borough and noted the challenges which existed in the Borough regarding bus networks and the number of trains per hour. A

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highlighted matter of concern was access to hospitals by public transport; an example of such was reaching Chase Farm hospital from Oakwood. Members were advised that some of the issues raised were outside the scope of the LIP. However, such issues had been raised with the Deputy Mayor of London by the Leader of the Council and discussions would continue with TfL as appropriate.

5. In looking ahead, it would be necessary to consider innovative ways to provide the public transport services required within the limited resources available. It was noted that a review of bus services in Inner London was currently being undertaken. Members felt that the Council needed to be proactive in its proposals and consider the journeys that residents needed to make in the Borough by public transport and, seek to address any significant gaps in current provision. Councillor Caliskan raised the possibility of presenting joint plans with other neighbouring boroughs. Councillor Anderson stated that the Public Transport Consultative Group, which he chairs, would continue to consider and make comments on public transport provision within the Borough. Members stated that, despite ongoing issues with resources and funding, the Council needed to be rigorous and challenging in presenting the requirements of the Borough to TfL and the Mayor of London.
6. The Council would continue to lobby appropriately and consider how to respond to issues including: changes in the location of health services provision for local residents; the night-time economy; safety in travel and; electric vehicle charging, particularly in relation to licenced taxis. Officers noted the comments which had been made and indicated that they would inform the final version of the LIP, as well as future work programmes.

Alternative Options Considered: The Council has a statutory duty to prepare a Local Implementation Plan (LIP) and the form and content of the document were specified in detailed guidance prepared by TfL. There were therefore very limited alternative options in terms of the need for and basic structure of the LIP³. However, there was some flexibility for the Council to develop programmes that meet its own transport priorities, providing that they also help with the implementation of the Mayor's Transport Strategy.

DECISION: The Cabinet agreed to

1. Approve the draft of the Enfield Transport Plan that included Enfield's Third Local Implementation Plan (detailed in Appendix A of the report).
2. Approve delegation to the Cabinet Member for Environment to:
 - (a) Finalise the consultation draft of the Local Implementation Plan for submission to Transport for London and other statutory consultees by 2 November 2018.

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- (b) Finalise the final version of the Local Implementation Plan following consideration of the Strategic Environmental Assessment and both the statutory and non-statutory consultation responses received. Final version to be submitted for Mayoral approval by 15 February 2019.
3. Note that a borough may revise its Local Implementation Plan at any time if it considers it appropriate, although this was likely only to happen in response to a significant change in local circumstances.

Reasons: To qualify for the annual transport grants, which Enfield would benefit from to the order of £2.5+ million each year. To seek the necessary approvals that would enable the Council's Borough Annual Spending Submission to be submitted to TfL. There was an obligation imposed by legislation to prepare a LIP. Even if a borough received no TfL funding, there was still a requirement to produce a LIP.

(Key decision – reference number 4707)

9

COMMERCIAL STRATEGY

Councillor Ahmet Oykenar (Cabinet Member for Property and Assets) introduced the report of the Commercial Director (No.91) presenting the Commercial Strategy, setting the vision for Enfield to be a resilient, innovative and enterprising Council delivering sustainable services that meet resident needs.

NOTED

1. That the Strategy had been considered by the Overview and Scrutiny Committee as part of the pre-decision scrutiny process. The relevant minutes of the meeting held on 11 October were circulated. The comments of the Committee had been noted and would be responded to in due course.
2. The difficult challenge being faced by the Council, and many councils, of managing funding reductions together with increased demand for essential services. It was therefore necessary for a more holistic and innovative approach to be taken to stimulate income generation.
3. As set out in the report, if a more commercial approach could be successfully implemented by the Council, it could play a significant role in helping to sustain the service provision that meets local need and simultaneously could add wider value that would boost growth, support vulnerable communities and protect the environment.
4. The proposal to create a Commercial Board as outlined in the report, which would work holistically across the whole Council. It was noted that the Council already had a number of successful commercial

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ventures and the Council would seek to build on the good work already achieved.

5. That the Strategy would continue to evolve and develop. Overall, the comments of the Overview and Scrutiny Committee had been positive and that of a critical friend. It was further noted that discussions would take place with other local authorities to share examples of experience and good practice.
6. Members supported the proposals and aspirations of the approach and looked forward to further progress and development of viable projects with financial benefits. The importance of learning from experience and from other local authorities was acknowledged.
7. Councillor Derek Levy (Chair of the Overview and Scrutiny Committee) was invited to address the Cabinet and highlight the issues raised in the Committee's consideration of the report and Commercial Strategy, as set out in the minute extract circulated at the meeting. The Committee had been supportive and recommended adoption of the Strategy. In doing so, Members had noted the need for the identification of key risks and more detailed financial context of the proposals. The style of the wording of the document had also been discussed.
8. In conclusion, Councillor Caliskan thanked Councillor Levy and the Overview and Scrutiny Committee for their consideration which had been worthwhile and helpful. Thanks were also expressed to the officers who had been involved in the development of the document.

Alternative Options Considered: Not to have a Commercial Strategy and to rely on alternative approaches to meeting local needs with fewer resources.

DECISION: The Cabinet agreed to

1. note the draft minutes of the Overview and Scrutiny Committee tabled at the meeting.
2. Approve the Commercial Strategy (Appendix 1 to the report), plan on a page (Appendix 2 to the report), and the indicative year 1 pipeline (Appendix 3 to the report).

Reason: The successful adoption of the strategy would deliver multiple benefits, as set out in section 5 of the report.

(Key decision – reference number 4742)

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Councillor Nesil Caliskan (Leader of the Council) and Councillor Ahmet Oykenyer (Cabinet Member for Property and Assets) introduced the report of the Commercial Director (No.92) seeking to establish how the Council wished to fund the remainder of Energetik's business plan (tranche 2) and outlining the options the company had identified.

NOTED

1. That Report No.95 also referred as detailed in Minute No.19 below.
2. As set out in report, that Energetik was seeking guidance and approval to update the objectives and values of its business plan so that it might add to its primary goals the reduction of inequality in the borough by helping to alleviate fuel poverty.
3. That the Mayor of London had issued a Fuel Poverty Plan earlier in the year which would need to be considered in going forward.
4. The potential funding routes that had been identified by Energetik as set out in the report, for further consideration. Further detail was provided within the part two report containing exempt information (Report No.95 as detailed in Minute No.19 below referred). A further report would be presented to Cabinet early in 2019 for consideration of the preferred way forward for future funding options.
5. The work which had already been completed by Energetik in the Borough and the developments in progress.

Alternative Options Considered: As detailed in Report No.95, containing exempt information, Minute No.19 below referred.

DECISION: The Cabinet agreed

1. to note the different funding options set out in the report and confirm that the Cabinet's preferred option aligned with that of the company.
2. aligned with 1 above, to approve Energetik's proposal to seek a formal proposal from the Mayor's Energy Efficiency Fund (MEEF) to establish the details of such alternative funding.
3. to note that change to the company's primary goals and to agree to the company's intention to update its business plan objectives accordingly.
4. to note that a second paper would be submitted to Cabinet early in 2019 detailing the three practicable funding options set out in the report and recommending which funding option the company believed was most suitable and why. This would include details of any possible tariff reduction. The options would be subject to external financial due diligence (as was the case with tranche 1).

