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## **THE CABINET**

**Wednesday, 16th October, 2019 at 7.15 pm in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA**

### **Membership:**

Councillors : Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader of the Council), Alev Cazimoglu (Cabinet Member for Health & Social Care), Guney Dogan (Cabinet Member for Environment and Sustainability), Rick Jewell (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety & Cohesion), Mary Maguire (Cabinet Member for Finance & Procurement), Gina Needs (Cabinet Member for Social Housing), George Savva MBE (Cabinet Member for Licensing & Regulatory Services) and Mahtab Uddin (Cabinet Member for Public Health)

### **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.

Mustafa Cetinkaya (Associate Cabinet Member – Non Voting), Ahmet Hasan (Associate Cabinet Member – Non Voting) and Claire Stewart (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. DECLARATIONS OF INTEREST

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

### 3. DEPUTATIONS

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

### 4. QUARTERLY CORPORATE PERFORMANCE REPORT (Pages 1 - 26)

A report from the Executive Director – Resources is attached. (Non key)  
(Report No.98)  
(7.20 – 7.25 pm)

### 5. MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2024/25 TRANCHE ONE SAVINGS (Pages 27 - 48)

A report from the Executive Director – Resources is attached. **(Key decision – reference number 4991)**  
(Report No.114)  
(7.25 – 7.30 pm)

### 6. CABINET SUB-COMMITTEES 2019/2020 (Pages 49 - 52)

A report from the Director of Law and Governance is attached. (Non key)  
(Report No.99)  
(7.30 – 7.35 pm)

### 7. THE FUTURE DELIVERY OF CLEANING SERVICES - COUNCIL CORPORATE BUILDINGS (Pages 53 - 64)

A report from the Executive Director – Place is attached. (Report No.101, agenda part two also refers) **(Key decision – reference number 4942)**  
(Report No.100)  
(7.35 – 7.40 pm)

**8. APPROPRIATION AND DEVELOPMENT OF BURY STREET WEST FORMER DEPOT SITE N9 9LA** (Pages 65 - 74)

A report from the Executive Director – Place is attached. (Report No.111, agenda part two also refers) **(Key decision – reference number 4971)**

(Report No.110)  
(7.40 – 7.45 pm)

**9. MERIDIAN WATER PHASE 2 BUSINESS CASE** (Pages 75 - 106)

A report from the Executive Director – Place is attached. (Report No.103, agenda part two also refers) **(Key decision – reference number 4953)**

(Report No.102)  
(7.45 – 7.50 pm)

**10. MERIDIAN WATER FINANCIAL MODEL AND 10 YEAR BUDGET** (Pages 107 - 124)

A report from the Executive Director – Place is attached. (Report No.105, agenda part two also refers) **(Key decision – reference number 4469)**

(Report No.104)  
(7.50 – 7.55 pm)

**11. MERIDIAN WATER - MERIDIAN ONE DEVELOPER PROCUREMENT** (Pages 125 - 140)

A report from the Executive Director – Place is attached. (Report No.113, agenda part two also refers) **(Key decision – reference number 4864)**

(Report No.112)  
(7.55 – 8.00 pm)

**12. CABINET AGENDA PLANNING - FUTURE ITEMS** (Pages 141 - 146)

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

**13. MINUTES** (Pages 147 - 166)

To confirm the minutes of the previous meeting of the Cabinet held on 11 September 2019.

**14. DATE OF NEXT MEETING**

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 13 November 2019.

## **15. 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 two agenda)

MUNICIPAL YEAR 2019/2020 REPORT NO. **98****MEETING TITLE AND DATE:**Cabinet – 16<sup>th</sup> October 2019**REPORT OF:**

Executive Director Resources

Contact officer and telephone number:

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<b>Agenda – Part: 1</b>	<b>Item: 4</b>
<b>Subject: Quarterly Corporate Performance Report</b>	
<b>Wards: All Non Key</b>	
<b>Cabinet Member consulted: Cllr Ian Barnes</b>	

**1. EXECUTIVE SUMMARY**

- 1.1 In the current challenging financial environment, there is value in demonstrating that, in many areas, Council performance in delivering key priorities is being maintained and/or improved. It is also important that the Council understands and effectively addresses underperformance.
- 1.2 This is the quarterly report on the new Corporate Performance Scorecard that reflects the Council priorities as outlined in the new Council Business Plan. The report attached at Appendix 1 shows the Quarter 1 performance for 2019/20 and compares it to the Council's performance in Q1 19/20.
- 1.3 Appendix 2 focuses on a selection of priority measures where performance is currently off target and or direction of travel is negative. For each measure an action plan with delivery timeframes has been provided to demonstrate what is being done in each service area to address underperformance. This is a live document, which will be updated as progress is made.

**2. RECOMMENDATIONS**

That Cabinet notes, for information only, the progress being made towards achieving the identified key priorities for Enfield.

### **3. BACKGROUND**

- 3.1 In the continuing challenging local government financial environment, it is important that the Council continues to monitor its performance to ensure that the level and quality of service and value for money is maintained and where possible improved. It is also essential to understand and take appropriate action in areas where performance is deteriorating. This may include delivering alternative interventions to address underperformance, or making a case to central government and other public bodies if the situation is beyond the control of the Council.
- 3.2 The Corporate Performance Scorecard has been developed to demonstrate progress towards achieving the Council's aims and key priorities as set out in the Council Business Plan. The performance measures are grouped under the Council's new strategic aims of the People and the place and Our Guiding principles. A number of financial health measures are also included. The scorecard is reviewed annually and targets are set based on local demand and available resources.
- 3.3 Performance is reported quarterly to the Executive Management Team and Cabinet. Following the Cabinet meeting the performance tables are published on the Council's website.

### **4. PERFORMANCE**

- 4.1 This is the latest quarterly report on the Corporate Performance Scorecard that reflects Council priorities. The report attached at Appendix 1 shows the Quarter 1 performance for 2019/20 and compares it to the Council's performance at the end of Q1 2019/20. The report includes performance data relating to a number of statutory data returns that are supplied to central government. Where appropriate, explanatory comments are provided in the column next to the performance information.
- 4.2 Appendix 2 focuses in more detail on areas that have been highlighted as being areas of concern given longer term trends. This report analyses closer the performance and trend data and sets out actions being taken to address underperformance in those areas.
- 4.3 **Financial Indicators**  
This section provides an overview of the Council's financial health.
- 4.4 **Priority Indicators**  
The scorecard groups performance indicators under the Council's strategic aims as set out in the new Corporate Plan. Where a target has been set, performance is rated as green if it is on or exceeding the target; amber where the target has been narrowly missed, but is still on track; and red where performance is below the target set for the year.

The notes cover a number of areas and may include explanation of how the indicators are calculated, commentary on progress towards achieving the targets, trends over time and national comparisons.

**5. 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.

**6. REASONS FOR RECOMMENDATIONS**

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

**7. COMMENTS OF OTHER DEPARTMENTS**

**7.1 Financial Implications**

The cost of producing the quarterly reports will be met from existing resources.

**7.2 Legal Implications**

There is no statutory duty to report regularly to Cabinet on the Council's performance, however under the Local Government Act 1999 a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness. Regular reports on the Council's performance assist in demonstrating best value.

**7.3 Property Implications**

None.

**8. KEY RISKS**

Robust performance management helps identify areas of risk in service delivery and ensure that council resources are used effectively and that the Council's good reputation is maintained.

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

**a. Good Homes in well-connected neighbourhoods**

The scorecard includes indicators that measure the Council's progress in providing good homes and reducing temporary accommodation across the Borough.

**b. Sustain strong and healthy communities**

The scorecard includes indicators that assess how the Council's actions are contributing to strengthening communities, reducing crime and improving health outcomes for residents.

**c. Build our local economy to create a thriving place**

The scorecard includes indicators that aim to support business growth, increase numbers of people in employment, protect and sustain Enfield's environment and support Enfield's voluntary and community sector.

**10. EQUALITIES IMPACT IMPLICATIONS**

Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when designing and changing services or budgets so that our decisions do not unduly or disproportionately affect access by some groups more than others.

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment/analysis is not relevant or proportionate for the corporate performance report.

**11. PERFORMANCE MANAGEMENT IMPLICATIONS**

Robust performance management provides the Council with accurate data and ensures that service delivery is meeting local needs and priorities.

**12. PUBLIC HEALTH IMPLICATIONS**

The scorecard includes a number of health and wellbeing indicators that aim to address the key health inequalities in Enfield.

**Background Papers**

None



# EMT Review: 2019-20 Performance Review

Report Author: Joanne Stacey

Generated on: 03 September 2019



The table below gives an overview of the number of key performance indicators rated as Red, Amber or Green (as at Q1). The position has improved from Q4 when there were 20 KPIS rated as red, now in Q1 this has reduced to 16.

	Q4 2018-2019 Jan-March 2019	Q1 2019-2020 April-June 2019
Number KPIS showing as Red	20 (22.2%)	16 (20.7%)
Number KPIS showing as Amber	15 (16.6%)	10 (13%)
Number KPIS showing as Green	37 (41.1%)	32 (41.5%)
Data only	18 (20%)	19 (24.6%)

\*Measures may vary due to reporting time frame. Does not Include Budget Risk Measures

1. Resource Management: Budget Monitor		
Financial Indicator	Key Highlights	Status
FR&CS 100 Income & Expenditure Position – Year end forecast variances	Year-end variances of £4.5m 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.	
FR&CS 102 Income & Expenditure Position – HRA	The HRA is projecting a balanced position at year-end outturn against budget	
FR&CS 103 Income & Expenditure Position – DSG	The DSG is forecasting a £2.1m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £1.7m and will be the first call on the 2020/21 grant allocation.	
FR&CS 104 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.	
FR&CS 105 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 2019/20.	
FR&CS 106 Progress to Achieving Savings MTFP (Current Year)	Savings monitoring has identified a total of £0.6 considered a high risk rated/ undeliverable and a further £6.1m that are at risk of delivery. These are reflected in the reported overspend for Quarter 1 2019/20.	

