

# Public Document Pack



## **OVERVIEW & SCRUTINY COMMITTEE**

Thursday, 28 February 2019 at 6.00 pm  
Room 1, Civic Centre, Silver Street, Enfield,  
EN1 3XA

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Councillors : Derek Levy (Chair), Huseyin Akpinar, Tolga Aramaz, Susan Erbil,  
Gina Needs (Vice-Chair), Lee David-Sanders and Edward Smith

Education Statutory Co-optees: 1 vacancy (Church of England diocese representative), Simon Goulden (other faiths/denominations representative), Tony Murphy (Catholic diocese representative), Alicia Meniru & 1 vacancy (Parent Governor Representative).

Enfield Youth Parliament Co-optees (2)  
Support Officer – Susan O’Connell (Governance & Scrutiny Officer)  
Elaine Huckell (Governance & Scrutiny Officer)

## **AGENDA – PART 1**

- 1. WELCOME & APOLOGIES**
- 2. DECLARATIONS OF INTEREST**

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

- 3. CALL IN OF DECISION: MERIDIAN WORKS SITE ONE: AUTHORITY TO SIGN KEY AGREEMENTS TO ENABLE PROJECT DELIVERY (Pages 1 - 26)**

To receive and consider a report from the Director of Law and Governance outlining details of a call-in received on the Portfolio Decision taken on Meridian Works Site One: Authority to sign key agreements to enable project delivery (Report No. 182).

The decision that has been called in was a Portfolio Decision taken on 5 February 2019 and included on the Publication of Decision List No: 49/18-19 (List Ref:3/49/18-19) issued on 5 February 2019.

It is proposed that consideration of the call-in be structured as follows:

- Brief outline of the reasons for the call-in by representative (s) of the members who have called in the decision
- Response to the reasons provided for the Call-in by a Cabinet Member responsible for taking the decision
- Debate by Overview and Scrutiny Committee and agreement of action to be taken

Please also see the Part 2 agenda

**4. MINUTES OF THE OSC BUDGET MEETING HELD ON 31 JANUARY 2019**  
(Pages 27 - 36)

To agree the minutes of the meeting held on the 31 January 2019.

**5. DATES OF FUTURE MEETINGS**

To note the dates of future meetings as follows:

Provisional Call-Ins

- Tuesday 12 March 2019
- Tuesday 26 March 2019
- Thursday 11 April 2019

Please note, the business meeting of the Overview & Scrutiny Committee will be held on:

- Wednesday 3 April 2019

**6. EXCLUSION OF PRESS AND PUBLIC**

To consider, if necessary, passing a resolution under Section 100A (4) of the Local Government Act 1972 excluding the press and public from the meeting for the item of business listed in Part 2 of the agenda on the grounds that it will involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006), as are listed on the agenda (Members are asked to refer to the Part 2 agenda).

**MUNICIPAL YEAR 2018/2019 REPORT NO. 182****MEETING TITLE AND DATE:**

**Overview & Scrutiny  
Committee,  
28 February 2019**

**REPORT OF:**

Director of Law & Governance

<b>Agenda – Part: 1</b>	<b>Item:</b>
<b>Subject: Call in of Report: Meridian Water Site One: Authority to sign key agreements to enable project delivery</b>	
<b>Wards: Upper Edmonton</b>	
<b>Key Decision No: KD 4796</b>	
<b>Cabinet Member consulted: N/A</b>	

Contact officers and telephone  
numbers:

Jeremy Chambers, Director Law and Governance

Tel: 020 8379 4799

Email: [Jeremy.chambers@enfield.gov.uk](mailto:Jeremy.chambers@enfield.gov.uk)

Claire Johnson, Head of Governance & Scrutiny

Tel: 020 8379 4239

E mail: [claire.johnson@enfield.gov.uk](mailto:claire.johnson@enfield.gov.uk)

**1. EXECUTIVE SUMMARY**

- 1.1 This report details a call-in submitted in relation to the following decision:  
**Portfolio Decision of the Leader of the Council (taken on 5/02/19)**
- 1.2 Details of this decision were included on Publication of Decision List No. 49/18-19 (Ref. 3/49/18-19 – issued on 5 February 2019).
- 1.3 In accordance with the Council's Constitution, Overview and Scrutiny Committee is asked to consider the decision that has been called-in for review.
- 1.4 The members who have called-in this decision do not believe it falls outside of the Council's Policy Framework.

## **2. RECOMMENDATIONS**

2.1 That Overview and Scrutiny Committee considers the called-in decision and either:

- (a) Refers the decision back to the decision-making person or body for reconsideration setting out in writing the nature of its concerns. The decision-making person or body then has 14 working days in which to reconsider the decision; or
- (b) Refer the matter to full Council; or
- (c) Confirm the original decision.

Once the Committee has considered the called-in decision and makes one of the recommendations listed at (a), (b) or (c) above, the call-in process is completed. A decision cannot be called in more than once.

If a decision is referred back to the decision-making person or body; the implementation of that decision shall be suspended until such time as the decision making person or body reconsiders and either amends or confirms the decision, but the outcome on the decision should be reached within 14 working days of the reference back. The Committee will subsequently be informed of the outcome of any such decision.

## **3. BACKGROUND/ INTRODUCTION**

3.1 Please refer to Section 3 in the Decision Report.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

None – Under the terms of the call-in procedure within the Council's Constitution, Overview & Scrutiny Committee is required to consider any eligible decision called-in for review. The alternative options available to Overview & Scrutiny Committee under the Council's Constitution, when considering any call-in, have been detailed in section 2 above.

## **5. REASONS FOR RECOMMENDATIONS**

To comply with the call-in procedure within the Council's Constitution.

## **6. COMMENTS OF THE EXECUTIVE DIRECTOR RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **6.1 Financial Implications**

The financial implications relating to the called-in decision have been detailed in Section 6.1 of the Cabinet Decision Report.

## **6.2 Legal Implications**

S 21, S 21A-21C Local Government Act 2000, s.19 Police and Justice Act 2006 and regulations made under s.21E Local Government Act 2000 define the functions of the Overview and Scrutiny committee. The functions of the committee include the ability to consider, under the call-in process, decisions of Cabinet, Cabinet Sub-Committees, individual Cabinet Members or of officers under delegated authority.