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Reason: The updated delivery and phasing strategy at Meridian Water meant that assumptions and associated finances in the 2017 approved business plan needs to be updated. In doing so, the company had had the ability to re-assess the ways to finance Energetik's second tranche of investment. The company had identified alternative finance solutions that offer the Council the ability to genuinely reduce heat tariffs by reducing retained earnings in business, thereby substantially increasing the social benefit generated by delivery of Energetik's business plan. (Report No.95 also referred, as detailed in Minute No.19 below).

(Non key)

11

THE APPROACH TO REDUCING HOMELESSNESS AND TEMPORARY ACCOMMODATION IN ENFIELD

Councillor Dino Lemonides (Cabinet Member for Housing) introduced the report of the Executive Director – Place (No.93) outlining the approach to reducing homelessness and temporary accommodation in Enfield.

NOTED

1. That Enfield continued to face significant challenges in addressing homelessness as outlined in the report. Pressure on temporary accommodation had increased significantly. As at the end of March 2018, Enfield had been ranked second highest nationally for the number of families in temporary accommodation, most of which were housed in private sector owned properties.
2. That the number of households approaching Enfield was increasing and it was important for the Council to find sustainable ways to intervene to address the highest causes of homelessness and, reduce the demand for temporary accommodation. The new legal requirements were also noted, as set out in the report.
3. That the report recommended a mix of interventions and initiatives which were highlighted to Members.
4. That a new Homelessness Prevention Strategy was in development and was due to be presented to Cabinet early in 2019.
5. Members noted the significant number of residents who presented to their ward surgeries with housing issues. The value of the service provided at John Wilkes House by Council staff was acknowledged and praised.
6. In response to issues raised, Members considered the impact of families being placed in Enfield by other local authorities and how the Council was addressing the implications of this for its own residents. Councillor Lemonides outlined the issues that were being taken forward

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by the Labour Housing leads in the London Boroughs. Areas of concern would continue to be raised and discussed.

7. Examples of the type of work being undertaken and initiatives explored, as set out in the report, including mediation services. Members highlighted specific areas of concern to be addressed.
8. It was acknowledged that this was very complex and challenging area for the Council to address. The issues of supply and demand, and the need to look at long-term solutions for those tenants currently housed in temporary accommodation were noted. An on-going issue of concern impacting on housing supply was the Government's right to buy policy.
9. Noted the alternative options considered, as set out in section 4 of the report. Further reports would be presented to future Cabinet meetings as appropriate for consideration.

Alternative Options Considered: NOTED, the detailed alternative options which had been considered as set out in full in section 4 of the report, including: Do nothing; invest in prevention but not supply initiatives; and, implement supply initiatives, but no investment in prevention.

DECISION: The Cabinet agreed

1. To note the report and cost the Council was facing dealing with increasing homelessness demand and the cost of temporary accommodation services.
2. That officers do further work on proposals as set out in section 3.15 of the report – Modular (flexible) Housing and section 3.16 of the report – Social Lettings Agency and investment in prevention to reduce demand and increase supply of housing and bring these back for further consideration by January 2019.
3. Note that the Council's focus on preventing homelessness, a new Homelessness Prevention Strategy was in development, and it was planned to go to Cabinet early in the new year.

Reason: NOTED, the detailed reasons for the recommendations as set out in section 5 of the report.

(Non key)

12

MOBILE TELEPHONE MASTS AND TRANSMITTERS ON CIVIC BUILDINGS: REVIEW OF COUNCIL POLICY DECISION

Councillor Ahmet Oykenar (Cabinet Member for Property and Assets) introduced the report of the Commercial Director (No.94) reviewing and redefining the Council's current policy decision regarding the siting of mobile

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telephone masts and transmitters on civic buildings which had been in place since 2003.

NOTED

1. The correlation with the Commercial Strategy previously discussed (Minute No.9 above refers).
2. The importance of providing access to a good internet service in the Borough to ensure that it was commercially attractive to businesses wanting to locate here.
3. Members supported the proposals set out in the report and in so doing, noted that there was now an improved understanding regarding the potential risks to public health of transmitting equipment, as outlined in the report.

Alternative Options Considered: To continue with the existing policy – this would significantly limit the opportunities to increase social inclusion through technology.

DECISION: The Cabinet agreed

1. that with respect to transmitters providing gigabit broadband connectivity for businesses only the Council changes the policy decision from 2003.
2. that new applications regarding the siting of transmitters providing gigabit broadband connectivity for businesses on Council owned buildings were considered on a case by case basis through the usual planning process.

Reason: Exploiting these opportunities would provide the following benefits for the Council: support the wider economic development and regeneration strategy of the Council (section 5 of the report referred); attract further investment from wireless broadband operators into the London Borough of Enfield; and, generate additional revenue from sectors of the telecom operators without the inherent risks of the new Telecom Code Powers.

(Key decision – reference number 4685)

13

ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE

NOTED

1. That there were no additional issues arising from the Overview and Scrutiny Committee for consideration at this meeting. The comments of the Committee in respect of the Commercial Strategy had been addressed under Report No.91, Minute No.9 above referred.

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2. That the Committee would continue to invite Cabinet Members to future meetings to discuss their portfolio area of responsibility. Councillor Achilleas Georgiou (Cabinet Member for Children's Services) had attended a recent meeting with Tony Theodoulou (Executive Director – People).

14

CABINET AGENDA PLANNING - FUTURE ITEMS

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

15

MINUTES

AGREED, that the minutes of the previous meeting of the Cabinet held on 12 September 2018 be confirmed and signed by the Chair as a correct record.

16

ENFIELD STRATEGIC PARTNERSHIP UPDATE

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

17

DATE OF NEXT MEETING

NOTED, that the next meeting of the Cabinet was scheduled to take place on Wednesday 14 November 2018.

18

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED, in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and the public from the meeting for the items listed on part two of the agenda on the grounds that they involve 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)).

19

ENERGETIK FUNDING OPTIONS

CABINET - 17.10.2018

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Commercial Director (No.95).

NOTED

1. That Report No.92 also referred as detailed in Minute No.10 above.
2. Members' attention was drawn to the detailed funding options outlined in the report and the scenarios addressed within Appendix 1 of the document. It was proposed to submit a report to Cabinet and Council early in the new year to agree the preferred option for the tranche 2 funding.
3. The opportunities for funding and the potential alternatives available were discussed in detail together with the further detailed work that was required before a decision was made on the preferred funding option.
4. The discussions that were taking place; the potential developments for Energetik in the future; and, the development of its business plan. The role of the Council as the Shareholder of the company was considered.
5. A detailed discussion took place on the potential funding options and the impact of them on the Council and the company. The business plan would need to address the identified priorities and seek future sustainability for the company and its shareholder.
6. The implications of the Meridian Water development on Energetik were considered.
7. The uncertainties that existed in relation to a number of related factors and, the detailed analysis that would be undertaken prior to a decision being reached on the preferred funding option. Every possible option would be fully explored.