## 2. Good Homes in Well Connected Neighbourhoods

### (a) Planning

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
NI157a BV109a % MAJOR applications determined within target	87.5%	50%	100%	0%	75%	90%	<b>Apr:</b> 1/2; <b>May:</b> 5/5; <b>Jun:</b> 0/1; <b>Q1:</b> 6/8; <b>YTD:</b> 6/8 <b>Comments:</b> A new Strategic Majors Manager is now providing a dedicated resource to focus on strategic major applications and use of PPAs. This will have a positive impact on our statistics for major applications alongside ongoing recruitment to create additional capacity. Weekly Strategic Applications meeting and interventions as part of an Action Plan are also focussing on major applications.
NI157b BV109b % MINOR applications determined within target	59.8%	71.4%	75.5%	80%	75.5%	86%	<b>Apr:</b> 35/49; <b>May:</b> 40/53; <b>Jun:</b> 36/45; <b>Q1:</b> 111/147; <b>YTD:</b> 111/147 Improvement on Q1 18/19 and ongoing improvement in a positive trajectory. Further improvements expected as defined in the Action Plan as per NI157a above
NI157c BV109c % OTHER applications determined within target	73.9%	77.9%	93.7%	85.8%	85.8%	88%	<b>Apr:</b> 88/113; <b>May:</b> 104/111; <b>Jun:</b> 97/113; <b>Q1:</b> 289/337; <b>YTD:</b> 289/337 Improvement on Q1 18/19 and some monthly performance exceeding target (see May). Further improvements expected as defined in the Action Plan as per NI157a above
ENV247 % 2 year rolling MAJOR applications determined within target	86.6%	76.8%	78%	75.4%	75.4%	86%	<b>Q1: 43 of the 57</b> major planning applications determined within the last 24 months were processed within 13 weeks. Action Plan as per NI157a (major applications) above
ENV247a % 2 year rolling MINOR applications determined within target	80.5%	74.3%	74%	73.5%	73.5%	85%	<b>Q1: 1040 of the 1415</b> minor applications determined within the last 24 months were processed within 8 weeks. Action Plan as per NI157a (major applications) above
ENV247b % 2 year rolling MINOR & OTHER applications determined within target	83.2%	79.4%	79.3%	79%	79%	85%	<b>Q1: 3195 of the 4045</b> minor and other applications determined within the last 24 months were processed within 8 weeks. Action Plan as per NI157a (major applications) above
ENV319 Undetermined applications validated over 6 months ago	270	N/A			304		Value reflects the position on the last day of the quarter. Includes all applications validated on or after 01/04/2015 to date where no decision is recorded. The Q1 result shows an improvement from the 18-19 outturn position of 366

### (b) Section 106 Agreements

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ENV320 Section 106 spend		N/A			Not measured for Quarters		2018/19 spend <b>£4,19m</b> 2017/18 spend: <b>£1.36m</b> There has been significant increase in the amount of section 106 funds collected and spent since the beginning of the last reported financial year (2017/18). The majority of funds were used to towards the provision of affordable housing in the borough and meeting the borough's increased demand for extra primary school places by constructing new buildings, classrooms, specialist facilities and play space. This is the highest S106 expenditure recorded to date
ENV321 Section 106 receipts		N/A			Not measured for Quarters		2018/19 Receipts <b>£2,79m</b> 2017/18 Receipts: <b>£1.37m</b>

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ENV327 Section 106 closing balance		N/A			Not measured for Quarters		2018/19 Closing Balance <b>£4,16m</b> 2017/18 Closing Balance: <b>£6.30m</b>
ENV261a % Section 106 Agreements closed within 6 months of resolution	50%	100%	100%	100%	100%	90%	100% in Q1 represents 3 cases and shows an improvement on Q1 2018/19

### (c) Housing

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
NI156i Number of households living in temporary accommodation	3320	3411	3363	3410	3410		Approx. 4997 children are currently living in Temporary Accommodation 537 Homeless applications were made during Q1 19-20
AUD FC003 Recovery of Council properties that have been unlawfully used, including those fraudulently obtained, sublet, or abandoned (Council and TA properties)	27	16	27	36	36	100	Quarter 1 - Properties recovered: 27 Council and 9 TA
SGB144b Families with children in Bed and Breakfast accommodation for more than 6 weeks, excluding those pending review	0			0		0	2 children in Bed and Breakfast accommodation, 0 have been there over 6 weeks

### (d) Council Homes

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
HO002b Council Homes - Current Tenants: Total Arrears	£2,435,143	£2,593,799	£2,310,582	£2,167,849	£2,167,849	£2,300,000	2019/20 Target to restrict arrears to £2,300,000
TP150 Responsive repairs completed by agreed target date - (YTD)	95.7%	97.8%	96.7%	94.6%	94.6%	98%	Data outturns are inclusive of all term contractor repairs that were raised and completed in June 2019. A total of 4,864 responsive repairs were completed in time from a total of 5,140 repairs completed.

### 3. Build our Local Economy to Create a Thriving Place

#### (a) Education & Training

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
SCS117 % of 16-17 year olds not in education, employment or training (NEET) or not known (NK) (new Sept 2016)	6.9%	5.1%	5.6%	6%	6%	7%	June NEETs = 1.4%, (figure consistent since January 2019). London was 2.0% and England 3.0% Not Knowns = 4.6%, higher than the London average of 2.5% and England average of 2.5%

#### (b) Safeguarding Children

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
NI060A Percentage of C&F Assessments for children's social care that were authorised within 45 working days of their commencement	79.7%	94.9%	92.9%	93.0%	93.0%	80.0%	Since the 1st April 2019, 1256 out of 1350 completed assessments have been authorised within 45 working days of the assessment start date. The average duration for those authorised was 28.1 days. Percentage of assessments completed by the Social Worker within 35 working days was 77.5%, the average duration for completion was 26.7 days.
LAC18 (PAFCH39) Children looked after (CLA) per 10000 population age under 18	40.6	46.1	46.8	46	46	50	387 CLA as at the end of June. 32 Children with a disability. Current under 18 population figure from the DfE is 84,211. 15 Children entered care in June. 12 Children left care in June. 12 month average figure of looked after children is 367/month.
NI065 Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time - in the past two years	8.6%	10.0%	10.5%	11.5%	11.5%		This indicator relates to children who have had a previous child protection plan in the past two years. Of the 365 children who became subject to a Child Protection plan during the past 12 months, 42 had been on a previous Child Protection Plan in the past two years and 74 (20.3%) have had a previous CPP at some point in the past. 10 single children 6 sibling groups of 2 5 sibling groups of 3 1 sibling group of 5
SG11 (CS20) No of children on the CP Plan per 10000 children	33.4	38.4	36.7	35.7	35.7	45	301 children with a CP plan as at the end of June 2019, divided by the child population of Enfield; 84,211 x 10000. 26 new CPP and 25 cessations during June. The current rate compares to 33.4 (280) as at June 2018.

**(c) Libraries, Arts & Culture**

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ENV317 Participation in Council Led Arts Activities	65,540		N/A		61,040		<b>1st Quarter Figures</b> Millfield Arts Centre, 29,640 Forty Hall 15,100 Dugdale Centre 13,500 Salisbury House 2800
LM04 Enfield Library Visits	370,301		N/A		356,649	1,250,000	
LM07.021 Enfield Town Library and Community Libraries (Issues & Renewals)	56701		N/A		68911	226000	
LM07.022 Edmonton Green Library and Community (Issues & Renewals)	28594		N/A		33863	114000	
LM07.023 Palmers Green Library and Community Libraries (Issues & Renewals)	45351		N/A		62382	180000	
LM07.024 Ordnance Unity Centre Library and Community Libraries (Issues & Renewals)	16532		N/A		20115	67500	

**(d) Physical Activity**

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ENV318 Satisfaction with Leisure Centre Users	75.5%	75.7%	85.5%		80.6%	77%	<b>Fusion have recently introduced a new management information system and there are a few teething issues in making the customer feedback software link to the new system. In June there was limited data available due to this, Fusion are working to resolve the issue.</b>  Satisfaction is measured across nine categories: Staff, Range of Activities, Building Condition, Cleanliness, VFM, Equipment, Ease of Booking, Ease of Gaining Information and Website. In Q1 the lowest levels of satisfaction were; <ol style="list-style-type: none"> <li>1. Ease of gaining information 63%</li> <li>2. Staff 68%</li> <li>3. Equipment 68%</li> <li>4. Cleanliness 70%</li> </ol> Of the 4 centres, Edmonton and Southbury have received the lowest levels of satisfaction in the quarter.
ENV335 Number of Visitors to the Active Enfield Programme (Young People)					6,812	25,000	
ENV336 Number of Visitors to the Active Enfield Programme (Older People)					2,296	9,000	