Part 4, Section 18 of the Council's Constitution sets out the procedure for call-in. Overview and Scrutiny Committee, having considered the decision may: refer it back to the decision-making person or body for reconsideration; refer to full Council or confirm the original decision.

The Constitution also sets out at section 18.2, decisions that are exceptions to the call-in process.

## **6.3 Property Implications**

The property implications relating to the called-in decision have been detailed in Section 6.3 of the Portfolio Decision Report.

## **7. KEY RISKS**

The key risks identified relating to the called-in decision have been detailed in the Portfolio Decision Report.

## **8. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

The way in which the called-in decision impacts on the Council priorities relating to good homes in well-connected neighbourhoods, sustain strong and healthy communities and build our local economy to create a thriving place have been detailed in the Portfolio Decision Report.

## **9. EQUALITIES IMPACT IMPLICATIONS**

The equalities impact implications relating to the called-in decision have been detailed in the Portfolio Decision Report.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

The performance management implications identified relating to the called-in decision have been detailed in the Portfolio Decision Report.

## **11. HEALTH AND SAFETY IMPLICATIONS**

The health and safety implications identified relating to the called-in decision have been detailed in the Portfolio Decision Report.

**12. PUBLIC HEALTH IMPLICATIONS**

The public health implications identified relating to the called-in decision have been detailed in the Portfolio Decision Report.

**Background Papers**

None

# **APPENDIX 1**

**Call-In: Portfolio Decision of the Leader of the Council: Meridian Works Site One: Authority to sign key agreements to enable delivery**

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## MUNICIPAL YEAR 2018/2019 REPORT NO.

ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY

## PORTFOLIO DECISION OF:

The Lead Member for Meridian Water,  
in consultation with the Executive  
Director – Place.

Agenda – Part: 1	KD Num: 4796
Subject: Meridian Works Site One: Authority to sign key agreements to enable project delivery.	
Wards: Upper Edmonton.	

Contact officer and telephone number: Nick Fletcher, 0208 379 8310

Email: [nick.fletcher2@enfield.gov.uk](mailto:nick.fletcher2@enfield.gov.uk)

## 1. EXECUTIVE SUMMARY

- 1.1 On 25th July 2018, Cabinet authorised the Meridian Water Employment Approach report (KD 4717), including in relation to the delivery of *Meridian Works One*.
- 1.2 The Meridian Works One project is focused on supporting professional and highly skilled makers and creative entrepreneurs and is directly aligned with the emerging Meridian Water employment strategy, as articulated in the Meridian Water Employment Approach agreed by Cabinet on 25th July 2018 (KD 4717). The project involves working with Building BloQs, an existing business within the Meridian Water regeneration area, to expand to provide high quality makerspace.
- 1.3 The project follows the emerging employment strategy and vision for Meridian Water by supporting local businesses. The project will safeguard 84 FTE jobs, and create 209 new FTE jobs.
- 1.4 The recommendations set out in this report reflect the agreement made by Cabinet in July 2018 to progress the project with Building BloQs.
- 1.5 Cabinet delegated authority to the Executive Director Place (in consultation with the Meridian Water Programme Director, the Executive Director Finance and Lead Member) to make all implementation decisions within the budget and scope approved by Cabinet to deliver *Meridian Works One*. Cabinet further delegated to the Director of Law and Governance to approve any legal agreements as required, and this report recommends that the Council signs a Grant Funding Agreement with *Building BloQs* to deliver the project outputs.

## 2. EXECUTIVE SUMMARY

- 1.6 Cabinet delegated authority to the Executive Director of Resource to authorise the business plan of Building BloQs – the Council's chosen delivery partner for Meridian Works One. The Acting Executive Director of Resource has also now authorised the Building BloQs Business Plan, which was a delegated decision from the Cabinet report.
- 1.7 This Report provides an update on progress on Meridian Works One to date and, subject to the approval of the necessary legal documentation by the Director of Law and Governance, recommends the Council make grant funding available to Building BloQs in accordance with the Cabinet approved scope and budget.
- 1.8 This Report also seeks authority to enter into a Deed of Variation with the GLA to amend the outputs and scope of the current Grant Funding Agreement between the GLA and Enfield Council.

## 2. RECOMMENDATIONS

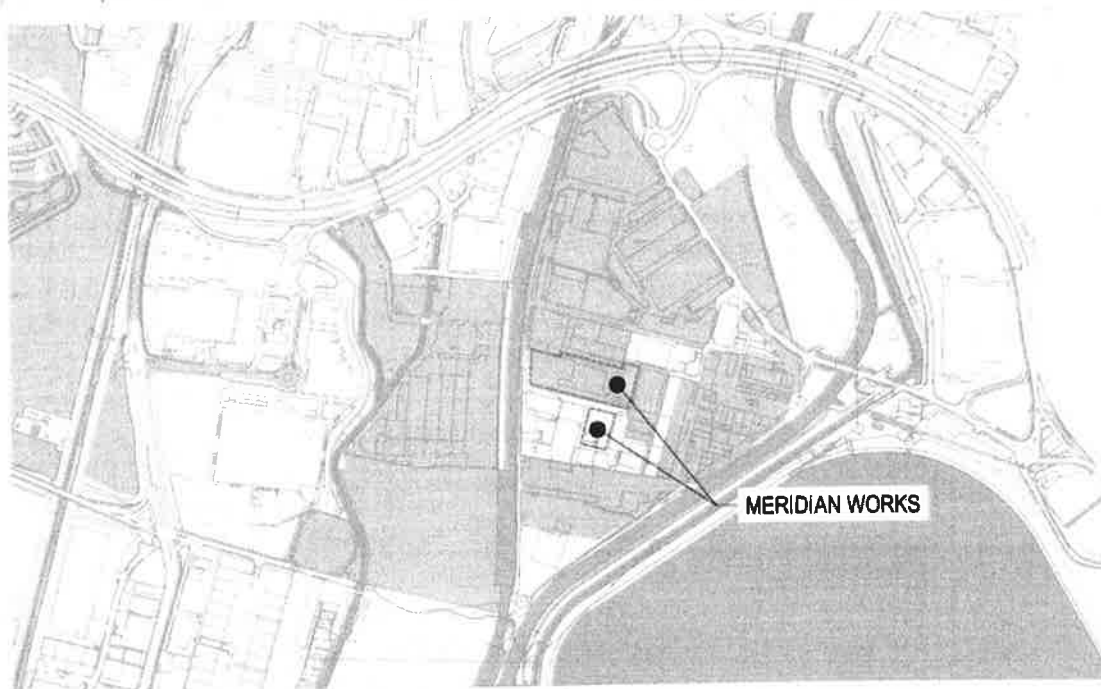
That the Lead Member for Meridian Water in consultation with the Executive Director for Place;

- 2.1 Note progress made with the *Meridian Works One* project to date, and the recommendations that are made in the Part 2 report.
- 2.2 Subject to approval of the necessary legal documents by the Director of Law and Governance, approves the provision of a grant to Building BloQs at Meridian Works Limited to assist in the delivery of the Meridian Works One Project.
- 2.3 Approves entering into a lease with Building BloQs at Meridian Works Limited for the former VOSA site.
- 2.4 Approves commencing the procurement of works at the former VOSA site to enable the Council to enter into a lease with Building BloQs at Meridian Works Limited.