Alternative Options Considered: As detailed in section 5 of the report, containing exempt information.

Reason: As detailed in section 6 of the report, containing exempt information.
(Non key)

20

MERIDIAN WATER: PROGRESS UPDATE

Councillor Nesil Caliskan (Leader of the Council) provided Members with a verbal update on the progress of the Meridian Water project and the recent launch which had taken place.

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

**MINUTES OF THE MEETING OF THE LOCAL PLAN CABINET SUB-COMMITTEE
HELD ON TUESDAY, 18 SEPTEMBER 2018****COUNCILLORS**

PRESENT Mary Maguire, Dino Lemonides and Ahmet Oykenner

ABSENT Nesil Caliskan (Leader of the Council)

OFFICERS: Neeru Kareer (Head of Strategic Planning and Design - Interim), Stephanie Brewer (Area Based Plans Manager - Interim), Isha Ahmed (Principal Planner) and Sarah Cary (Executive Director Place), Penelope Williams (Secretary)

ALSO ATTENDING: Councillor Ahmet Hasan (Associate Cabinet Member)
Councillor Dinah Barry (Associate Cabinet Member)

**1
APPOINTMENT OF CHAIR**

Councillor Mary Maguire proposed and Councillor Dino Lemonides seconded the nomination of Councillor Ahmet Oykenner as chair of the committee.

This was agreed unanimously.

**2
APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Nesil Caliskan.

**3
DECLARATION OF INTEREST**

There were no declarations of interest.

**4
URGENT ITEMS**

There were no urgent items.

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

5

NORTH LONDON WASTE PLAN

The Sub Committee received a report and presentation from Stephanie Brewer (Area Based Plans Manager) on the North London Waste Plan. (Report No: 72)

Copies of the presentation slides are available on the website and from the committee administrator.

The following points were highlighted during the presentation:

- The ward councillors from Edmonton Green, Upper and Lower Edmonton had been offered a briefing on the proposals. Some members had attended.
- Officers had been working on the plan over a number of years.
- The agreement had been negotiated so that it was now acceptable to all seven local authorities involved.
- The proposals will cover the period to 2035 and have been developed taking account of predicted population changes and waste projections.
- Members were being asked to endorse this plan as the final pre-consultation draft before seeking the approval of Cabinet and Council.
- Once adopted, it will protect boroughs from unsuitable waste proposals by providing policies against which future applications will be assessed. It is also a statutory requirement. A waste plan has to be progressed in order to proceed with of the Local Plan. Approval of the plan for public consultation is the next step in a timetable which will lead to adoption in May 2020.
- One purpose was to reduce the overall reliance on Enfield's land. Currently Enfield has about 70% of the total waste site areas in the seven boroughs. If the plan is adopted any further development could be guided towards suitable areas and assessed in line with policies which acknowledge the existing high concentrations of sites in Enfield, as well as Enfield regeneration aspirations.
- Existing sites cannot be closed, through this plan as they are protected through the London Plan and their capacity is required, but new, better and more efficient facilities could be encouraged for the future.
- If adopted by the Council, the plans will give the Council greater control when assessing future planning applications.
- All boroughs involved in the plan had had to put forward suitable industrial land towards a pool of potentially suitable sites to address future waste capacity requirements.
- Officers had managed to negotiate down the amount of land that Enfield needed to put forward. This was an important achievement. They had also managed to ensure that possible sites for Cross Rail 2, including stations, not included as suitable for waste developments and that the major regeneration aspiration sites and key infrastructure plans of the Council were taken account of.

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

- The plan is in line with the London Plan and National Planning Policy. The plan proposes a fairer spatial distribution of facilities which benefits Enfield.
- Adoption of the plan would give the Council much more control over waste developments.

NOTED

1. Concern was expressed that the waste plan (which is a strategic planning policy document prepared by 7 north London boroughs including Enfield) could be confused with the separate proposals for the Edmonton Eco Park (which are a planning application matter brought forward by the NLWA).
2. The suggestion that members of informal Cabinet and the political group should be briefed before any decision is taken on the plan.
3. It must be emphasised that the Council would have more control once the plan is adopted.
4. The Council has a statutory duty to produce a plan and cannot refuse to do so. It would also endanger the success of extensive work, years of careful negotiation and relationship building and could significantly increase the risk of unsuitable waste development in the borough.
5. Enfield has more and cheaper industrial land than the other boroughs.
6. If Enfield pulled out of the joint plan it would result in more costs and would not protect Enfield from other borough's proposals to assist in covering their waste processing needs through the duty to cooperate. .
7. The suggestion that a short briefing paper be prepared for all members with the main points spelt out including the risks of not adopting the plan.

Alternative Options Considered: Noted the following alternative options which had been considered as set out in section 4 of the report:

1. If Enfield does not approve the new Waste Plan it cannot go ahead and all seven boroughs including Enfield will continue to operate without a Plan. Due to its statutory obligation to produce a waste plan, the council would then have to proceed with evidencing, writing and adopting Enfield's own waste plan. Progress on this would be required to enable the council to proceed with a sound new Local Plan. This requirement could therefore significantly delay or endanger the adoption of Enfield's new Local Plan.
2. If Enfield refuses to identify sufficient land for addressing a share (now 26 hectares) of the projected capacity gap, then in light of the fact that 44% of total Industrial Land in the NLWP area is located in Enfield which under guidance is suitable for waste facilities, there would be a significant risk that an Inspector could revert back to the previous drafts that identified 200 ha land in Enfield (as per the evidence base of previous versions).

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

3. Not progressing with a joint Waste Plan would also lead to reputational risks not only with adjoining authorities but also the GLA.
4. If the NLWP tried to propose a significant move away from self-sufficiency and return to greater exports to outside London as result of Enfield not putting suitable future areas forward, this is also likely to be challenged and fail at Examination. The Mayor's new Environment Strategy and Draft London Plan both aim for 100% net waste self-sufficiency in London by 2026.

DECISION The Local Plan Cabinet Sub Committee agreed:

1. To recommend to Cabinet and to Council that they approve the Draft Regulation 19 North London Waste Plan (set out in Annex 1) for public consultation, publication and subsequent submission to the government.
2. To agree that the Executive Director of Place, in consultation with the Cabinet Member for Property and Assets, and in conjunction with the other North London boroughs be authorised to submit appropriate changes to the Waste Plan in the run up to, and during, the public examination into the document.
3. To refer this report to the meeting of Cabinet on 14 November 2018 and the meeting of full Council on 21 November 2018 for consideration and approval.

Reasons for recommendations:

1. After 11 years of negotiating and preparing this Plan, officers are confident in recommending that this is a positive outcome for Enfield, while also ensuring the NLWP is likely to found sound at Examination.
2. Officers of the seven councils as well as consultants employed by them are now take the new draft NLWP through formal ratification processes in all boroughs involved. At Enfield this includes:
 - Local Plan Sub Committee and EMT in September 2018; and
 - Cabinet and Full Council in November 2018.
3. Being able to show progress towards adoption of a NLWP would greatly aid Enfield's local plan process, which will be published for consultation in autumn 2018 and submitted for Examination in 2019.
4. Once the NLWP is adopted, any future planning applications would be subject to assessment under policies it includes (e.g. on taking into account cumulative impact of high concentration of waste facilities; on promoting a greater geographic spread of future facilities; on taking into account local regeneration and transport initiatives such as Meridian Water and Crossrail 2; and on promoting future opportunities for mixed use development which integrates waste sites). Therefore, under the

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

new NLWP, it is much less likely that future waste operations will be permitted in Enfield unless they are in a suitable location and of high quality.