#### 4. Sustain Strong and Healthy Communities

##### (a) Adult Social Care

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
PAF-AO/D40s Number of clients reviewed in the year (of clients receiving any long term service)	21.1%	6.2%	14.2%	21.9%	21.9%	80.0%	21.9% represents 852 of 3,893 clients receiving long term support having a review within the last 12 months. These figures is higher than at the same point last year (21.1%).
NI130s(%LTSs) % of Current Social Care Clients accessing Long Term Support (LTS) who receive Self Directed Support	100%	100%	100%	100%	100%	100%	
NI130s(LTS-DP%) Percentage of current clients with Long Term Support (LTS) receiving a Direct Payment	60.5%	61.6%	62.6%	62.4%	62.4%	61.0%	Q1 Performance is 62.4%, an increase on last year's Q1 performance of 58.4%. It should be noted we are ranked as the 6th best LA in the country for this measure.
NI131 (F10) Delayed transfers of care (days): Profile within Each Quarter	1303	303	580		580		
NI131 (F11) Delayed Transfer of Care - Days Delayed (SOCIAL CARE Delays): Profile within Each Quarter	429	31	73		73		
NI132 BV195 Timeliness of social care assessment (all adults)	84.3%	91.6%	90.9%	89.1%	89.1%	90.0%	89.1% of assessments were completed within four weeks. This is an improvement on the same period last year (84.3%) and follows a recent upward trend in this measure.
NI135 Carers receiving needs assessment or review and a specific carer's service, or advice & information (Inc Carers Centre)	15.02%	5.63%	14.17%	20.12%	20.12%	48.00%	20.12% represents the highest recorded June figure for this measure and is an increase on the same period last year (15.02%).
NI145 Adults with learning disabilities in settled accommodation	83.5%	85.2%	85.2%	85.1%	85.1%	81.0%	
NI146(A) Number of adult learning disabled clients receiving LTS in paid employment	136	153	153	153	153		
NI149 % of adults receiving secondary mental health services in settled accommodation (percentage)	86.9%	78.7%	78.7%	78.7%	78.7%	85.0%	
NI150 No of Adults receiving secondary mental health services in employment	6.3%	4.9%	4.7%	4.7%	4.7%	6.5%	Number of adults who have received secondary mental health services in paid employment (i.e. those recorded as 'employed') at the time of their most recent assessment/formal review:43 Total adults who have received secondary mental health services at this point of the financial year: 921 <b>(4.67%)</b>
PAF-AO/C72 New Admissions to supported permanent Residential and Nursing Care (65+) per 100,000 population over 65	134.8	48.0	84.5	123.4	123.4	479.8	This figure represents 54 admissions for Q1 and is an improvement on the same period last year (59).
PAF-AO/C73 New Admissions to Residential and Nursing Care 18-64 (per 100,000 population).	2.92	0.00	0.97	1.95	1.95	5.85	This represents 4 admissions against a target of 3. It should be noted that we are in the top quartile nationally for this indicator in previous years.

<b>(b) Public Health</b>							
Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
DAAT-001 NDTMS Partnership Successful Completion Rate (%) for all Drug users in treatment (aged 18+), excluding alcohol-only users:	20.2%					20.0%	Successful treatment completions over the last two quarters has seen a slight decrease in performance relating to the number of non-opiate patients being discharged from treatment. This has been addressed through quarterly contract review meetings, a detailed action plan has been implemented by the Provider to address the decrease in successful completions across all cohorts as well as to increase numbers into treatment. This has included an audit of current patient caseloads from engagement to treatment as well as time in treatment and a full audit of third party referrals
PH002c New Baby Reviews completed (10-14 days after birth)	98%	N/A					Performance against this measure remains above the London average. (data to Quarter 4 2018/19)
PH002o Proportion of Young People exiting treatment in a planned way of all treatment exits (EMT)	86%	N/A				77%	Planned discharges remain high and above the national average which was 77% in Q4 18/19
PH003h % of Enfield residents' attendance which were at Enfield Sexual Health Clinics	67%	N/A					New Contract, Targets for 2019/20 to be agreed
PH003x Number of Children that received at least one Fluoride Varnish		N/A			1,400		This Oral Health performance indicator is new. It was decided to start reporting on the number of eligible children that received at least one fluoride varnish rather than the number of applications. Q1 data for Fluoride Varnish applications is 1,400 and they carried out 30 school visits (split across the 22 schools). The Team has identified schools with consent rates below the 65% threshold and more work is being undertaken to increase this i.e. providing additional parent information sessions and introducing a new Gold, Silver and Bronze school award system which is based on consent rates and should increase those.

<b>(c) Waste, Recycling and Cleanliness</b>							
Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
NI191 Residual Waste Per Household (kg)	165 kg per h/h	N/A				600 kg per h/h	<b>2018/19</b> Total: 632.97 kg per household, a 4.8% (29kg) increase in collection per household to the 2017/18 outturn of 604 kg Figures per quarter: Q1: 165.02, Q2: 154.56, Q3: 160.61, Q4: 152.79
NI192 % of household waste sent for reuse, recycling and composting	36.9%	N/A				37%	<b>2018/19: 33.4%</b> , a 6.96% (2.5 tonnes) decrease in household waste sent for reuse, recycling and composting than the 2017/18 figure of 35.9%
PR002 # of customer reported street scene issues (inc. litter issues, bins, dog fouling, graffiti, leaves/weeds, fly posting, road sweeping)	238	96	108	47	251	950	Q1 2017/18: 209 reported issues Q1 2018/19: 238 reported issues Q1 2019/20: 251 reported issues

(d) Community Safety

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
CS-SSCB009 Burglary - Residential Offences	584	242	190	208	640	2,209	Residential Burglary has increased by 9.6% when compared to the same quarter last year. When considering the number of residential burglaries in the year ending June 2019, there was a similar increase of 9.4%, compared to the previous year ending June 2018.
CS-SSCB010 Domestic Abuse Incidents	1,421	456	487	496	1,439	5,840	
CS-SSCB011 Domestic Abuse Violence With Injury Offences	218	58	86	76	220	937	
CS-SSCB012 Serious Youth Violence	110	35	40	45	120	392	There was an increase of 9.1% in Serious Youth Violence victims when the current quarter is compared to the same time last year. June 2019 had the highest level of this offence type in Quarter 1 and over the last 12 rolling months with 45 victims recorded.
CS-SSCB013 Anti Social Behaviour Calls	2,292	787	822	914	2,523	9,086	The number of Antisocial Behaviour calls increased by 10.1% (n=231 calls) by the end of June 2019. The average monthly number of calls in the previous 12 months was 760, however in June 2019 there were 914 calls. July and October 2018 also recorded high numbers with 970 and 920 calls respectively, this is due to the seasonal increase that is predicted again this year.
CS-SSCB014 Hate Crime Overall Total	133	53	41	43	137	471	
CS-SSCB015 Non Domestic Abuse Violence with Injury Offences	397	162	137	180	479	1,661	Non Domestic Abuse Violence with Injury offences have increased by 20.7%. June 2019 recorded 180 offences alone, which is the highest monthly level in the last 12 rolling months. The average number of offences has increased from 132 in Quarter 1 - 2018 to 160 in the same quarter in 2019.
CS-SSCB016 Violence against the Person Offences	2,204	626	629	712	1,967	7,798	Violence Against the Person includes both violence with or without injury. The number of offences decreased by 10.8% in Quarter 1 of 2019. June 2019 itself recorded the highest monthly number so far in the last 12 rolling months with 712 offences.
SGB500 Number of knife crime offences YTD	173	56	65	79	200		Knife Crime Offences have increased by 15.6% - with June 2019 recording the highest level of offences in Quarter 1 this year, higher than the same time last year.
SGB501 Number of knife possession offences YTD	49	12	18	20	50		
YOU NI 043.2 Number of Young People sentenced at Court that are given a Custodial sentence in the Month	4	1	0	0	1	36	In Q1 2019/20 there has been 1 custodial sentence from a total of 41 sentences. Q1 Breakdown: April: 1 /14 sentences May: 0/13 sentences June: 0/14 sentences



## 5. Communicate with You

### (a) Customer Experience

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
CE 007 Customer Satisfaction: Webchat	82.0%	71.0%	73.0%	83.0%	83.0%	85.0%	Q1 results reflect the service being understaffed due to undergoing a significant restructure during the first half of 2019. Recruitment and training for permanent staff took place in March and April and new appointees have been starting throughout the summer months, supplemented by agency staff. This staffing increase has led to performance improvement - an increase to 84% calls answered in July, and another increase to 88% in August, and a reduction in average wait time to 4min 46secs in July and 3min 18secs in August. As at the start of September 2019, 10 of the 14 new permanent officers had started, with a further 4 planned to join us by mid-September, and 4 customer services apprentices being recruited by HR, which will further improve performance once their training period has completed. Q1 results also reflect some systems issues, for which improvement projects are underway.
GWH 002 Gateway Telephones - Answer Rate	84.73%	77.6%	76.04%	79.43%	77.69%	88%	
GWH 003 Gateway Telephones - Average Wait Time	00h 03m 46s	00h 07m 06s	00h 07m 26s	00h 06m 06s	00h 06m 52s	00h 03m 00s	
GWH 014b Customer Services: % of Calls Answered Within 5 Minutes	97.7%	77.5%	64.3%	68.1%	68.1%	90%	

### (b) Corporate Measures

#### (a) Complaints, MEQs, FOIs

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
COMP 01a All Departments - Complaints closed within 10 days	58.4%		N/A		86.5%	95.0%	Q1 2019/20: 77 of 89 (86.5%) within timescale for all departments; Q1 2018/19 = 58.4% CEX 100% (1/1) Resources 90% (9/10) Place 86.2% (56/65) Council Housing 91.9% 34/37 People 88.9% (8/9) Co-ordinated 75% (3/4)
FOI 01a All Departments - FOIs answered within 20 days	68.2%		N/A		70.4%	100.0%	Q1 2019/20: 259 of 368 (70.4%) within timescale for all departments; Q1 2018/19 - 68.2% CEX 84.2% (32/38) Resources 61.9% (39/63) Place 81.8% (112/137) (Council Housing 20% 2/10) People 66.23% (51/77) Co-ordinated 47.1% (46/71)
MEQ 01a All Departments - MEQs closed within 8 days	75.3%		N/A		73.3%	95.0%	Q1 2019/20: 1364 of 1862 inside target (73.3%) CEX 71.74% (36/46) Resources 74.7% (145/194) Place 76.1% (1023/1344) (Council Housing TBC%) People 81.4% (70/86) Co-ordinated 48.4%(93/192)