### 3. BACKGROUND

#### Project background and Cabinet authority

- 3.1 On 25th July 2018, Cabinet authorised the Meridian Water Employment Approach report (KD 4717), which included a proposal for the delivery of Meridian Works One. Meridian Works One is to be delivered at Anthony Way within the east bank area of the Meridian Water Masterplan.



*Location of Meridian Works: 2 Anthony Way (the former VOSA site) and 4 Anthony Way (currently home to Building BloQs)*

- 3.2 The Meridian Works One project focuses on supporting professional and highly skilled makers and creative entrepreneurs and is directly aligned with the emerging Meridian Water employment strategy, as articulated in the Meridian Water Employment Approach agreed by Cabinet on 25th July 2018 (KD 4717). The project, which is supported by the Greater London Authority (GLA), involves working with Building BloQs, an existing business within the Meridian Water regeneration area, to expand to provide high quality 'makerspace'.
- 3.3 By authorising the Meridian Water Employment Approach report (KD 471) Cabinet authorised a budget and revised scope for the Meridian Works One project to provide approximately 35,000 square feet of existing (refurbished) and new commercial space at Meridian Water for Building BloQs, to be relocated from their current premises at 4 Anthony Way to the larger former VOSA Depot site at 2 Anthony Way. Subsequently, potential artist studios (subject to reaching agreement with ACAVA, which is the intention of the

Council) or other creative space can occupy the existing 10,000 sq ft of the now Council owned 4 Anthony Way. The Cabinet approvals were all subject to agreeing commercial terms and further delegated approvals within that report.

- 3.4 The Cabinet report sets out the wider context, chronology of events to date including various options which were considered, and further details of the project objectives.
- 3.5 The recommendations set out in this report reflect the agreement made by Cabinet in July 2018 to progress the project with Building BloQs.

#### Socio-economic benefits

- 3.6 Meridian Works One follows the emerging employment strategy and vision for Meridian Water by supporting local businesses. The project will safeguard 84 full time equivalent (FTE) jobs, and create 209 new FTE jobs.
- 3.7 As explained in the Meridian Water Employment Approach report, the scale of the Council's control, vacant land and existing industrial buildings offers a significant opportunity for the Council to start to deliver on the employment vision from the outset by creating the right conditions for existing and new enterprises to be established, nurtured and grown rather than waiting for the long-term development. It is envisaged that many of these pioneering businesses will eventually be important employers in the permanent development.
- 3.8 As explained in the Meridian Water Employment Approach report, the benefits of providing both makers and creative businesses in a single scheme is that one use provides a stream of work – and therefore income for the other, as well as together creating a critical mass to be viable and create positive place-making benefits.
- 3.9 The diversity of maker space uses within both the existing, and proposed expansion of the Building BloQs workshop which this report relates to, will provide higher levels of employment and employment density than an otherwise anticipated commercial letting for logistics and storage type uses which might be achieved at this site. Though the latter may be slightly more competitive in terms of a rental income, ultimately, they will fail to realise the Council's ambitions for both economic development and place making at Meridian Water.
- 3.10 With investment in Meridian Works One, there is an opportunity for Meridian Water to benefit from the development of skilled creative industries cluster which has the potential to be regionally significant for makers and creative communities. Increasing land values in central and east London make Meridian Water an attractive opportunity for such industries to locate and develop at a greater scale, which can further support the Council's place making agenda.

Contribution to Place Making; Aligning with the Place Vision

- 3.11 The Place Vision for Meridian Water articulates the Council's vision for delivering a successful and distinctive neighbourhood, designed to nurture economic, environmental and social sustainability with over 10,000 new homes and 6000 jobs. There are three pillars of Place Making within the Place Vision, which are; "Parklife on Your Doorstep", "Your Place to Make and Create" and "Mixing Uses Animating Streets".
- 3.12 The Place Vision explains the following aspirations for the Council in realising the "Your Place to Make and Create" pillar;
- That the site's history is one of industry and innovation, and that the Council sees Meridian Water as an opportunity to bring back production and making in a 21st century context, building resilience and diversity of people into the mix of office and workspaces.
  - That the Council hopes to turn Meridian Water into London's new home for production, offering an ideal environment for strategic business occupiers as well as small scale businesses and start-ups.
  - That the Council is committed to addressing deprivation and reducing inequality in the borough, and that attracting and nurturing companies that pay higher salaries will be central to creating a prosperous community. Providing benefits to local people will be at the heart of all decision-making at Meridian Water.
  - That Meridian Water will seek to retain the 'meanwhile pioneers', creative makers, local artists and manufacturers in the Lee Valley as well as attract strategic businesses from further afield to enrich the mix. The masterplan will foster connections and opportunities within the local economy and wider, international networks.
- 3.13 It is considered that proceeding with the delivery of additional high skilled creative employment space provided by Building BloQs is of fundamental importance to realising the "Your Place to Make and Create" pillar of Place Making, not only in the key early stages of the project, but as Meridian Water becomes a more established, thriving sustainable part of London, and beyond.

Meridian Works One: Project progress since Cabinet authority

- 3.14 Progress has been made since that Cabinet meeting on a number of fronts. Efforts have largely been focused on agreeing terms with Building BloQs and developing a scheme design for the new premises at the former VOSA site.
- 3.15 The Council also completed the acquisition of 4 Anthony Way in November which increases its landholdings at Meridian Water and its ability to deliver both meanwhile projects to generate employment and revenue, and longer-term development to realise the vision of the masterplan.