5. Without the Waste Plan, Enfield remains vulnerable to the risks as set out below in Section 7 on Key Risks. The most significant risk would be that without an adopted Waste plan or Local Plan, the council would have little basis to refuse any future applications for inappropriate, uncoordinated or poor quality waste development.

(Key Decision reference number KD: 4709)

**6
ENDORSEMENT OF COMMUNITY INFRASTRUCTURE LEVY
MONITORING REPORT**

The Committee received a report from Isha Ahmed and Neeru Kareer seeking Local Plan Cabinet Sub Committee approval of Enfield's Community Infrastructure Levy (CIL) Monitoring Report 2017/18. (Report No: 71)

The following issues were highlighted from the report:

- The CIL is a planning charge which is levied on development in specific circumstances, at the variable rate from of £nil per square metre to £120 per square metre depending on the geographic location in Enfield. It has been in place since 1 April 2016. Charges are non-negotiable.
- It is paid in addition to the Mayor of London's CIL which has been in place since April 2012 at a rate of £20 per square metre. The Mayor is currently proposing to increase the Mayor's CIL, to help fund the Cross Rail 2 project, and for Enfield could rise to £60 per square metre. This would be a significant increase and would have an impact in Enfield.
- CIL monies received by the council must be spent on critical infrastructure projects. There is an approved project list. The Regulation 123 List currently comprises of rail improvements (Meridian Water Station) and the Causeway also in Meridian Water. To date CIL monies received have contributed to Meridian Water station which is currently under construction.
- Section 106 agreements in contrast are negotiable and are legally tied to the development. These agreements can be time limited.
- The current CIL balance is approximately £6m but it goes up and down. There is no time limit.
- It is regulatory requirement that the income and expenditure from the CIL is published by 31 December each year.
- In 2017/18 receipts totalled £502,858.51. Full details of the developments where payments were received are set out in Table 1 in Appendix 1. Income and expenditure is set out in Table 2.

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

- 5% of the money was retained for admin expenses, 15% (£75,429.24) for neighbourhood projects.
- There are currently no governance arrangements to allocate the neighbourhood monies but proposals are being developed to allocate it on a parliamentary constituency basis, rather than by ward. The arrangement needs to be fair and equitable. Proposals will be brought back to a later meeting.
- The CIL is determined at the point when planning permission is granted and is collected when building begins. Planning permission lasts 3 years so the amount of money collected will increase as time goes on.

NOTED

1. So far this year (2018/19) in quarter 1 £349,677.73 has been collected. This will increase.
2. Most of the funds raised this year will go to the Meridian Water Station which is on the infrastructure list. The list enables funding to be allocated to specific projects, according to the Council's targets and was agreed and adopted by Cabinet.
3. The funds can be Enfield focussed and cuts down on public sector borrowing.
4. The levy will be next reviewed as part of the new Local Plan.

Alternative options considered: Alternative options are not a consideration as the preparation of a Community Infrastructure Levy Monitoring Report is a requirement of Regulation 62 of the CIL Regulations (as amended).

DECISION The Local Plan Sub Committee agreed to endorse the Enfield Community Infrastructure Levy (CIL) Annual Monitoring Report 2017/18 (Appendix 1) for publication on the Council's website, in accordance with Regulation 62 of the CIL regulations.

Reason: Preparation of Enfield's Community Infrastructure Levy Monitoring Report 2017/18 is a requirement of Regulation 62 of the CIL Regulations. A Report must be published on the charging authority website no later than the 31st December following the end of the reported year.

7

MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 1 March 2018 were agreed as a correct record.

LOCAL PLAN CABINET SUB-COMMITTEE - 18.9.2018

8

DATES OF FUTURE MEETINGS

NOTED the dates agreed for future meetings of the committee:

Wednesday 24 October 2018

Thursday 24 January 2019

Tuesday 26 March 2019

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LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

**MINUTES OF THE MEETING OF THE LOCAL PLAN CABINET SUB-COMMITTEE
HELD ON WEDNESDAY, 24 OCTOBER 2018**

COUNCILLORS

PRESENT Dinah Barry, Ahmet Hasan, Dino Lemonides, Mary Maguire, Ahmet Oykener and George Savva MBE

ABSENT Nesil Caliskan (Leader of the Council)

OFFICERS: Neeru Kareer (Planning Consultant), May Hope (Local Plan Lead), Sarah Cary (Executive Director Place), Harriet Bell (Regeneration & Environment) and Christine White (Heritage Officer), Metin Halil (Secretary)

ALSO ATTENDING: Councillor George Savva (Associate Cabinet Member)
Councillor Vicki Pite – (Associate Cabinet Member)
Councillor Ahmet Hassan – (Associate Cabinet Member)

1

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nesil Caliskan, Harriet Bell (Heritage Officer) and Christine White (Heritage and Urban Design Manager).

Apologies for lateness were received from Councillors' Lemonides and Savva.

2

DECLARATION OF INTEREST

There were no declarations of interest.

3

URGENT ITEMS

There were no urgent items.

4

ENFIELD'S NEW LOCAL PLAN 2036 DRAFT FOR PUBLIC CONSULTATION

The Sub Committee received a covering report and the new draft Local Plan 2036.

(Report No. 101)

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

The following points were highlighted:

- The Council had been working on the draft Local Plan under previous administrations and an initial Issues & Options consultation exercise was undertaken in late 2015/16.
- The National Planning Policy Framework (NPPF) establishes a need for all Local Authorities to have up to date plans which must be kept up to date every 5 years.
- Over the past 10 years, Enfield, has changed and significant areas have been regenerated and to date Enfield is a place that is successful in attracting new residents, jobs investors and visitors.
- Enfield's existing Local Plan comprises a number of documents that have been adopted by the Council: Core Strategy (Nov 2010), Development Management Document (Nov 2014), North Circular Area Action Plan (Oct 2014), North East Enfield Area Action Plan (June 2016 and Edmonton Leaside Area Action Plan (currently under examination).
- The Core Strategy was brought forward at a time that was a very different climate to the one faced today. Population growth and the national and London wide housing crisis was not on the planning agenda, back then, as it is now. The Council had moderate housing targets, challenging for the time, but moderate in comparison to today's housing challenges.
- The Mayor of London is proposing the Council builds 135% more homes than its current target. That is the figure of 798 being driven up to just under 1900 homes. A local housing need assessment undertaken in 2015 for the borough projected this figure to be in the region of 2400, just to meet the needs of local population growth and household formation. The national position set by central government is an even higher figure suggesting 3500 be built every year.
- The new NPPF has established that, for the first time, for local authorities who are at the start of a new local plan making process will now need to use a national a standard methodology to assessing housing need for its local area. Central Government is due to issue the standard methodology in December 2018 and this will be used to assist officers to assess and pinpoint what the actual housing need figure should be for this new local plan.
- In terms of the challenge for Enfield, with a Core Strategy approach adopted in 2010, on average over the past 5 years, the Council has only delivered 550 homes per year. This is well below existing and future targets. With over 3,000 families in temporary accommodation and half the Council housing stock being lost through rent to buy the Council has to change and respond to these situations by looking at this Local Plan as a way of planning differently so as to meet its housing, economic, social and environmental responsibilities.
- In December 2015, the Council undertook the first stage process of the Local Plan review, which was an issues and options public consultation. The generic options provided covered where growth could be directed i.e. Lee Valley Corridor, Green Belt, Town Centres, the A10

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

Corridor, Council Estates, the feedback received was used to gauge the priorities of residents for future growth in the borough.