**(b) Sickness Absence**

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
BV012a Average Sick Days - Council Staff (rolling 4 quarters)	9.10				9.03	7.50	Average Days per FTE - 12 month average to 30.6.2019 Chief Executives: 8.42 Resources: 6.58 Place: 10.67 People: 9.95
BV012b Average Sick Days: SHORT TERM ABSENCE - Council Staff (rolling 4 quarters)	3.46				3.12	2.50	Average Days per FTE - 12 month average to 30.6.2019 Chief Executives: 2.29 Resources: 2.21 Place: 3.39 People: 4.16
BV012c Average Sick Days: LONG TERM ABSENCE - Council Staff (rolling 4 quarters)	5.67				5.91	4.75	Average Days per FTE - 12 month average to 30.6.2019 Chief Executives: 6.13 Resources: 4.37 Place: 7.28 People: 5.79
HR0008a Average Sick Days per FTE - Chief Executive's		0.55	0.50	0.46	1.51	7.50	
HR0008bb Average Sick Days per FTE - Resources		0.68	0.72	0.74	2.14	7.50	Annual target in 2019/20 Council Plan - 7.5 days per annum. Equal to 0.62 days per month
HR0008cc Average Sick Days per FTE - People		0.61	0.70	0.54	1.85	7.50	
HR0008dd Average Sick Days per FTE - Place		0.78	0.85	0.89	2.52	7.50	Annual target in 2019/20 Council Plan - 7.5 days per annum. Equal to 0.62 days per month

**(c) Payment of Council Invoices**

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
INV004 Invoices Council Overall: Invoices Paid within 30 days	96.2%	96.1%	95.7%	95.7%	95.9%	100.0%	Q1 2019/20: 17,912 of 18,686 paid within target (95.9%). Although target set to 100%, status will show as green if above 95% and red if below 92%
INV004 CEX CEX Group: Invoices Paid within 30 days	94.59%	96.06%	97.14%	96.9%	96.71%	100%	Q1 2019/20: 618 of 639 within target (96.71%)
INV004 PEOP People Group: Invoices Paid within 30 days	96.3%	95.78%	95.58%	95.58%	95.65%	100%	Q1 2019/20: 11,932 of 12,475 paid within target (95.65%)
INV004 PLACE Place Group: Invoices Paid within 30 days	94.4%	96.8%	95.3%	97.2%	96.5%	100%	Q1 2019/20: 3,268 of 3,385 within target (96.5%)
INV004 RES Resources Group: Invoices Paid within 30 days	97.5%	97.8%	96.8%	93.7%	95.7%	100.0%	Q1 2019/20: 2,094 / 2,187 within target (95.7%)

## 6. Work with You

### Borough Information

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
PH003v NHS Indicator - A&E Attendance: % where less than 4 hours from arrival to admission, transfer or discharge	86.0%	N/A			86.4%		Q1 2019/20 : 86.4% (40,047 attendance seen within 4 hours; 46,325 attendances) Figures for North Middlesex University Hospital
RLCPI 0012 Employment rate in Enfield - working age Population	69.5%	N/A				73.0%	69.2% is the latest figure available and covers the period to April 2018 - March 2019 (recorded for quarter 4 2018/19) for those aged 16-64. Employment rate for London - 74.2%. The unemployment rate for Enfield is 5.1% compared to 4.9% for London over the same period.

## 7. Work Smartly For You

### [a] Council Tax and Business Rates

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
BV009 % of Council Tax collected (in year collection) Combined	30.15%	11.62%	20.44%	29.16%	29.16%	95.00%	End of June collection rate 29.16% - 47,188,245 collected / 161,850,865 net debit). Current target 30.15% represents actual collection rate at June 2018
BV010 % of Business Rates collected (in year collection)	27.23%	9.28%	18.46%	27.47%	27.47%	98.9%	End of June collection rate 27.47% - (33,167,864 collected / 33,549,999 net debit). Current target 27.23% represents actual collection rate at June 2018

### [b] Benefits Processing & Support

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
BV079b(i) % of Housing Benefit Overpayments recovered.	102.08%	69.34%	63.99%	72.04%	72.04%	83.00%	June 2019: £1,863,092 recovered of £2,586,178 overpayments identified (72.04%). Between April to December 2018 average benefit overpayments raised £706.5k, average collection rate 92.4%. From January 19 the Government instructed us to review self-employed benefit assessments. From Jan to Mar 2019 average overpayments raised rose to over £1m per month. Self-employed overpayments are more difficult to collect and the impact of this review will affect collection rates throughout 2019/20. In April collection was 63.99%. For August we are up to 74.28% so we are gradually recovering the position.
FCRCP32 Processing New claims- Housing Benefit (average calendar days - cumulative)	27.04	21.35	21.67	22.63	22.63	23	April 2019 to Date: 621 new claims / 14056 days - Average 22.63
FCRCP33 Processing Times for Benefit Change in Circumstances (average number of calendar days Cumulative YTD)	6.42	3.77	4.41	3.75	3.75	7	April 2019 to Date: 34598 new claims / 129696 days - Average 3.75

## 8. Annual indicators

### (a) Planning (Developer Performance)

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
REGEN006 # New dwellings granted planning permission			N/A		Not measured for Quarters		2017/18 data - <b>1,616</b> net additional dwellings granted planning permission 2018/19 data not available until October 2019.
REGEN008 # New dwellings started			N/A		Not measured for Quarters	798	2017/18 new dwellings started: 170 (net) and 262 (gross). <b>Note:</b> this includes units in all developments started during 2017/18 regardless of whether they were also completed during the year.
REGEN010 Proposed affordable units as a percentage of proposed gross units started			N/A		Not measured for Quarters		As at 31/03/2018 for all developments started (at any time) but not completed by 31/03/2018 were a total of <b>1,212</b> proposed units of which <b>405 (33.4%)</b> were proposed affordable units. 2018/19 data not available until October 2019.
REGEN002b Affordable housing units as a percentage of gross units completed			N/A		Not measured for Quarters	40%	During 2017/18 <b>568</b> gross units were completed of which <b>37 (6.5%)</b> were affordable housing units. <b>Note:</b> Units are only counted as 'complete' when the whole development is completed. For information during 2017/18 40 units were built at Ladderswood of which 23 were affordable and 61 at Ponders End Electric Quarter of which 21 were affordable, these additional 44 affordable units are <b>not</b> counted in this measure. 2018/19 data not available until October 2019.
REGEN007 Social Rented housing units as a percentage of gross affordable units completed			N/A		Not measured for Quarters	70%	2017/18 figure is is 91.9% - 37 gross affordable housing units completed of which 34 were social rented. <b>Note:</b> Units are only counted as 'complete' when the whole development is completed. For information during 2017/18 40 units were built at Ladderwood of 23 were affordable and 61 at Ponders End Electric Quarter of which 21 were affordable, these additional 44 affordable units are <b>not</b> counted in this measure. Of these 44 units 42 are social rented.

### (b) Education

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ED 003 % All Secondary Schools judged as good or outstanding by Ofsted					Not measured for Quarters		As at 31 Dec 2018 Enfield has 90% of State funded Secondary Schools as Good and Outstanding equal to that of London average.
ED 004 % All Primary Schools judged as good or outstanding by			N/A		Not measured for Quarters	85.0%	As at 31st Dec 2018 Enfield had 85% Statefunded Primary Schools recorded as Good or Outstanding equal to that of London Average.
ED 020 % Permanent Exclusions State Funded Primary			N/A		Not measured for Quarters	.20%	Number of Permanent Exclusions : 4 Number of Fixed Period Exclusions ; 406 Number of Pupils with One or more fixed Period Exclusions: 210 Permanent Exclusions: London: 0.01 England: 0.03
ED 021 % Permanent Exclusions State Funded Secondary			N/A		Not measured for Quarters	.20%	53 Permanent Exclusions. 2895 Fixed Period exclusions 1794 Pupils with one or more fixed period exclusions England: 0.20 London: 0.18

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ED080 Reading, Writing, Maths - % All pupils Reaching Expected Standards KS2			N/A		Not measured for Quarters	70.0%	We have improved by 4% points on last year. Enfield is showing an improving trend moving 5 places up in national ranking in 2018. 65% is better than the England Average of 64%.
ED 400 Average Attainment 8 Score per pupil			N/A		Not measured for Quarters	47.00	Enfield is above England Average of 44.3 and also above our Statistical Neighbours 45.12 Ranked 69 Nationally, which positions us in Quartile band 'B' Nationally. Both the England Average & Statistical Neighbours performance has show a drop over the last 3 years.
EY007 - (DM) % of children benefiting from early years education - 3/4 year olds			N/A		Not measured for Quarters	85%	85% of 3 & 4 year old children benefit from early education places is 1% higher than last year. Statistical Neighbours average is 86% showing a lower performance than previous year by 1.6%p and England average is 94% remaining the same as previous year. 94% of 3&4 yr olds in funded early education are with Good/Outstanding providers.
NI072.1 % Pupils achieving a good level of development at the end of the Early Years Foundation Stage. New 2012-13			N/A		Not measured for Quarters	71.0%	69.3% of pupils in Enfield achieved a GLD in EY foundation stage, This is an increase of 1.3% on last year and shows an improving trend over the last 6 years. England average 71.5%

#### (d) Public Health

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
PHOF02.06i Proportion of children aged 4-5 classified as overweight or obese (Reception) (EMT)			N/A		Not measured for Quarters	24.7%	2017/18 London = 21.8%, National = 22.4% Severely Obese Reception Year = 3.9%
PHOF02.06ii Proportion of children aged 10-11 classified as overweight or obese (Year 6). (EMT)			N/A		Not measured for Quarters	41.1%	2017/18 London = 37.7%, National = 34.3% Severely obese Year 6 = 6.1%
PHOF02.14 Smoking Prevalence - Adults (Over 18s)			N/A		Not measured for Quarters		London = 13.9%, England = 14.4%