- 3.16 In terms of the Building BloQs scheme, a new project team of architects, engineers, a quantity surveyor/Employer's Agent, the Council's project manager and representatives from Building BloQs has been established through new procurements and variations to existing contracts. The team is progressing the scheme design to transform the site of the former VOSA Depot at 2 Anthony Way, partly through refurbishment of the existing structure and the construction of a new weather proof canopy and new thermally proofed structures within it.
- 3.17 After various options were tested, a cost plan has been developed at the end of RIBA Stage 1 which has informed the scope and level of specification for the emerging scheme design, to ensure the project is delivered within the approved Cabinet budget. Assurance that the alignment of the Boulevard, the new east west road and design of the access road to enable continued access for vehicles including buses to the Arriva depot, has been secured.
- 3.18 The Council has agreed the revised outputs, project scope and budget with Building BloQs and the GLA, to support a necessary Deed of Variation to the GLA Funding Agreement which can be signed subject to the approval of the recommendations in this report. As explained in the Meridian Water Employment Approach report (KD 4717), the original project was developed in late 2015 following a successful bid to the GLA as part of the London Regeneration Fund (LRF) and while the project is still supported by a £1.35m grant from the GLA, the set of outputs and anticipated scope have changed since Cabinet authorised the new strategy to deliver Meridian Works One at the former VOSA building and 4 Anthony Way. The new outputs reflect the reduced scale of the building at VOSA and 4 Anthony Way compared to the original proposed location at Orbital Business Park. The revised deed of variation allows for outputs to be reduced/altered further to meet any revisions required as a result of a fixed budget.
- 3.19 The GLA grant will be paid to LBE as their contribution to the overall project which includes LBE's grant to Building Bloqs to deliver machinery, fit-out costs, and capital project costs. The Council is additionally investing in the building refurbishment and construction project to shell & core, for which it will receive a market rent. Due to the GLA London Regeneration Fund (LRF) deadline of 31<sup>st</sup> March 2019 for drawing down funding, and the timescales for delivering a revised Meridian Works One project at a different site, the Council has agreed with the GLA that the GLA funding will be drawn down against those elements of the project where expenditure has been incurred by that date, namely the acquisition cost of 4 Anthony Way which is required to deliver floorspace to meet the wider outputs, and the capital costs for Building BloQs which are largely for machinery that will be used now and when the new premises are occupied.
- 3.20 A number of commercial meetings have taken place between Officers and Building BloQs since the approval of the Cabinet report in July.
- 3.21 Negotiations on the Heads of Terms for the Agreement for Lease and Lease of the former VOSA site have been agreed with Building BloQs based on the

Cabinet approval for the project. The Council has received a report from an independent valuer confirming that the terms of the disposal represent Best Value for the Council in respect of section 123 the Local Government Act 1972.

- 3.22 LBE Finance has been in dialogue with Building BloQs to ensure sufficient information on their Business Plan is provided. The Director of Resources, as delegated by Cabinet, has now reviewed and agreed the Building BloQs Business Plan. As set out in part 2 financial implications, there are risks with any expanding business, however mitigations are in place and ongoing monitoring of Building Bloqs will continue.
- 3.23 Further information on the commercial aspects of the project is included in the Part 2 report.

Programme and next steps

- 3.24 Subject to the recommendations of this report being approved, the Council will be able to sign an Agreement for Lease that commits both parties to a twelve year lease following the completion of the new premises. The Council will be able to sign the Deed of Variation to the GLA Funding Agreement to draw down GLA monies, and after signing the Grant Agreement with Building BloQs, will be able to fund Building BloQs initial capital costs.
- 3.25 Following completion of the necessary legal documents, efforts will be focused on project delivery and based on the current programme, it is expected that a planning application will be submitted during spring 2019. A formal pre-application meeting will be held at an appropriate stage in the programme to inform the design development and planning strategy and minimise planning risk as far as possible.
- 3.26 Subject to that planning application being successful, the Council will procure a contractor to deliver refurbishment works to the former VOSA building, and the construction of the new extension building under a single contract, both to a shell and core level of specification
- 3.27 It is currently envisaged that a single-stage procurement will be undertaken, with five contractors invited to tender. The form of contract and details of the procurement are being considered and will be presented to Procurement & Commissioning Review Board for approval.
- 3.28 It is anticipated that construction will commence on site in autumn 2019 with completion expected in summer 2020. The project team is seeking to expedite this programme where possible.
- 3.29 Fit out works in accordance with a specification agreed in advance by the Council will be undertaken by Building BloQs (or their sub-contractors). A portion of the grant funding provided to Building BloQs will be used to fund these works. The scope of these fit-out works which sit outside of the building contract are subject to further design development and consideration by the

Council and the proposed Agreement for Lease makes provision for a reduction in specification as necessary to ensure that the project remains within the available budget as approved by Cabinet at its meeting in July 2018.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The recommendations set out in this report reflect the agreement made by Cabinet in July 2018 to progress the project with Building Bloqs. Any other approach, for example to pull out of the deal or to seek an alternative site, would not be in line with that decision and would result in the withdrawal of GLA funds and are not therefore considered appropriate.

#### **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The recommendations in this report reflect the decision made by Cabinet in July 2018.

#### **6. COMMENTS FROM OTHER DEPARTMENTS**

##### **6.1 Financial Implications**

- 6.1.1 Financial Implications are included in the Part 2 report.

##### **6.2 Legal Implications**

- 6.2.1 Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others
- 6.2.2 The Council has a fiduciary duty to look after the funds entrusted to it and to ensure that its Council tax and ratepayers' money is spent appropriately. The Council must carefully consider any project it embarks upon and conduct its affairs in a business-like manner with reasonable care, skill and caution, with due regard to tax/ratepayers' interests. In embarking on any project the Council must consider whether the project will be a prudent use of the Council's resources both in the short and long term and must seek to strike a fair balance between the interests tax/ratepayers on the one hand, and the wider community's interest on the other hand.