- In 2017, the Council undertook a further initiative of consultation called the Enfield Conversation (Pilot Project Scheme) which consisted of five detailed workshops again with a view to understand residents priorities and during the same time, The Mayor of London also came forward with the new Draft London Plan and National Planning Policy has also been revised.
- With all of the above it would seem only right to go back to an Issues & Options stage and start the process again in light of significant changes. However, this time the 2018 Issues & Options Local Plan provides more detail on both spatial growth options and thematic policy approaches.
- Exhausting all reasonable opportunities on Brownfield land, making underused land work harder and optimising densities remain the first principles of a Local Plan. However, this must be tested against deliverability and availability and a 'Call for Sites' will be re-run to understand what sites are available and considered deliverable for development over the next 15 years.
- If the Council did not progress with an up to date new Local Plan, it could slow down the delivery of the types of homes, jobs and community facilities the Council needs.
- Any development in growth must be positively plan led and the purpose of a Local Plan is to pro-actively manage growth, but in a way that ensures that the framework provides for addressing wider issues.
- The new Local Plan headlines are highlighted at paragraph 3.16 of the officer report and in addition to these, the new Local Plan makes an even stronger commitment to high quality place making and environmental standards.
- Paragraph 3.17 of the report sets out how the Council will have to plan differently and make some radical choices if it is to meet the challenges we face. The draft Plan identifies 5 broad spatial options where development could be realistically accommodated.
- In terms of the Consultation Strategy, consultation and evidence gathering has been going on only for the past 18 months towards the draft new Local Plan for consultation.
- This version is a Regulation 18 document representing the first of two formal stages of public consultation before it is then submitted for independent examination.
- The plan making process will include the involvement of a number of stakeholders with the emphasis being placed on their input at an early stage and continued input throughout.
- To ensure that the Council reaches as many people and groups as possible regardless of age, gender, gender re-assignment, disability, ethnicity, race, religion, belief or sexual orientation instead of the statutory 6 week period, the Council proposes a 12 week consultation using a variety of methods outlined in paragraph 3.25 of the report including digital and traditional methods ..

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

NOTED

1. The Public Consultation would include press notices, newspaper articles, press adverts including ethnic press using a fine balance of traditional and digital methods. Officers would be working with portfolio holders and attending area and ward forums and with the Chair, also attending main hub libraries.
2. In terms of urban greening, the policy approach is very pro-active and firm. The Council does have a very dedicated tree officer (planning) who has made a difference to greener spaces since his appointment to the Council in 2011.
3. Concern was expressed regarding the lack of public transport investment and accessibility particularly bus routes in the borough. Whilst there are good radial routes for buses and trains in the borough orbital routes are less than good.
4. In terms of job opportunities, it is a planning responsibility to provide the right framework to protect employment land and create the right conditions so that new employment sectors can emerge alongside existing sectors thereby creating greater job opportunities to come forward that provide for better paid jobs as part of the need to tackle deprivation and balanced communities.
5. The Council need new policies that will support the number of struggling high streets in the borough, as they all offer something different. Some may need to be allowed to expand and some to contract. Some may need very clear directional policies' and some may need greater flexibility. Differing land uses within town centres i.e. residential would need mitigating measures against the commercial uses particularly night time and evening economies. So that conflicts of differing land use can start to work side by side. All of Enfield's town centres will see some residential growth and the Council needs to balance this with the right kind of town centre uses.
6. Officers have been briefing Cabinet members, on the draft Local Plan, before coming to the sub-committee. There will also be briefing sessions at group meetings for all members. During the 12 week consultation period members are encouraged to contact officers to go through the Local Plan as part of one to one briefings. Officers can also be invited to ward and group forums and would welcome Members getting actively involved so that the widest possible coverage is given to this public consultation stage. This is the responsibility of all councillors to be able to help officers to communicate the draft Local Plan to all.
7. Officers provided a step by step guide to delivering the Local Plan.
8. Concern was expressed at the variance in new homes figures i.e. GLA figure of 1,876, Central Government figure of 3,500, officers responded that there is no standard way to assess need which has led to these variances. Central Government has said it would publish standard methodology by December 2018 which would be based on the latest release of population projections. Officers doubted that Brexit would be factored into the projections at this stage.

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

Alternative Options Considered: Noted the following alternative options which had been considered as set out in section 4 of the report:

1. Without starting work on a new Local Plan the Council will not meet its statutory obligation to have an up to date Plan in place as directed by National Policy. The borough will not be able to meet its housing requirements which in turn will leave the local planning authority vulnerable to piecemeal and inappropriate development in unacceptable locations. This Local Plan consultation represents an important stage in the development of Enfield's new Local Plan. The Core Strategy (2010) is now out-of-date and it remains important to progress an up-to-date planning policy framework for the borough in order to meet development and growth needs, comply with Government policy to update plans every five years, ensure there is a five year housing supply, protect and enhance the environment of the borough, and avoid the risk of 'planning by appeal'.

DECISION The Local Plan Cabinet Sub Committee agreed:

1. To approve the draft new Local Plan 2036 at Appendix 1 for the purposes of public consultation under Regulation 18 of the Town and Country Planning Local Plan Regulations 2012. Approval is sought to consult Enfield's residents, businesses, stakeholders and statutory bodies on the draft vision, objectives, growth options and planning policies.
2. To agree that the Executive Director for Place in consultation with the Portfolio holder for Property and Assets agree appropriate changes to the draft document, associated supporting documents and consultation material required in the run-up to and during the public consultation process.

Reasons for recommendations:

1. The Council is required by legislation to have an up-to-date Local Plan. Consultation and engagement with stakeholders and the public is integral to the Local Plan and will help inform and shape the planning policies and Enfield's spatial approach to the challenges up to 2036.