#### (e) Borough Information

Indicator	Q1 2018/19	Apr 2019	May 2019	Jun 2019	Q1 2019/20	Annual Target 2019/20	Notes
	Value	Value	Value	Value	Value		
ENV114.1 Road Accident Casualties: People Killed or Seriously Injured (KSI)			N/A		2017 = 121KSI	104	Target based on achieving reduction in KSIs to 67 per year by 2022 Performance for 2017 based on 3 year rolling average 2016, 2017 & 2018. New COPA system used to assess severity of collisions has resulted in historic data being recast.
VE 001 Vibrant Economy Index			N/A		Not measured for Quarters	200	Data s compiled by Grant Thornton each year - Enfield is ranked 217th (of 324 LA areas), and is in the bottom 20% of LAs for "inclusion and equality" and "health, wellbeing and happiness" but in the top 20% for "resilience and sustainability" - no formal target but "red" if worse than the previous year (rank 200 of 324 in 2016)

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Performance Report Appendix 2:

Performance Review: Homelessness  
Lead Director: Executive Director Place

Trend Data	Action Plan																											
<p><b>Number of households living in temporary accommodation</b></p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Quarters</th> <th>Target (Quarters)</th> </tr> </thead> <tbody> <tr> <td>Q2 2017/18</td> <td>3366</td> <td>3100</td> </tr> <tr> <td>Q3 2017/18</td> <td>3314</td> <td>3150</td> </tr> <tr> <td>Q4 2017/18</td> <td>3249</td> <td>3200</td> </tr> <tr> <td>Q1 2018/19</td> <td>3320</td> <td>3250</td> </tr> <tr> <td>Q2 2018/19</td> <td>3424</td> <td>3300</td> </tr> <tr> <td>Q3 2018/19</td> <td>3392</td> <td>3350</td> </tr> <tr> <td>Q4 2018/19</td> <td>3410</td> <td>3400</td> </tr> <tr> <td>Q1 2019/20</td> <td>3410</td> <td>3450</td> </tr> </tbody> </table>	Quarter	Quarters	Target (Quarters)	Q2 2017/18	3366	3100	Q3 2017/18	3314	3150	Q4 2017/18	3249	3200	Q1 2018/19	3320	3250	Q2 2018/19	3424	3300	Q3 2018/19	3392	3350	Q4 2018/19	3410	3400	Q1 2019/20	3410	3450	<p><u>Context:</u> The figures for June 2019 showed that Enfield had 3410 households in Temporary Accommodation as of 31<sup>st</sup> June 2019. This figure remains static from the end of Quarter 4.</p> <p>To generate greater insight into the specific challenges facing Enfield the Smith Institute was commissioned to carry out research into the drivers of homelessness in the borough and how the Council should respond to a 246% increase in homelessness acceptances between 2010 and 2017. The main finding of the Smith Institute’s research was that poverty is the key driver of homelessness in Enfield. Enfield is different to many other local boroughs due to the very high number of poorer households living in the private rented sector. This combination of households with low levels of financial resilience living in a relatively fluid private sector housing market has led to a 246% increase in homelessness acceptances in Enfield over a seven-year period. Although the accommodation is designated as temporary, the reality for most people is that they will remain there for several years. Any solution therefore needs to be firmly rooted in the private rented sector.</p> <p>A report was presented to Cabinet on the 11<sup>th</sup> September with a series of recommendations for a fundamental redesign of the service. The key principles are:</p> <ul style="list-style-type: none"> <li>• Private Rented Sector as the solution</li> <li>• Support residents and landlords in the PRS to ensure tenancies succeed and incentivise this for both residents and landlords.</li> <li>• Clear communication and messaging with residents on their options</li> <li>• Prevention and support is better than relief</li> <li>• Temporary Accommodation should be temporary</li> <li>• Give residents informed choices</li> </ul> <p><u>Positive Actions undertaken in April – June 2019</u></p> <ul style="list-style-type: none"> <li>• Homelessness Prevention/TA Move On outcomes (PRS)</li> </ul>
Quarter	Quarters	Target (Quarters)																										
Q2 2017/18	3366	3100																										
Q3 2017/18	3314	3150																										
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Q2 2018/19	3424	3300																										
Q3 2018/19	3392	3350																										
Q4 2018/19	3410	3400																										
Q1 2019/20	3410	3450																										

	<ul style="list-style-type: none"><li>○ Tenancy sustainment (retained in current tenancy) - 110</li><li>○ Homefinders – 76</li><li>○ Households moved on from temporary accommodation to the PRS - 59</li><li>● Housing Allocations (social housing) for permanent move on from TA - 41</li><li>● Training staff and improving business process to improve efficiency and timely decision making</li><li>● During September an additional staff member will be recruited to determine applications where the Council has decided to cease its housing duty and temporary accommodation due to rent arrears or anti-social behaviour</li><li>● A Review of the Homelessness Service is underway to inform a new homelessness service model with more upstream prevention activities and strengthened partnership working.</li><li>● Changes are being proposed to the Council's Allocations Scheme to give greater priority to vulnerable households and those who are proactive in finding their own housing solutions including private rented homes as an alternative to temporary accommodation.</li><li>● Responding to London Councils, LGA and MHCLG surveys in relation to the Hosing Reduction Act and its positive/negative impacts. This will help to inform future policy changes and enable Enfield to lobby for additional funding due to the challenges we face.</li><li>● Continue to carry out suitability assessments to assist clients to move on from TA</li><li>● Further development of a performance Framework to accurately track levels of demand for TA in Enfield to be able to effectively track the success of interventions.</li></ul>
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**Performance Review: Complaints, FOI's and Complaints**  
**Lead Director: Director of Law and Governance**

Three Year Trend	Action Plan																											
<p><b>All Departments - Complaints closed within 10 days</b></p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>Q2 2017/18</td><td>54.7%</td><td>90.0%</td></tr> <tr><td>Q3 2017/18</td><td>60.2%</td><td>90.0%</td></tr> <tr><td>Q4 2017/18</td><td>62.8%</td><td>90.0%</td></tr> <tr><td>Q1 2018/19</td><td>58.4%</td><td>90.0%</td></tr> <tr><td>Q2 2018/19</td><td>56.0%</td><td>90.0%</td></tr> <tr><td>Q3 2018/19</td><td>62.8%</td><td>90.0%</td></tr> <tr><td>Q4 2018/19</td><td>55.6%</td><td>90.0%</td></tr> <tr><td>Q1 2019/20</td><td>86.5%</td><td>90.0%</td></tr> </tbody> </table>	Quarter	Actual (%)	Target (%)	Q2 2017/18	54.7%	90.0%	Q3 2017/18	60.2%	90.0%	Q4 2017/18	62.8%	90.0%	Q1 2018/19	58.4%	90.0%	Q2 2018/19	56.0%	90.0%	Q3 2018/19	62.8%	90.0%	Q4 2018/19	55.6%	90.0%	Q1 2019/20	86.5%	90.0%	<p>Targets are monitored weekly with departments. The escalation process that was introduced highlights to Senior Officers areas where action needs to be taken urgently. Regular liaison with departments has increased, all of which have resulted in a positive improvement in performance. Processes will continue to be reviewed and improved to ensure the system works well.</p>
Quarter	Actual (%)	Target (%)																										
Q2 2017/18	54.7%	90.0%																										
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**Performance Review: Sickness Absence**  
**Lead Director: Executive Director Place**

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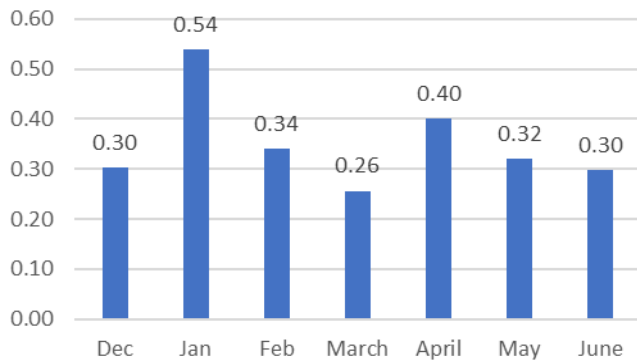
**Improvement Plan**

employees has improved..

**Further plans include:**

- A permanent senior management team in Housing is now in place.
- Long standing sickness cases are being progressed including one termination due to ill health in this quarter.
- In Q3 we shall start consultation with staff about a new staffing structure which will see some internal recruitment for new roles. It is anticipated that we may see sickness rise during this period of change – but to significantly improve during 2020/21 with a new operating model, structure and technology in place.