- 6.2.3 Any procurement arising from the matters described in this report (including the procurement of building contractors and consultants) must comply with the Council's Constitution (including the Contract Procedure Rules) and, where applicable, the EU Public Contracts Regulations 2015 and the Public Services (Social Value) Act 2012.
- 6.2.4 Any acquisition or disposal of property (including by way of lease) arising from the matters described in this report must comply with the Council's Property Procedure Rules. Furthermore, any lease granted for more than 7 years will be subject to compliance with s123 Local Government Act 1972. For more information, please see section 6.2 below.
- 6.2.5 The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999. Accordingly, officers should robustly monitor the recipient's use of the funding in accordance with the provisions of the grant funding documents to ensure that
- 6.2.6 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.

### **6.3 Property Implications**

- 6.1.1 The Council's Property Procedure Rules (PPR's) set out mandatory procedures regarding the acquisition, management and disposal of property assets and form part of the Council's Constitution.
- 6.1.2 It is noted that the rental income that will be derived for the proposed letting of this asset to Building BloQs is below Market Value and therefore does not comply with the PPR's Market Value requirement. This means that the letting cannot be signed off by Property Services under standard delegated procedures.
- 6.1.3 Whilst this is the case, Property Services recognise the Meridian Water team's position in stating that there are wider economic and social benefits to the proposed letting, which can be considered outside of the Council's PPRs but are still within the legal framework of s.123 the Local Government Act 1972.
- 6.1.4 Therefore, in order to obtain the appropriate authority to proceed with this letting, the proposal to let to Building BloQs will need to be approved by either the Leader of the Council or Cabinet by way of a Portfolio decision report.

## **7. KEY RISKS**

- 7.1 A project specific risk register is included as an Appendix to Part 2 of this report. The content of the document contains commercially sensitive information throughout.

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

### **8.1 Good homes in well-connected neighbourhoods**

The implementation of this project has a broadly neutral impact on this objective. Please refer to the Meridian Water Employment Approach Cabinet report, KD4717, for further detail.

### **8.2 Sustain strong and healthy communities**

The implementation of this project has a broadly neutral impact on this objective. Please refer to the Meridian Water Employment Approach Cabinet report, KD4717, for further detail.

### **8.3 Build our local economy to create a thriving place**

The implementation of this project has a highly positive impact on this objective by facilitating the growth of skilled creative industries and boosting employment opportunities at Meridian Water and the borough. Please refer to the Meridian Water Employment Approach Cabinet report, KD4717, for further detail.

## **9. EQUALITIES IMPACT IMPLICATIONS**

- 9.1 Equality and diversity considerations will continue to be integrated into the development and delivery work for Meridian Water to make sure they are embedded in the decision-making process and to avoid costly design changes.
- 9.2 Corporate advice has been sought in regard to equalities and whilst there are no Equalities implications in agreeing this report seeking authority to sign key agreements to enable project delivery. It is recommended that as part of the review of the Meridian Water Project, the Meridian Water EQIA be reviewed and updated at an appropriate

time to embed Equalities and Diversity in the future procurement, design and delivery of the project.

- 9.3 In addition to this it should be noted that projects or work stream deriving from this may be subject to a separate Equalities Impact Assessment and they will therefore be assessed independently on the need to undertake an EQIA to ensure that the council meets the Public Sector Duty of the Equality Act 2010.
- 9.4 It is also recommended that 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**

Please refer to the Cabinet report KD4714.

**11. HEALTH AND SAFETY IMPLICATIONS**

Please refer to the Cabinet report KD4714.

**12. HR IMPLICATIONS**

*n/a*

**13. PUBLIC HEALTH IMPLICATIONS**

It is considered that this particular project does not have particular public health implications of note.

**Background Papers**

None



# **APPENDIX 2**

**Call-in request form submitted by 8 members of  
the Council**

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# CALL-IN OF DECISION

(please ensure you complete all sections fully)

Please return the completed original signed copy to:  
Claire Johnson, Democratic Services Team, 1<sup>st</sup> Floor, Civic Centre

**TITLE OF DECISION:** Meridian Water Site one: Authority to sign key Agreements to enable Project Delivery. KD4716

**DECISION OF:** Leader of the Council, Councillor Desilva Caliskan




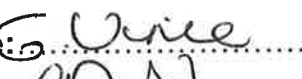


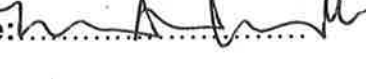
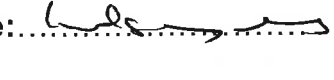
**DATE OF DECISION LIST PUBLICATION:** 5 February 2019

**LIST NO:** 49/18-19 ~~7~~

(\* N.B. Remember you must call-in a decision and notify Democratic Services Team within **5 working days** of its publication).

A decision can be called in if it is a corporate or portfolio decision made by either Cabinet or one of its sub-committees, or a key decision made by an officer with delegated authority from the Executive.

(a) **COUNCILLORS CALLING-IN** (The Council's constitution requires seven signatures or more from Councillors to call a decision in).

- (1) Signature:  Print Name: EDWARD SMITH
- (2) Signature:  Print Name: MIKE RYE
- (3) Signature:  Print Name: MARIA ALEXANDROV
- (4) Signature:  Print Name: G. VINCE
- (5) Signature:  Print Name: CLARE DE SILVA
- (6) Signature:  Print Name: JIM STREET
- (7) Signature:  Print Name: Terence Newell
- (8) Signature:  Print Name: LINDSAY RAWLINGS

(b) **SCRUTINY PANEL RESOLUTION** (copy of minute detailing formal resolution to request call-in to be attached).

NAME OF PANEL:

DATE OF PANEL:

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# **APPENDIX 3**

**Part 1: Reasons for Call-in by Councillor calling  
in the decision**

**&**

**Briefing Note in response to called in decision  
TO FOLLOW**

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**Part 1: Reason why decision is being called in:**

The Opposition seeks to call in Part 1 and Part 2 of the report on Meridian Works Site One: Authority to sign key agreements to enable project delivery, KD 4796 for the following reason;

- The proposal to charge the company a lower than market rent doesn't comply with the Property Procedure Rules and therefore required the Leader of the Council's authorisation.

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## OVERVIEW &amp; SCRUTINY COMMITTEE BUDGET MEETING - 31.1.2019

**MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE  
BUDGET MEETING  
HELD ON THURSDAY, 31 JANUARY 2019****COUNCILLORS:** OSC Committee Members:**PRESENT**

Derek Levy (Chair), Gina Needs (Vice-Chair), Tolga Aramaz, Susan Erbil, Edward Smith, Anne Brown, Lee David-Sanders

Cabinet Members: Nesil Caliskan (Leader of the Council), Daniel Anderson, Alev Cazimoglu, Guney Dogan, Dino Lemonides, Mary Maguire, Ahmet Oykener.