(Key Decision reference number KD: 4686)

5

AUTHORISATION TO CONSULT ON HERITAGE STRATEGY

The Sub Committee received a covering report and the new draft Heritage Strategy

(Report No. 100)

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

The following points were highlighted:

- Members had been briefed on the Draft Heritage Strategy as they had been on the Local Plan.
- Having an up to date Heritage Strategy is a National and Local Policy commitment. This update comes at a time where members and the community are debating the challenges of growth and pressures the borough is facing.
- It was with intention that officers seek to progress consultation on this draft Heritage strategy alongside the draft Local Plan and it too will run a 12 week consultation process. It was important that as a borough that is facing tough decisions and challenges, that enough time and resource is given to the borough's built environment and heritage assets both past, present and future.
- It is therefore well worth running the public consultation for both the Local Plan and Heritage Strategy, side by side for the following reasons:
 - a. The Heritage strategy recognises that heritage can be a positive factor in realising growth options or ambitions and securing quality place making.
 - b. Heritage can be central to how a place transforms and how changes are brought forward. It can also set a marker for new high quality design across the borough.
 - c. It recognises the importance of Heritage as a sense of place and identity and how it can be a positive factor in securing place making.
 - d. The strategy has a commitment to design, underpinning conservation and enhancement of our built and historic environment.
 - e. The strategy looks at a commitment to deciding a course of action for Broomfield House.
 - f. There is also a commitment to making archives and museum collections more accessible, with continued digitising so as to protect their longevity.
 - g. As a focus on heritage and cultural practises, that there is the importance of memory making and culture across the borough.
 - h. The strategy also promotes opportunities for inward investment, partnership working and securing funding.
- As a wide spanning document, the purpose of the strategy is not defining what heritage is, but it accepts and includes archives, buildings, museums, collections, landscape, festivals, ethnicity, faith, practises, architecture, archaeology, cultural practises, design and more.
- The draft strategy is intended to engage residents, workers, youth, old, visitors, decision makers and professional advisers on investors.
- Input to the strategy by focus groups, workshops, study groups, community and civic organisations across the borough.
- The strategy sets out how the Council will approach Heritage, through regeneration opportunities, development management, local studies & archives, property services, highways, etc.

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

- It is a very high level statement about pointing to how the Council can manage and resource Heritage and where funding should be directed.
- Officers have directed that this strategy should be a supplementary planning document (SPD). Which will mean that it amplifies the policies in the adopted core strategy and DMD. Bought forward at the same time officers are deciding on policy approaches in the new Local Plan.
- The Heritage strategy, as an SPD and after the consultation, will be coming back to the Local Plan Cabinet Sub Committee sometime next spring/summer. Where officers have considered comments made on it and make a recommendation for members to formally adopt it as supplementary planning guidance.

NOTED

1. Praise for the draft strategy and involvement of local people in looking after the borough's assets and in valuing them and more widely known to the residents of Enfield.
2. Concern that there should be more involvement, in some of the other parts of the borough, if people could get to the assets i.e. better bus routes to access various heritage sites in the borough i.e. Forty Hall. Poor bus routes in those directions, restricts integration of the east and west of the borough. The strategy should be promoting wider stewardship of the borough's assets and this will be communicated to relevant officers.
3. The Local List (Heritage sites) had been reviewed last year and new properties were added to the list. It is a rolling programme for listing and therefore the Council's local listing will sit side by side just as statutory listed properties do. The Council has policies within the emerging Local Plan and existing local plan policies, which provide guidance to local listings.
4. This is a Heritage and cultural strategy and less of a planning document. Conservation areas are heavily protected in the existing Local Plan and emerging Local Plan. There appraisals and reviews are very much embedded in planning policy. Conservation areas are therefore very much covered and the strategy would not need to repeat planning guidance.

Alternative Options Considered: Noted the following alternative options which had been considered as set out in section 4 of the report.

1. An alternative would be not to produce a new Heritage Strategy. This would also reverse previous decisions in Operational DARs taken by the Director of Regeneration and Environment (December 2016) which authorised the start of work on a new heritage strategy and by the Programme Director for Meridian Water (August 2018) authorising first stage consultation on the draft with focus groups. This would leave Council policy out of date with the revised NPPF and other national policy and guidance.

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

2. An alternative would be not to consult on the new Heritage Strategy. However, this would be contrary to the outcomes of the 2013 Heritage Conference and limit the validity of the document as a largely collaborative production. It would also prevent adoption as SPD.

DECISION The Local Plan Cabinet Sub Committee agreed:

1. To approve the draft Strategy and commence public consultation on the draft Council Heritage Strategy: Making Enfield attached at Appendix 1.
Agree that the Executive Director of Place, in consultation with the Cabinet Member for Property and Assets, be authorised to make:
 - a. minor amendments to the draft Heritage Strategy prior to public consultation
 - b. the necessary amendments to the draft Heritage Strategy in light of comments received and for consideration by Local Plan Sub Committee by the end of the municipal year.

Reasons for recommendations:

1. Revising the Heritage Strategy will provide an aspirational vision for Enfield's heritage that is up-to-date with existing policy and practice, can support bids for inward investment and can be used to prioritise resources and identify funding opportunities. The new Strategy will embrace the Council's growth agenda and set out how heritage can be a positive factor in realising its ambitions and securing quality placemaking.
2. NPPF para. 185 requires that plans should set out a positive strategy for conserving and enhancing the historic environment. There is no guidance as to what form that should take. Adopting the Heritage Strategy as SPD will ensure that it has clear status in relation to the Local Plan and Council practice and is a material consideration in the Council's decision-making process. Not updating the Heritage Strategy could lead to the deterioration and loss of heritage and the loss of opportunity to drive good placemaking as part of the growth agenda.
3. The new Strategy is a collaborative Council-community document developed from two community workshops and other stakeholder engagement sessions, underlining it as a collaborative Council-community document.

6

MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 18 September 2018 were agreed as a correct record.

LOCAL PLAN CABINET SUB-COMMITTEE - 24.10.2018

7

DATES OF FUTURE MEETINGS

NOTED the dates agreed for future meetings of the committee:

Thursday 24 January 2019

Tuesday 26 March 2019

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SHAREHOLDER BOARD - 3.10.2018**MINUTES OF THE MEETING OF THE SHAREHOLDER BOARD HELD ON WEDNESDAY, 3RD OCTOBER, 2018**

MEMBERS: Councillors Nesil Caliskan (Leader of the Council), Daniel Anderson (Deputy Leader of the Council), Alev Cazimoglu (Cabinet Member for Health & Social Care), Dino Lemonides (Cabinet Member for Housing), Mary Maguire (Cabinet Member for Finance & Procurement) and Ahmet Oykener (Cabinet Member for Property and Assets)

Officers:

Nicky Fiedler (Director of Commercial), Jeremy Chambers (Director of Law and Governance), Jayne Middleton-Albooye (Head of the Legal Services) (for items 1 – 5), Simon Gardner (Head of Shareholder Strategy), Jessie Lea (Head of Strategic Property Service), Clare Paine (Legal Services), Jacqui Hurst (Secretary)

Company Representatives also attending:

Councillor Tim Leaver (Housing Gateway Ltd.), Kayt Wilson (Housing Gateway Limited and Enfield Innovations Ltd.), Joanna Embling (Housing Gateway Ltd. and Enfield Innovations Ltd.), Jayne Clare (Energetik), Michael King (Energetik), Julia Glenn (Independence and Well Being)

1. APPOINTMENT OF CHAIR

AGREED, that Councillor Nesil Caliskan (Leader of the Council) be appointed as Chair of the Shareholder Board for the municipal year 2018/19.