All Sickness Housing - Short Term  
FTE Days lost per month



**Performance Review: Planning Application Profile: Major, Minor and Others**

**Lead Director: Executive Director Place**



Three Year Trend	Action Plan																																																																																	
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Weekly Strategic Applications Meetings are held to track major applications and monitor performance</li> <li>• Improved communication has been put in place with staff through team meetings and 1:1s to increase importance and drive up performance.</li> </ul> </div> <div data-bbox="722 1541 1505 1955"> <p><b>Definitions;</b>  <b>Major Application;</b> an application for 10 dwellings or more; residential application on sites of 0.5 hectares +; or an application for offices, general industrial, storage, distribution or shops where the floor space exceeds 1000sqm  <b>Minor Applications:</b> Applications for between 1 and 9 dwellings; a site area of less than 0.5 hectares; floor space to be built is less than 1,000 square meters or where the site area is less than 1 hectare.  <b>Other Applications:</b> Householder Developments, Advertisements, Enforcement activity, Regulation 3 and 4 consents</p> </div>
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**MUNICIPAL YEAR 2019/2020 REPORT NO. 114**

**MEETING TITLE AND DATE:**  
Cabinet 16 October 2019

**REPORT OF:**  
Acting Executive Director  
of Resources

Contact officer and telephone number:  
Matt Bowmer, Director of Finance,  
0208 379 5580  
matt.bowmer@enfield.gov.uk

<b>Agenda – Part: 1</b>	<b>Item: 5</b>
<b>Subject: MTFP 2020/21 to 2024/25 Tranche One Savings</b>	
<b>Wards: All</b>	
<b>Key Decision No: 4991</b>	
<b>Cabinet Member consulted:</b> Cllr Maguire	

**1. EXECUTIVE SUMMARY**

**1.1. The vision is for:**

- i. A resilient budget that is "sustainable" in year (i.e. not reliant on one-off resources, such as capital receipts);**
- ii. A budget which protects the most vulnerable residents in the Borough by reinvesting savings generated through efficiencies and growing income;**
- iii. A long term budget to ensure that decisions are sustainable providing opportunities for future investment; and**
- iv. Council services which provide value for money.**

**1.2. The report updates progress on developing the MTFP 2020/21 to 2024/25 to deliver the Council's Corporate Plan – Creating a Lifetime of Opportunities in Enfield**

- i. Good Homes in Well Connected Neighbourhoods**
- ii. Sustain strong and Healthy Communities; and**
- iii. Build Our Local Community to Create a Thriving Place**

**1.3. There is significant uncertainty with only a single year financial settlement in place for 2020/21. The Spending Round announcement on 4 September contained better financial news than expected but local government had been pushing hard for a multi year settlement to enable effective medium term planning. The Government's Fair Funding Review and the accompanying business rates reset expected for 2020/21 are also pushed back to 2021/22 at the earliest.**

**1.4. Given the financial uncertainty and also the uncertainties around Brexit and a possible General Election in the near future it is essential to develop a multi year plan and preserve the Council's reserves and balances.**

- 1.5. Although there has been a better than expected financial settlement for local government outlined in the Spending Round announcement pressures and demands in Adults and Children's Social Care, in excess of £12.2m in 2020/21, continue to significantly outstrip the available resources.
- 1.6. The report contains savings and income generating proposals of £12.174m for 2020/21 and £24.128m over the five year life of the Plan.
- 1.7. There has been a continuous review of the financial pressures facing the Council and a review of the funding assumptions over the medium term. These are detailed in sections 5 of the report.
- 1.8. In order to continue to protect Social Care it is proposed to take the financial benefit of the Adult Social Care Precept in addition to increasing Council Tax up to the referendum limit.
- 1.9. There will be a programme of consultation on the Council's financial position across the autumn and also a number of opportunities for the initial proposals and spending plans to be challenged and scrutinised.
- 1.10. Officers are continuing to work through proposals to close the remaining gap for 2020/21 and across the Medium Term.
- 1.11. Work is progressing on the Ten Year Capital Programme and Treasury Management Strategy and these will come forward to Cabinet in December

## **2. RECOMMENDATIONS**

### **2.1. Cabinet to note:**

- i. The Continued financial uncertainty facing local government and the need to maintain the Council's reserves and balances.
- ii. The protection of its services to the most vulnerable in the Borough as exemplified in paragraph 6.12.

### **2.2. Cabinet to approve:**

- i. Adopt the Adult Social Care precept of 2% alongside the referendum threshold Council Tax increase of 1.99%
- ii. The savings and income generation proposals in Appendix 2b for further development and consultation.

## **3. BACKGROUND**

- 3.1. Cabinet agreed its Medium Term Financial Strategy for 2020/21 to 2024/25 at its meeting in July 2019. The report updated the assumptions in the Council's agreed Medium Term Financial Plan (MTFP) approved by Council in February 2019 and set out the



approach for developing the MTFP for 2024/25. This was all in the context of delivering the Council's Corporate Plan – Creating a Lifetime of Opportunities in Enfield, approved by Council in September 2018:

- i. Good Homes in Well Connected Neighbourhoods
  - ii. Sustain strong and Healthy Communities; and
  - iii. Build Our Local Community to Create a Thriving Place
- 3.2. The July MTFS identified a funding gap of £39.0m over the next five years including £13.7m in 2020/21 which will be reassessed in this report.
- 3.3. There were to be two tranches of savings to be brought forward; the first tranche being those that potentially required longer periods of consultation to implement that would come forward to October Cabinet and the second being the remainder to address the gap in December.
- 3.4. A framework for identifying the savings proposals was also agreed, being:
- i. Digital
  - ii. IT
  - iii. Demand Management
  - iv. Commissioning, Procurement and Contracting
  - v. Commercial, Income and Trading
  - vi. Invest to Save
  - vii. Organisational Review
  - viii. Corporate Led Initiatives
  - ix. Directorate Led Initiatives.
- 3.5. The MTFS also identified significant uncertainty in a number of areas – progress on the Fair Funding Review, Spending Review and Business Rate Reset. Uncertainty in all of these areas persist and an update is provided below.

#### **4. GOVERNMENT FUNDING ANNOUNCEMENTS**

- 4.1. There has been little progress in three key areas. Most important is the overall quantum available for local government for the next three to four years. 2019/20 was the final year of a four year settlement for the sector and SR19 (spending Review 2019) was anticipated to provide a similar settlement for 2020/21 onwards. There had been speculation for a number of months on whether this would be a single or multi year settlement or whether there would even be a review at all. As late as August MHCLG announced that there would be a single year settlement for 2020/21 and this was announced on 4 September with the full detail to follow in the Local Government Finance Settlement (LGFS), the provisional numbers typically being released in the second or third week of December.

- 4.2. The financial settlement in the Spending Round announcement was, however, better than expected. The key headlines:
- i. Settlement Funding Assessment SFA to increase in line with CPI, the first increase in a decade.
  - ii. £1bn of additional funding nationally for social care. This is likely to have a £5.4m benefit for Enfield in 2020/21.
  - iii. Alongside the additional grant is a consultation on 2% Adult Social Care Precept on Council Tax, similar to the arrangements that were in place between 2017/18 and 2019/20.
  - iv. All existing grants in Core Spending Power to continue, the key areas of benefit to Enfield being continuation of the £2.2m Social Care Grant initially announced as one off in 2019/20 and the existing New Homes Bonus allocation of £1.594m
  - v. Public Health Grant will increase in line with CPI which will help fund Agenda for Change Pressures in the NHS.
  - vi. School Funding will increase by £2.6bn as part of a three year settlement with more detail to follow. The High Needs Block element of the Dedicated Schools Grant (DSG) has been under significant pressure nationally and this is set to increase by £700m with Enfield's share forecast to be £5.3m.
- 4.3. These are all forecasts at this point and are subject to confirmation in the LGFS in December.
- 4.4. There were some downsides in the announcement too. Most notably despite the delayed implementation of the Government's Fair Funding Review and Business Rates Reset the London Business Rates Pool will cease to operate beyond 2019/20. Enfield had benefited £4.7m from the pooling arrangements in 2018/19 and is likely to benefit in the order of £3m in the current financial year.
- 4.5. There is now little prospect of the Fair Funding Review being completed in time to be implemented for 2020/21.
- 4.6. There have been no announcements on the Business Rate reset but this was widely believed to be delivered alongside the Fair Funding Review so is also unlikely for 2020/21.
- 4.7. The Council is lobbying alongside London Councils for an improved settlement and greater certainty for London and Enfield. In particular there is a demand to:
- i. provide multi year settlements;
  - ii. increase overall funding for local government;
  - iii. deliver additional permanent resources for Adults and Children's Social Care;
  - iv. provide sufficient funding for Unaccompanied Asylum Seeking Children and for those with No Recourse to Public Funds;

- v. address the unique factors causing homelessness in London and specially Enfield; and a range of measures to enable local authorities to increase the supply of social housing.
- 4.8. This level of uncertainty does reinforce the need for the Council to plan for the medium term and ensure that it maintains the appropriate level of reserves and balances to manage financial risk.

## 5. FURTHER REFRESH OF SPENDING AND FUNDING ASSUMPTIONS

- 5.1. There is a continuous review of all assumptions. Since July the level of pressures, the need for investment and assumptions for funding have been reassessed and the gap now stands at £15.496m in 2020/21 and amount to £55.925m over the life of the five year Plan. The updated position is set out in the tables below and in greater detail in Appendix 1 (a. Spending and b. Funding). The key changes are set out in the paragraphs below.
- 5.2. Despite the better than expected Spending Round announcement the overall narrative is nevertheless unchanged - demand led pressures in social care and SEN services along with inflationary pressures across the Council are far outstripping increases in local tax (both Council Tax and Business Rates) and Government Grants giving rise to the need to identify savings and increased income streams.
- 5.3. Table 1 – Spending Assumptions

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
<b>Pressures</b>						
Pay Awards & Inflation	7.433	5.846	5.870	5.896	5.922	30.967
Demographic	7.017	3.280	3.280	3.280	3.280	20.137
Investment / Capital Financing	6.118	2.952	3.138	2.261	2.418	16.887
NLWA	0.000	0.000	1.500	1.500	1.500	4.500
Pressures	5.890	0.099	0.000	0.000	0.000	5.989
	<b>26.458</b>	<b>12.177</b>	<b>13.788</b>	<b>12.937</b>	<b>13.120</b>	<b>78.480</b>
<b>Savings</b>						
Full Year Effects 2018/19	(1.479)	(1.140)	(0.439)	0.000	0.000	(3.058)
Waste	(1.800)	(0.700)	0.000	0.000	0.000	(2.500)
<b>Total Spend Pressures</b>	<b>23.179</b>	<b>10.337</b>	<b>13.349</b>	<b>12.937</b>	<b>13.120</b>	<b>72.922</b>