**OFFICERS:**

Ian Davis (Chief Executive), Sarah Cary (Executive Director Place), Tony Theodoulou (Executive Director People), Fay Hammond (Director of Finance), Jeremy Chambers (Director of Law & Governance), Matt Bowmer (Interim Director of Finance), Doug Wilkinson (Director of Environment & Operational Services), Bindi Nagra (Director of Adult Social Care), Nicky Fiedler (Commercial Director), Stuart Lines (Public Health Director), Jon Sharkey (Head of Service Waste, Recycling, Fleet), Ilhan Basharan (Consultation & Resident Services Team Manager), Debbie Campbell (Waste Services) Susan O'Connell (Scrutiny Officer), Elaine Huckell (Scrutiny Secretary).

**Also Attending:**

Councillors Joanne Laban (Leader of the Opposition), Hass Yusuf, Lindsay Rawlings, Dinah Barry and Rick Jewell.

**937****WELCOME & APOLOGIES**

Councillor Levy welcomed all attendees to the meeting. Apologies for absence had been received from Councillors Huseyin Akpinar, Yasemin Brett and Nneka Keazor, also from Co-optees Simon Goulden and Tony Murphy. It was noted that Councillor Anne Brown was substituting for Councillor Akpinar.

**938****DECLARATIONS OF INTEREST**

Councillor Erbil checked her position with the monitoring officer and declared a non-pecuniary interest as she is a cousin of Councillor Dogan, Cabinet Member for Environment.

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**LONDON BOROUGH OF ENFIELD BUDGET CONSULTATION 2019/20**

The Chair outlined the structure and process for the update and budget consultation.

Councillor Maguire introduced this item and spoke of the need to set a realistic, sustainable and achievable budget in the context of the need for continuing savings to be made. She said savings for this year had been identified in four tranches and this was the final tranche. Member sessions had been introduced which were designed to challenge and interrogate the savings predicted.

She confirmed that Enfield was not alone in the country in finding further cuts challenging and stressed the need to be careful to protect the most vulnerable.

Fay Hammond, Director of Finance, gave a presentation.

She spoke of the reasons why it was necessary to have a resilient budget-

- to ensure we set a realistic budget and learn reduce the risks which have led to S114 notices being issued in other councils such as Northamptonshire CC. It is therefore important that we do not have an over reliance on capital receipts.
- that council's ambitious savings and income generation budget proposals have not always been fully realised
- the 2020/21 funding review of all local authority funding is uncertain, and the quantum of funding will not be known until late in 2019.
- under the CIPFA Financial Resilience Index, it is important that we ensure that Enfield reputation for good financial is upheld.
- If we were to take no action, we would have no reserves by March 2020.

The other key points of the presentation were as follows:

- The Budget as at December 2018 shows a reduction in grant and baseline rates of over £6m.
- An additional £1m has been invested in Children's Services.
- For the past 3 to 4 years there has been an overspend on transport for children with SEN (Special Educational Needs), this is an example of where we are now recognising this cost pressure in the budget.
- Additional funding received for social care and Better Care Fund of approx. £6.6m.
- The proposals to balance the budget gap include efficiency savings, income generation, prevention of cost pressures and technical/recharging savings.
- There was a budget gap at December 2018 of £6m.

## OVERVIEW & SCRUTINY COMMITTEE BUDGET MEETING - 31.1.2019

- A summary of 2019/20 savings and income generation was given. 'Place' department have been a key contributor to the savings proposals for 2019-20.
- Draft settlement was announced 14 December 2018. The budget consultation and waste consultation ended 7 January 2019. Final settlement and London Council Business Rate Pool update is expected which would give more certainty over Business Rates.
- At December 2018 there appears to be a £10.2m gap for 2020-21 this assumes no Adult Social Care precept and 1.99% council tax. However, there is uncertainty regarding funding review. Themes are already under consideration for 2020-21 for future budget savings.
- The Medium- Term Financial Plan (MTFP) covers planned council expenditure over the next four years and is to be agreed by Cabinet and Council during February 2019. There is a need to have a ten- year MTFP to look at our long- term cost pressures. Also, a ten- year capital programme to include Meridian Water model.
- Reserves summary shows Enfield has unallocated reserves balances of 6.3% of net budget requirement (London average is 8.7%) Enfield is in a 'median' position compared to other Local Authorities for this year. The General Fund reserves include sums allocated for various funds.

Councillor Maguire spoke of the necessity to keep adequate reserves for reasons of security and to mitigate against risks and uncertainties for the future, for example around Brexit.

### Questions and comments raised

Q. Is the reason why all efforts had been made to build resilience into this budget because of the number of unknowns?

A. Yes, we are in a particular period of uncertainty with the imminent funding review and therefore ensuring a resilient budget including maintaining adequate reserves is imperative.

Councillor Caliskan said financial resilience was essential. Other Councils who had in recent times experienced financial difficulties were those that had made poor decisions over a period of time. In contrast, Enfield council's use of reserves were appropriate and sensible. Our investment in Children's services for 2018 -19 and beyond was key.

### Budget Consultation

Ilhan Basharan (Consultation & Resident Services Team Manager) gave a presentation on the Budget Consultation and the following was highlighted:

- The Consultation period was from 26 October 2018 to 8 January 2019. It was available on line and included easy read questionnaires.
- It asked people to consider their priorities for the protection or reduction of services. It also asked if they had any suggestions for increasing income and gave an on-line budget simulator. The budget simulator demonstrates the impact of changes to budgets.

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- Extensive communication was carried out with adverts in the press and posters/ leaflets.
- There were 388 responses given. Of those that answered 148 were male - and 183 female,.210 were white and 94- BME with 21 given as other. From West Enfield -263 and Eastern Enfield -84
- Findings for the protection of resources given-  
Street cleansing, waste services and regulatory services (total-47%) - 46%=Western Enfield and 49%=Eastern Enfield  
Leisure, culture, libraries, parks and open spaces (total-47%) – 45%=Western Enfield and 38%=Eastern Enfield  
Highways, Street Lighting, Traffic and Transport (total- 40%) – 39% = Western Enfield and 43%=Eastern Enfield
- Findings for reduction of resources – Customer Services (37%), Leisure Culture etc (25%), Grants to Voluntary and Community Sector, and payments to Carers (25%) and Independence and wellbeing (24%).
- Suggestions for increasing income included – increase council tax for wealthy (28), increase fines for fly-tipping/ making bulky collections free (18), stop spending money on cycle lanes (17) reduce Enfield council top management salaries and Councillors (15) and increase parking charges and fines (15)

Questions and comments raised

Councillor Levy thought findings from the consultation was surprising in that people's priorities appear to show more concern about street cleaning and waste services for the borough than for Adult and Children's services.