2. APOLOGIES FOR ABSENCE

There were no apologies for absence.

3. DECLARATION OF INTEREST

There were no declarations of interest.

4. URGENT ITEMS

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. These requirements state that agendas and reports should be circulated at least 5 clear days in advance of meetings.

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5. TECKAL PRESENTATION

Members of the Shareholder Board received a presentation from Clare Paine (Legal Services) providing a brief introduction to Teckal Companies.

NOTED

1. the Regulations which the Council had to comply with (Public Contracts Regulations 2015) and the "Teckal exemption" which could be applied. Members were advised of the rationale and the tests that were applied, as set out in the presentation slides attached to the agenda.
2. Councillor Caliskan thanked Clare for a concise and informative presentation and invited questions from Members of the Board.
3. A discussion followed on a number of potential scenarios and clarification provided to Members in response to issues raised.

6. COMPANY DIRECTORS - JOB DESCRIPTION AND ROLES AND RESPONSIBILITIES

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Commercial Director (No.78) presenting for consideration a job description setting out the roles and responsibilities of Council Company Directors.

NOTED

1. that at its meeting on 24 April 2018, the previous Shareholder Board had asked officers to develop a job description for Council Company Directors, attached as Appendix 1 to the report.
2. that following a comprehensive governance review which had identified potential conflicts of interest, Cabinet Members were no longer appointed as Directors of the Council's Companies. New Councillor appointments had been made to the role of Company Director as the Council representative.
3. in response to issues raised, a discussion took place on potential conflicts of interest and, the potential liabilities of a company director.
4. the role of the Shareholder Board was considered, including the need to set the strategic direction of the companies and, to provide clear aims and responsibilities.

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5. the need to ensure that appropriate training was provided to those appointed to this role.
6. that it was important to ensure that all company directors had a clear understanding of the liabilities which existed. The issue of appropriate insurance was highlighted. Members' attention was drawn to the section in the job description which clearly set out the "protection against personal liability".
7. the importance of acting in "good faith" and on the advice of relevant professionals.
8. Members acknowledged the important issues which had been raised in discussion and highlighted the need to provide suitable training to the Council representatives on the Companies. The Shareholder Board would have an important role in developing the direction and strategy of the companies going forward.

Alternative Options Considered: None, Councillors would be appointed and a Job Description would give guidance to those appointed.

DECISION: The Shareholder Board agreed to approve the job description, appendix 1 to the report, and noted that training would be required for those fulfilling the Company Board Directors role.

Reason: A Job Description would give those newly appointed some guidance in their role and allow training to be identified to support the individuals concerned.
(Non key)

7. COMPANY REPORTS

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Commercial Director (No. 79) providing the updates and progress reports of the Companies.

NOTED

1. the reports which had been received from Housing Gateway Ltd, Enfield Innovations, Energetic, and Independence and Wellbeing Enfield Ltd. The Leader invited the company representatives to present their reports to the Board in turn, as follows:

2. **Housing Gateway Limited**

Councillor Tim Leaver (Council representative on Housing Gateway Limited)

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Kayt Wilson (Head of Commercial Entities – Housing Gateway Limited and Enfield Innovations Ltd)

Councillor Leaver reported that he was a newly appointed Company Director and therefore had not been involved in the Company for the period covered by the report for the year end 31 March 2018. Councillor Leaver presented the report and a detailed discussion followed including the issues set out below:

- Housing Gateway Ltd had been very successful; it had exceeded expectations in reaching its target to purchase 500 units 15 months early. The resulting savings to the Council in moving families out of expensive nightly paid accommodation was significant, as set out in the report.
- The strategic aims of the Company, its past performance and future targets were discussed. Members were advised of the Company's target for future housing purchases.
- The financial performance set out in the report was noted. It was also explained that these figures were now out-of-date and that the Company's audited accounts would provide a more current picture of the Company's financial position. Councillor Leaver highlighted the relevant financial information for Members' consideration and explained areas that had subsequently changed; including an accounting adjustment on the value of the property portfolio following a valuation audit. Members stated the importance of an accurate valuation of the assets to determine future growth potential and borrowing dependency.
- A detailed discussion took place on the Company's accounts and the aspirations in moving forward.
- The operational performance of the Company was noted including customer satisfaction levels and issues of health and safety as set out in the report. The issues in relation to Brickfield House were considered in detail. Kayt Wilson provided Members with a detailed update on the work that had been and was continuing in conjunction with the Fire Brigade and Savills. It was noted that the outcome of the work being undertaken would be presented to the next Company Board meeting for consideration, and agreement on the way forward on the most suitable option in terms of risk and cost. Members expressed their views to the Company's representatives and the need to minimise any risks and ensure the safety of residents.
- In relation to the customer satisfaction levels, results were due to be considered by the Housing Gateway Ltd Board and would be included in further reports to the Shareholder Board. In going forward comparative and benchmarking information should be included.
- Members highlighted the importance of clearly explaining to the tenants of these properties their housing status and future options. The Council would like to re-use the properties and so encourage residents to find alternative accommodation; whilst

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Housing Gateway Ltd would prefer to minimise void periods by reducing the turnover of residents. It was important to consider the next stage of housing provision, in accordance with the Council's housing strategy.

- In response to issues raised, it was explained that all properties purchased were renovated to a high standard. Members highlighted the importance of maintaining the quality standards and, ensuring that required repairs were undertaken.
- In conclusion, Councillor Caliskan thanked the Company representatives for their presentation and attendance, noted the main issues which had been highlighted; and, the role that the Shareholder Board would have in guiding the future direction of the Company; and, the further discussions that would be required.

3. Enfield Innovations Ltd.

Joanna Embling (Independent Director of Enfield Innovations Ltd.)
Kayt Wilson (Head of Commercial Entities – Housing Gateway Limited and Enfield Innovations Ltd)

Joanna Embling presented the report and a detailed discussion followed including the issues outlined below:

- The purpose of the Company and its strategic aims were outlined, as set out in the report. Members noted in detail the past performance of the Company, the difficulties that had been experienced and steps taken to move forward. Looking ahead, a contract had been signed with Savills to dispose of the Enfield Innovations Ltd. (EIL) units that were in construction; the properties would be launched on to the market in October 2018.
- The need to be aware of the confidential nature of certain issues in relation to the Company; in the future there would be a part two (exempt information) discussion at the Shareholder Board meeting to enable more detailed consideration as appropriate.
- Kayt Wilson outlined to Members the actions which had been taken by the Company with the agreement of the Council, and the background to the issues which had arisen.
- As and when required, reports would be presented to the Cabinet and/or Shareholder Board for consideration and agreement.
- That further consideration would be required, and clear direction provided to the Company, on how the Company should develop in going forward.
- The need for more detailed reports from the Companies in the future to ensure that the Shareholder Board had comprehensive and detailed information for consideration and determination.
- In conclusion, Councillor Caliskan thanked the Company representatives for their presentation and attendance, noted the main issues which had been highlighted; and, the role that the

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Shareholder Board would have in guiding the future direction of the Company; and, the further discussions that would be required.