- 5.4. The full detail is set out in Appendix 1a.
- 5.5. A review has been undertaken on the demographic pressures across Adults and Children's Social Care and also those impacting on the provision of Special Educational Needs (SEN) Transport in the Borough. Provision had previously been made across all years for Adult Social Care and these are unchanged. Allowance has now also been made for increases in Children's Placements and costs arising from increased numbers of Special Guardianship Orders. Further SEN Transport is a continuing area of pressure for the Council over the medium term and there is now allowance here too.
- 5.6. The Quarter One 2019/20 Revenue Monitoring position was reported to Cabinet in October. There is a forecast overspend of £3.9m and the ongoing impact of the pressures have been incorporated into the spending assumptions for the MTFP. There is ongoing work to mitigate these pressures in year and over the longer term.
- 5.7. The Council is committed to investing £2.727m in Children's Social Care and £5.773m investment in Adult Social Care. The additional is detailed in Table 5 (6.12).
- 5.8. There has been a reliance on the use of capital receipts in line with the flexibilities offered by Government. However, the use of finite capital receipts is not a sustainable strategy and the spend on Edge of Care previously funded by receipts will form part of the base budget from 2020/21 onwards.
- 5.9. The Capital Financing forecast is still work in progress. £1m a year was added into the Strategy in July to reflect likely commitments arising from the formulation of the ten year Capital Programme and some additions have been made for specific schemes to support a number of income generation and savings proposals along with the impact of additional affordable housing in the Meridian Water development. The ten year Capital Programme and Treasury Management Strategy will come forward to Cabinet in December and the full capital financing impact will be clearer at that time.

## 5.10. Table 2 – Funding Assumptions

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
<b>Total Pressures B/F</b>	<b>23.179</b>	<b>10.337</b>	<b>13.349</b>	<b>12.937</b>	<b>13.120</b>	<b>72.922</b>
<b>Income</b>						
Local retained rates	(2.032)					(2.032)
Business Rates Pool	2.950					2.950
Social Care Grant	(5.411)					(5.411)
New Homes Bonus		0.400	0.400	0.400	0.394	1.594
Housing Benefit Admin	0.158	0.142	0.128	0.115	0.103	0.646
Homelessness Grant	0.800	0.800	0.800	0.800	0.800	4.000
Council Tax	(3.010)	(3.001)	(3.069)	(3.138)	(3.209)	(15.427)
Council Tax scheme/Single Persons Discount	(0.700)	(1.000)				(1.700)
Adult Social Care Precept	(2.559)					(2.559)
Collection Fund	1.314	0.700	(0.700)			1.314
Tax Base adjustments	(0.193)	(0.278)	(0.289)	(0.300)	(0.312)	(1.372)
Use of Reserves	1.000					1.000
<b>Gap</b>	<b>15.496</b>	<b>8.100</b>	<b>10.619</b>	<b>10.814</b>	<b>10.896</b>	<b>55.925</b>

5.11. The funding position has been updated in line with the forecast allocations in the Chancellor's Spending Round Announcement. This does show an improved position on that reported back in July regarding funding issues.

5.12. Work is ongoing to assess the impact of the announcement with regard to the CPI increase in the SFA. This work runs alongside the assessment on the position on Business Rates below. At current there is no uplift in the assumptions.

- 5.13. The position on grants is improved compared with the MTFs report; Enfield's share of the Social Care grant is £5.4m and the reduction in New Homes Bonus is moved back one year. There is still some uncertainty with Flexible Homelessness Support Grant with a prudent approach taken at this stage to reduce by £0.800m per annum. There should be greater clarity in the Tranche 2 report in December.
- 5.14. Council Tax has been increased in line with the Referendum Limit across the life of the MTFP and the Council Tax Base has been assumed to increase with previous years at this point. It is also assumed the Adult Social Care Precept will be charged in order to support the necessary funding required to meet the pressures in Social Care set out above.
- 5.15. Collection Fund – these are initial forecasts for the positions on the collection funds for Council Tax and Business Rates reported to Full Council in February 2019. These will be updated in January 2020 when the Council agrees the Tax Base.

## 6. PROGRESS ON SAVINGS AND INCOME GENERATION PROPOSALS

- 6.1. Officers have been assessing potential areas of savings against the framework in paragraph 3.4. above. It should be noted that it is a framework to work to and it may be possible to categorise individual savings proposals in one or more of the various themes. Significant progress has been made and the gap for 2020/21 is narrowing but more work does need to be done for the future years of the plan, specifically years four and five.
- 6.2. Table 3 - Savings

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
<b>Gap</b>	<b>15.496</b>	<b>8.100</b>	<b>10.619</b>	<b>10.814</b>	<b>10.896</b>	<b>55.925</b>
Tranche 1 savings	(11.874)	(2.652)	(1.599)	(3.050)	(3.033)	(22.208)
Tranche 2 Savings	(0.300)	(0.960)	(0.700)	0.000	0.000	(1.960)
<b>Total Savings</b>	<b>(12.174)</b>	<b>(3.612)</b>	<b>(2.259)</b>	<b>(3.050)</b>	<b>(3.033)</b>	<b>(24.128)</b>
<b>Remaining Gap</b>	<b>3.322</b>	<b>4.488</b>	<b>8.360</b>	<b>7.764</b>	<b>7.863</b>	<b>31.797</b>

- 6.3. £11.874m of savings proposals are being brought forward for early consultation. They are set out in full detail in Appendix 2b and are summarised below. The Tranche 2 savings are not included in the Appendix as they are not sufficiently well developed to bring forward at this time.
- 6.4. Tables 4a and 4b set out the savings and income generation proposals by theme and by directorate.

Table 4a – Tranche 1 and 2 Savings and Income Generation Proposals by theme

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
Digital	(0.020)	(0.180)	0.000	(0.250)	(0.250)	(0.700)
IT	(2.500)	(0.510)	(0.200)	0.000	(0.200)	(3.410)
Demand Management	(0.400)	(0.120)	0.000	0.000	0.000	(0.520)
Procurement/ Contracts	(1.968)	(0.555)	0.000	0.000	0.000	(2.523)
Commercial	(1.841)	(1.241)	(0.934)	(1.600)	(2.178)	(7.794)
Invest to Save	(1.019)	(1.839)	(0.500)	(1.200)	(0.405)	(4.963)
Organisational Design	(1.237)	0.000	0.000	0.000	0.000	(1.237)
Corporate Led	(2.125)	1.000	(0.500)	0.000	0.000	(1.625)
Service Led	(1.064)	(0.167)	(0.125)	0.000	0.000	(1.356)
<b>Total</b>	<b>(12.174)</b>	<b>(3.612)</b>	<b>(2.259)</b>	<b>(3.050)</b>	<b>(3.033)</b>	<b>(24.128)</b>

- 6.5. There is a major rationalisation programme in place to streamline the Council's IT applications of which there are currently in excess of 600 and also to more efficiently deliver the infrastructure in which it operates. This is the major contributor to the Savings and Income Generation Proposals for 2020/21. This improved environment should enable further exploration of future digital savings in the longer term.
- 6.6. There are £1.968m of contractual savings in 2020/21 across all services as efficiencies are sought on contract renewals.
- 6.7. There has been a big push for additional income through the commercial theme. This is primarily in the Place Directorate and in part is driven by investment in the Council's physical assets.
- 6.8. Organisational Design. There are £1.237m of proposals being developed, a number of which are coming forward for approval to progress at this time. Officers will be working hard to minimise redundancies. This will be helped by the natural turnover of staff, but it should be recognised that the Council needs to continually change in the face of the dynamic environment in which it operates and there won't always be a perfect fit for existing staff and new roles. The staffing reductions proposed are relatively modest and will be exceeded by those posts being created, driven by the demand led pressures and investment in key services.

## 6.9. Table 4b – Savings and Income Generation Proposals by Directorate

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
Corporate	(2.250)	0.850	(0.500)	0.000	0.000	(1.900)
Resources/ Chief Executive	(3.664)	(1.042)	(0.200)	(0.250)	(0.450)	(5.606)
Adults and Public Health	(1.855)	(0.100)	(0.100)	(0.100)	(0.100)	(2.255)
Children's and Education	(0.462)	0.000	(0.060)	(0.600)	(0.375)	(1.497)
Place	(3.943)	(3.320)	(1.399)	(2.100)	(2.108)	(12.870)
<b>Total</b>	<b>(12.174)</b>	<b>(3.612)</b>	<b>(2.259)</b>	<b>(3.050)</b>	<b>(3.033)</b>	<b>(24.128)</b>

6.10. Alongside the investment in Social Care in paragraph 5.7 there has been a conscious effort to protect these services when coming forward with savings and income generation proposals. Despite People Directorate accounting for 51% of the Council's net expenditure, the savings and income generation ask has only been 38%. This is explored in further detail in paragraph 6.12 below specifically for 2020/21.