Councillor Maguire thought the consultation response was disappointing, she thought some of the responses given appear to be contradictory for example around independence and wellbeing. She thought people may not be fully aware of what 'Customer services' cover and wondered if the questionnaire needed to be more explicit. She said it is clear, that people want clean streets and spoke of the need to consider carefully the money available and our manifesto promises to deliver this.

Councillor Caliskan wondered if the service users, for example those that use John Wilkes House, would have responded to the consultation.

Councillor Levy was disappointed that there were no members of the public at the meeting. He mentioned that the consultation on 'Potential Waste Services Changes' (Item 5 on the agenda) had received a much larger response, he wondered if we could learn from this.

Q. Councillor Aramaz referred to cuts in funding and asked if we could withstand further cutbacks next year should this be necessary.

A. We are currently anticipating a budget gap in the region of £10m in 2020 onwards. We will need to look at long term reductions in the budget such as how we can reduce our underlying budget pressures in areas such as temporary accommodation.



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Q. Councillor David Sanders referred to Appendix 1 of the report regarding previous years overspends and asked how confidence can be given that this would not be a problem next year. Also looking at Savings and Income Generation proposals how have these been modelled.

A. Fay Hammond said officers have looked at the top key 10 areas of overspend with an aim to reduce risk for 2019/20 she said we would continue to work with officers around this to reduce pressures. Councillor Maguire referred to work carried out by officers in scrutinizing and interrogating figures to see if savings can be achieved to ensure a rigorous budget.

Q. Councillor Smith said it would appear that this is a 'steady as you go budget' the only growth is in respect of Children's Services?

A This is to ensure the budget is robust. Children's services funding is for 18 front line social workers.

Councillor Smith referred to the Meridian Water project and Fay Hammond said details on this would be going to Cabinet in the summer. Details re capitalising this project and figures re interest charges on it would be sent to Cllr Smith for information. **Action** Fay Hammond.

In response to Councillor Smiths remark that this was a 'steady as you go' budget, Councillor Caliskan said the council was being forced to save £18m. She thought it was right that money had been used to support Children's Services, and that we are investing HRA money to support housing for those in most need.

Councillor Aramaz said that the report did not show assumptions or analysis. It would be helpful if impact assessment both positive and negative had been included in the report. He suggested that this could be included in future years reports. Fay Hammond explained the impact of financial risks around children's and adults services for the wider council, for example a 5% overspend in People Services equates to 10% of Place. if, for example, there was a sudden change in this demographic.

Councillor Cazimoglu said we needed to be mindful of the moral obligation we have, to look after those that are vulnerable.

Councillor Maguire referred to the sessions held looking at impact assessments for each service. She said we shall look to see if figures/ tables can be provided as suggested by Councillor Aramaz.

Savings and Income Generation Proposals for 2019/20 were included in Appendix 1 of the report and rigour and due diligence had been put into this, looking at how we can meet our needs and make use of our companies to enable this to happen.

Councillor Caliskan referred to this being the 10<sup>th</sup> year of cutbacks for local authorities and spoke of the impact this is having on people. She said we can see an increase in homelessness in the country however the cumulative effects are harder to measure.

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Q. Councillor Anne Brown asked if there was the potential for us to borrow at preferential rates to cover for shortfalls.

A: Fay Hammond said it was not legal for us to borrow money to fund our day to day operational budgets. We can only borrow for capital purposes such as to build assets. We can use capital assets to generate income, but we must ensure that there is a business case for this. Fay Hammond will forward details of the legal directive on this to Cllr Brown. **Action:** Fay Hammond

Q; Councillor Smith questioned the figure of £150k given for energy saving initiatives.

A: Fay Hammond thought this referred to a one-off use of grant which was unallocated related to the re-fit programme. We purchase our energy from Kent County Council who procure on behalf of most local authorities to keep prices as low as possible.

With reference to the consultation exercise it was commented that many people do not realise that a large proportion of the council's funding goes on Adult social services. It was suggested that this might be more clearly shown in any future consultation. A suggestion was also made that it might be useful for the consultation to be presented at Ward Forums in future.

Ilhan Basharan said he agreed that the response rate to the consultation was low and we needed to look at how to stimulate engagement with people. However, he said in the past when more extensive engagement was carried out there were still low participation rates.

Councillor Laban referred to the participation of the Enfield Youth Parliament (EYP) members and wondered if they had been involved in the consultation exercise. She also referred to an item under the 'Savings and Income Generation Proposals' for the additional income from sales of mausolea and vaulted graves and said money for this project needed to be delivered. Doug Wilkinson gave assurances that building works would be rigorously project managed.

Councillor Rawlings commented on the Parking strategy which refers to a review of the parking strategy to be undertaken across the borough and council owned car parks. She asked what the parking figures were for this year, Doug Wilkinson said he would provide this information separately. **Action: Doug Wilkinson**

Councillor Barry mentioned that a member of the public had commented that residents should not be asked to comment about savings because councillors are elected to make these decisions.

Councillor Maguire confirmed that briefing notes had been prepared for Councillors to use at their ward forums. She informed the committee that, along with the Leader, she had presented a briefing of the budget, followed by Q&A sessions, to both the Youth Parliament and the Over 50s Forum. The finance team had attended the Voluntary Sector Strategy Group, Health and

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Well-being Board and Deaf Projects. However, it was felt that there were too many ward forums to expect officers to attend each one. Councillor Maguire confirmed that we borrow money only to invest in capital or transformation projects. In terms of the consultation questions, she thought we might need to give some extra explanation in the future.

Councillor Levy referred to some Local Authorities using the OSC function for scrutinizing the budget and engagement with the public throughout the year. He said some councils specifically Merton, base their entire OSC function around finances, budgeting and public accounts because finance underpins all activities in the Council. He had previously stated that Enfield might want to entertain a standing financial scrutiny panel to enable more regular analysis of the budget and budget process, and potentially to seek more engagement with the public, throughout the year. . It was confirmed that the budget details had been done in tranches this year, and details included in Cabinet reports.