4. Energetik

Jayne Clare (Managing Director - Energetik)

Michael King (Non-Executive Director - Energetik)

Jayne Clare presented the report and a detailed discussion followed including the issues set out below:

- Members received a comprehensive review of the information and issues contained within the Company's report and matters highlighted for their consideration. The strategic aims, success and future initiatives were included.
- The customer figures were outlined together with future projections that were in progress.
- The Company accounts were currently being audited. Any significant financial issues were highlighted for Members' information.
- In response to questions raised, a discussion took place on the Company's business plan and budget projections going forward and whether this had altered from the original plan. Clarification was also sought as to whether the delay in the Meridian Water project would have an adverse effect on the Company's projections. Jayne Clare outlined the detailed future projections to Members over the short and long-term. It was felt that Energetik's business case was sound.
- Members' sought further clarification on the impact of slippage on other smaller regeneration projects and the cost implications for Energetik. The Company representatives explained the financial implications in detail and provided assurance on the plans in place.
- The Government targets and future heating requirements were considered in the context of the Council's investment and Energetik's business plan.
- Members stated the need for the Shareholder Board to be informed and assured of the strategic aims of the Company in going forward and, highlighted the importance of tackling fuel poverty and the carbon footprint of the Borough.
- The on-going discussions on the future expansion of Energetik's energy provision to other customer bases. Michael King gave examples of other similar Companies elsewhere.
- Members' noted the potential future developments for the Company and anticipated timescales for discussions and delivery.
- In conclusion, Councillor Caliskan thanked the Company representatives for their presentation and attendance, noted the

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main issues which had been highlighted; and, the role that the Shareholder Board would have in guiding the future direction of the Company; and, the further discussions that would be required.

5. Independence and Well Being

Julia Glenn (Director of Innovation - Independence and Well Being Ltd.)

Julia Glenn presented the report and a detailed discussion followed including the following issues:

- The purpose and aims of the Company and the developments which had taken place and, those planned for the future.
- The financial performance of the Company as set out in the report; the Company accounts were currently being audited. The savings achieved were noted.
- The growth of the Company and the challenges which were faced in the delivery of a diverse range of services to adults.
- Julia Glenn outlined in detail the performance to date; the challenges faced and lessons learnt; and, the opportunities for the Company in its future development, for example, within the private sector and other local authorities.
- The new initiatives for generating revenue income and marketing opportunities.
- Members' request that future reports provide more defined aims and clarity in the strategic aims and business model of the Company.
- Councillor Cazimoglu, as the previous Chair of the Company Board, outlined the original purpose of the Company, the reasons for its establishment and the financial implications for the Council in such provision.
- Julia Glenn praised the progress of the Company to date and highlighted the opportunities in looking ahead.
- In conclusion, Councillor Caliskan thanked the Company representative for her presentation and attendance, noted the main issues which had been highlighted; and, the role that the Shareholder Board would have in guiding the future direction of the Company; and, the further discussions that would be required.

6. following consideration of the Company reports, Members asked that the future reporting template be developed further to ensure consistency and clarity in the information being provided; including the details of the Company Board memberships; the need to avoid the use of jargon and assumed knowledge; and, the provision where appropriate of part two reports which required confidential discussion.

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7. Councillor Lemonides requested that a report on Enfotec be provided to a future meeting of the Shareholder Board.

Alternative Options Considered: None. The Shareholder Board had been created by Cabinet and required reports from the companies to be able to ensure the Council's Shareholder function was delivered.

DECISION: The Shareholder Board agreed to note the updates and progress of the Companies as set out in the report.

Reason: Members were asked to note progress as part of its responsibility as the sole shareholder of the companies.
(Non key)

8. CORPORATE LANDLORD RESPONSIBILITIES

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Director of Property (No. 80) providing an update on the Council's Corporate Landlord responsibilities and the timescale for completing leases and licence agreements for properties currently occupied and used by Housing Gateway Ltd, Enfield Innovations Ltd, Lee Valley Heat Network Ltd and Enfield Independence and Wellbeing Ltd, all four were local authority trading companies set up by the Council.

NOTED

1. Jessie Lea (Head of Strategic Property Services) outlined the report to Members and the proposals going forward. The Local Authority Trading Companies (LATC's), as detailed in the report, were dependent on the use of operational property and good office accommodation owned by the council.
2. Members were advised of the requirements of the Council's Property Procedure Rules and, that the leases and licences being prepared would be in a form approved by the Director of Law and Governance. These documents would provide clarification in going forward and would provide a clear mechanism in determining issues such as future rent reviews.
3. that the current rent for the properties outlined in the report would produce an income to the Council of £709,080 per annum.

Alternative Options Considered: No alternative options had been considered as the requirements for occupying Council property were clearly stated within Property Procedure Rules.

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DECISION: The Shareholder Board agreed to note the contents of the report and, that the leases and licences granted to the Local Authority Trading Companies (LATCs) were to be in a form approved by the Director of Law and Governance.

Reason: To inform the Shareholder Board of their Corporate Landlord Liabilities and provide an update on the timescale for the finalisation of outstanding leases and licences for Local Authority Trading Companies.
(Non key)

9. **MEMBERSHIP OF THE SHAREHOLDER BOARD - RECRUITING CO-OPTED NON-LOCAL AUTHORITY SHAREHOLDER BOARD MEMBERS**

Councillor Nesil Caliskan (Leader of the Council) advised those present that the report of the Commercial Director (No.81) had been withdrawn from the agenda. Members felt that the recruitment of co-opted non-local authority Shareholder Board Members was not necessary at this time. The matter would be re-considered in the future if required.

10. **SHAREHOLDER BOARD WORK PLAN**

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Commercial Director (No.82) seeking approval to the Shareholder Board workplan.

NOTED

1. that Members' approval was sought to the Shareholder Board workplan for 2018/19 and their comments on any proposed additional items for consideration.
2. that the workplan would need to be re-visited as the work of the Shareholder Board developed. The Board would need to consider the future strategic direction of the Companies and provide key documents for Companies to refer to.
3. that the Shareholder Board should consider the development of a Plan with strategic aims and objectives, in a similar format to the Council's Corporate Plan. A clear and comprehensive document would need to be developed for the Board and the Companies to refer to in the future and to guide future development.
4. a specific request was made for a future meeting to include a presentation on "State Aid" to cover both general and specific company information.

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Alternative Options Considered: None. The Shareholder Board had been created by Cabinet and required an agreed work plan.

DECISION: The Shareholder Board agreed that the 2018/19 workplan would be further considered and developed in the light of discussion and, the issues outlined above.

Reason: Since the Council Election in May 2018, the membership of the Shareholder Board has been changed. A review of the work plan by the new Board membership was therefore thought prudent.
(Non key)

11. MINUTES OF PREVIOUS MEETING

AGREED, that the minutes of the previous meeting of the Shareholder Board held on 24 April 2018 be confirmed and signed by the Chair as a correct record.

12. DATES OF FUTURE MEETINGS

NOTED

1. that future meetings of the Shareholder Board had been scheduled to take place on:

Tuesday 29 January 2019 at 7.00pm
Tuesday 2 April 2019 at 7.00pm
2. the meeting scheduled for Wednesday 31 October 2018 would not be required and had been cancelled.