Councillor Anderson said budget consultations in the past had higher response rates. He noted that there were no press here, at the meeting and no members of the public, he thought we needed to reflect on why there were so few responses to the consultation.

Councillor Lee Sanders referred to the property strategy for next year which he thought might impact on this year's budget.

Councillor Oykener referred to income regeneration and the Property Strategy & Asset Management Strategy and spoke of the creation of companies which has helped to reduce costs. We are looking at some buildings where leases are now coming to an end, to make possible savings. We need to continue to be innovative as a way of making income.

In answer to a question from Cllr Smith it was confirmed that any possible savings from the Asset Strategy has not been incorporated in these budget savings.

It was **NOTED** that the Minutes of the Overview and Scrutiny Committee Budget Meeting would form the Scrutiny response to the Budget Consultation 2019/20 and would be included in the budget papers presented to Cabinet on 13 February 2019.

Many Members left at this point. OSC Members and Councillor Dogan remained to discuss the other items on the agenda.

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**MINUTES OF MEETINGS HELD ON 7TH, 14TH AND 19TH NOVEMBER 2018**

The minutes of the meetings held on the 7 November 2018, 14 November 2018 and 19 November 2018 were **AGREED**.

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**POTENTIAL CHANGES TO WASTE SERVICES**

Councillor Levy introduced this item and mentioned that a report will be presented to Cabinet on 13 February 2019, on Potential Changes to Waste and Recycling Collections.

Doug Wilkinson, Director of Environment & Operational Services gave a presentation on the results of the feedback from the Consultation on the Waste Collection and Recycling service.

He said the Overview and Scrutiny Committee on 23 October 2018 had put forward suggestions/ comments in response to the Call-in on this consultation. Doug said they had taken on board feedback from the OSC meeting and spoke of the drivers for change to the service including:

- The target for council-wide savings and income generation for 2019/20 was £18m with a further £12m for 2020/21.
- Futureproofing – planning to meet the Mayor’s London Environment Strategy for local authorities which includes the need to recycle 50% by 2025, and a requirement for separate food waste collection.
- Waste disposal and recycling treatment costs to increase
- Making the service better by the introduction of additional weekly collections for separate food waste, to increase recycling rates, possible potential to reinvest into street cleansing and fly tipping service
- The funding from DCLG to retain weekly collections has now ceased.

Councillor Levy referred to one of the suggestions put forward by OSC in October that the document should reflect pros and cons of options from a user’s point of view. Doug Wilkinson stated that in the consultation we had provided the public with information that was known at the time.

The following points were highlighted:

- The DCLG funding ends this year, so the incentive for weekly collections has gone
- The consultation ran for 10 weeks from 29 October 2018 to 6 January 2019. A total of 5,602 responses received which represents 5.5% of kerbside properties. The feedback from residents is to help inform any changes and to help in the design of any new service.
- The consultation was available on-line and hard copies were also available at libraries. Assistance was made available to complete details at all libraries, Civic Centre and John Wilkes House. Background information was provided and there was proactive monitoring of responses to ensure it was available to all.
- There was face to face engagement and the local press was used including ethnic press. Posters went out and a digital campaign ensured different mediums were changed for social media to maintain

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interest. Also, street surveys/ targeted digital campaign, to increase responses in hard to reach areas.

- A negative response was expected to any of the proposals as people tend to be resistant to change, however the negative comments were useful as these provided an opportunity to address these issues.

Findings from the consultation including:

- Highest responses were from EN1 and EN2 postcode areas.
- Highest responses from British group (63%), higher than borough profile of 42%
- Lowest responses from age group of 18 29 years old, highest responses from 60 years plus.
- 89% of responses were those living in houses, 6% of responses were from those living in flats.
- 97% of residents thought recycling was important and 63.5% recycled all or most of their food waste.
- 25% thought it was reasonable to charge for garden waste collection or were not sure. Noted that garden waste collection is not a statutory service.
- 66% of residents thought weekly food collections would have a positive impact or no impact on their household.
- 42% of residents thought fortnightly dry recycling collections would have a positive or no impact on their household.
- 28% of residents thought charging for fortnightly garden collections would have a positive or no impact on their household.
- The highest response to proposals was to keep the current system (46%). Followed by response rates for Proposal 1 and Proposal 2. Proposal 1 (31%) – for weekly collections for refuse, dry recycling and food and included a charge for fortnightly garden collection service. Proposal 2 (31.5%) – for weekly refuse, fortnightly dry recycling and free fortnightly mixed food and garden waste.

The next step will be to analyse data, prepare a draft report and put forward recommendations to Cabinet on 13 February 2019.

The following comments and questions were raised:

- Q. Councillor Smith said findings from the consultation showed that 46% of responses would prefer to keep the current system, will any notice be taken of this or will savings be steamrolled through?  
A. Responses to the consultation would be considered as part of the decisions to be made but from the beginning it had been noted that budget savings needed to be made.
- Q: Councillor Smith asked about the Mayor's London Environment Strategy (regarding the need for a separate food waste). Is this mandatory?

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A: Jeremy Chambers answered that during the time of the consultation the Mayor's Strategy is a final strategy and is not mandatory i.e it is not legally binding.

- Confirmed that street surveys were undertaken in N9, N18 and EN3 areas.
- Future decision would be made at Cabinet on 13 February 2019. It would be important to look carefully at the roll-out programme for changes to the service.
- Communication is key and costs for these are to be included in options.
- Councillor Needs was pleased that comments made by OSC had been considered, including the insertion of a box for residents to include their views and that communications for the east side of the borough had been pursued.
- Councillor Aramaz noted that there appeared to be a lack of involvement of Turkish speakers in the community. He offered his services to help with this in future, if necessary.
- Councillor Laban mentioned that if the Cabinet were to make a decision that was not attuned to the Mayor's London Environment Strategy then there would be a potential conflict, for the future.

**942**

**DATES OF FUTURE MEETINGS**

Provisional Call-Ins -12 March 2019, 26 March 2019, 11 April 2019

Business meetings – 12 February 2019 and 3 April 2019

Councillor Levy thanked everyone for attending the meeting.