## 6.11. Table 5 – Overall 2020/21 Position allowing for Tranche 1 and 2 Savings

	Corporate	Chief Exec/ Resources	Adults and Public Health	Children's and Education	Place	Total
	£m	£m	£m	£m	£m	£m
Demography	0.000	0.000	4.370	1.397	1.250	7.017
Inflation	6.150	0.000	1.283	0.000	0.000	7.433
Investment	1.600	1.450	0.120	1.330	1.618	6.118
Pressures	0.000	0.751	2.937	0.800	1.402	5.890
	<b>7.750</b>	<b>2.201</b>	<b>8.710</b>	<b>3.527</b>	<b>4.270</b>	<b>26.458</b>
Full Year savings	(0.075)	(0.050)	(0.157)	0.000	(2.997)	(3.279)
New Savings	(2.250)	(3.664)	(1.855)	(0.462)	(3.943)	(12.174)
	<b>(2.325)</b>	<b>(3.714)</b>	<b>(2.012)</b>	<b>(0.462)</b>	<b>(6.940)</b>	<b>(15.453)</b>
Funding	(0.513)	0.000	(5.270)	(2.700)	0.800	(7.683)
Total	<b>4.912</b>	<b>(1.513)</b>	<b>1.428</b>	<b>0.365</b>	<b>(1.870)</b>	<b>3.322</b>



- 6.12. Table 5 highlights the extent to which resources have been targeted to Social Care and the more vulnerable in the Borough in 2020/21.
- 6.13. The Council is proposing putting an additional £12.2m into its Adults and Children's Social Care Services. This figure will increase when the £6.150m provision for contractual inflation and cost of living uplifts for pay held corporately are allocated out. Whilst the £5.4m Adult Social Care grant is welcome along with the opportunity to raise an additional 2% Council Tax through the Adult Social Care Precept, the pressures on these services continue to significantly outstrip the available resources.

## **7. RESERVES**

- 7.1. There will be a more robust assessment of reserves in the MTFP Reports which follow in December and February.
- 7.2. However, it is worth highlighting two areas of concern at this point. The Council has been undertaking some independent benchmarking work on its financial resilience. When compared with its ten London Borough statistical nearest neighbours, Enfield was ranked 10/11. The specific indicator was assessing the period of time over which reserves would be exhausted against known pressures and funding settlements.
- 7.3. The Quarter One 2019/20 Revenue Monitoring Report presented to Cabinet in September has identified a number of in year pressures, predominantly in demand led social care services during the current financial year. In the absence of mitigating actions or compensating savings these pressures will reduce the Council's reserves by £3.9m.

## **8. CAPITAL PROGRAMME AND TREASURY MANAGEMENT STRATEGY**

- 8.1. There is ongoing work in both of these areas. The three year life of the existing Capital Programme was insufficient, and officers are currently drawing up commitments for a ten year Programme. This will be complemented by a ten year Treasury Management Strategy to give greater visibility on the Council's Capital Financing Requirement. Some allowance for this work has already been made above for the impact that this will have on the revenue budget. A broad £1m per annum increase has been included which should cover medium to long term highways maintenance, building maintenance and IT refresh programme commitments and there has also been allowance made for the financing costs of a number of initiatives which generate new or increased income streams for the Council.

### **8.2. NEXT STEPS**

- 8.3. There will be a number of elements to Consultation over the autumn. An update on the Council's financial position across the Medium Term will be published in the Council's e Newsletter which will invite comment and can be considered along with other feedback which the Council receives on its services such as the Residents Survey. This narrative will also be provided to members to enable them to update

the community and Ward Forums and there is also the opportunity for the spending and funding assumptions and the savings and income generation proposals to be examined at Overview & Scrutiny Committee.

- 8.4. The Member Challenge session will also take place in October/ November whereby overall spending and income plans can be scrutinised as well as the savings.
- 8.5. Officers are continuing to address the outstanding £3.322m gap for 2020/21 and £31.797m across the five years of the Plan. Both are equally important. A fully populated Plan will certainly streamline the Budget Planning approach in future years with more of a rolling approach rather than starting from scratch each year and is a major strand in the strategy for a resilient and sustainable financial position for the Council. The tranche 2 savings will come forward to Cabinet in December.
- 8.6. The other key budget work in place across the autumn period will be the Fees and Charges which will come forward in December along with the further savings and income generation proposals.
- 8.7. Complementing the revenue budget are the Ten Year Capital Programme and Ten Year Treasury Management Strategy. These will also come forward to Cabinet in December, there has been much progress on these and the finance team are ensuring assumptions across three are consistent.
- 8.8. Council in February will approve the overall Budget for 2020/21 and agree the approach for the future years.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1. None

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1. Cabinet need to manage the 2020/21 to 2024/25 financial planning process with due regard to the available resources.

## **11. COMMENTS FROM OTHER DEPARTMENTS**

### **12.1 Financial Implications**

- 12.1.1 The key financial implications are set out in the body of the report

### **12.2 Legal Implications**

- 12.2.1 The Council has various legal and fiduciary duties in relation to the budget. The Local Government Act 2003 requires the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the setting of the overall budget and council tax.

- 12.2.2 Members are obliged to take into account all relevant considerations and disregard all irrelevant considerations in seeking to ensure that the

Council acts lawfully in adopting a budget and setting council tax. Members should note that where a service is provided pursuant to a statutory duty, the Council cannot fail to discharge it properly.

- 12.2.3 This report provides a clear and concise view of future sustainability and the decisions that need to be made for the recommended actions.

### **12.3 Property Implications**

- 12.3.1 There are property proposals detailed in the appendices to the report. The Director of Property and Economy and team have been fully engaged in their formulation.

### **13. KEY RISKS**

- 13.1 There are a number of risks which may impact on the 2020/21 Budget and 2020/21 to 2024/25 Medium Term Financial Plan.
- 13.2 The absence of a multi year settlement from Government is a major source of uncertainty and impacts on the ability to plan for the medium term. It is important that the Council maintains adequate reserves and balances to mitigate this risk and the Finance Team will regularly review the financial assumptions made.
- 13.3 There is naturally risk in delivery of the individual proposals and these are subject to risk appraisal and will be continuously reviewed.
- 13.4 There is a risk that spending pressures in 2019/20 are not managed and create a greater funding gap in future years. The 2019/20 Budget is being managed through detailed reporting to management on a monthly basis and to Cabinet quarterly and there is a Pressures Challenge Board in place to address the key areas of spending pressures.
- 13.5 There are also political risks at this time with Brexit and speculation on a General Election. This situation will be continuously monitored.

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

#### **14.1 Good homes in well connected neighbourhoods**

- 14.2 Whilst not including full proposals on capital spend, the report sets out a position that can ensure the continuation of critical initiatives that will improve the quality of existing neighbourhoods and support residents, especially the most vulnerable.

#### **14.3 Sustain strong and healthy communities**

- 14.4 The proposals acknowledge the centrality of supporting local people to live healthy, happy and independent lives. This is demonstrated by the commitment to prioritise support and protect front line adult social care and children's services where it can. The proposals can ensure that the local authority is able to continue to deliver services that can provide the basis for strong and healthy communities.

**14.5 Build our local economy to create a thriving place**

14.6 The proposals help create a financial position for the local authority that can provide a basis for further work to contribute to the wider economic wellbeing of the borough.

**15. EQUALITIES IMPACT IMPLICATIONS**

15.1 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. It is important to consider the needs of the diverse groups with protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services.

15.2 The Council aims to serve the whole borough fairly, tackle inequality and protect vulnerable people. The Council will promote equality of access and opportunity for those in our communities from the protected characteristic groups or those disadvantaged through socio-economic conditions.

15.3 Through the use of Equality Impact Assessments the Council can analyse and identify where and how proposed changes to services, policies and budgets could improve its ability to serve all members of the community fairly. It helps ensure that the Council does not discriminate, and in taking decisions that it does not unduly or disproportionately affect some groups more than others. The Council also recognises that undertaking full assessments will help to improve the efficiency and effectiveness of the Council by ensuring that residents and service users' needs are met through the delivery of the Council aims and objectives.

15.4 The Council's budget is not subject to a single Equality Impact Assessment, as it is far too complex for this approach. Instead, budget proposals requiring change or new services and policies will be required to carry out an Equality Impact Assessment to evaluate how the proposal will impact on all parts of the community. The impact assessment must include consultation with affected people and organisations. Heads of Service will have to identify what actions will be taken to mitigate against the worst adverse impacts at the end of their EQIA. The Corporate Equalities Group will be providing advice and support to Departments in developing appropriate EQIAs.

**16. PERFORMANCE AND DATA IMPLICATIONS**

16.1 The Demand Management assumptions have been developed by looking closely at the data and undertaking projections based upon historic and current patterns of demand and need and assessing future demand such as rising populations and changes in age demographics. This data is under constant review with an aim to develop more sophisticated projections which will inform future years

16.2 Tracking the progress in realising the proposed savings is crucial and monitoring of these will be undertaken through financial reporting but also through departmental and executive management team reporting

- 16.3 It will be important to track any positive or negative impact on the Council's key performance indicators as a result of these initiatives and this review will continue to be done through our performance framework and associated methodology. This will allow services and the Council as a whole to make a robust assessment of the impact of these initiatives.

**17. HEALTH AND SAFETY IMPLICATIONS**

- 17.1 None arising from this report.

**18. HR IMPLICATIONS**

- 18.1 Paragraph 6.8 above refers to Organisational Design which may impact on roles, responsibilities, structures and post reduction.
- 18.2 Any proposal that is likely to impact on posts or changes and potential closure of services, will require the Council to conduct a meaningful consultation with trade unions and staff. This will include consideration of alternative proposals put forward as part of the consultation process. The Council's HR policies and procedures for restructures should be followed.

Any consideration for staff structural changes should ensure there is a resilient workforce to deliver on-going service requirements. Therefore, consideration of workforce planning should be included in the process.

- 18.3 Where redundancies are necessary the appropriate HR policies and procedures should be followed. Redeployment options must be considered.
- 18.4 It is important that services engage with HR at the earliest opportunity.

**19. PUBLIC HEALTH IMPLICATIONS**

- 19.1 The council's core business is to maintain and enhance the wellbeing of the community; austerity and the financial climate is severely challenging its ability to do this. The MTFP outlines how the Council aims to meet its financial demands whilst minimising the effect of these pressures on the community. However, it is difficult to envisage how continuous cuts to the Council's budget will not impact upon its ability to support and maintain community wellbeing.

**Background Papers**

Medium Term Strategy Report to July Cabinet

Pressures in the Medium Term Financial Plan 2020/21 - 2024/25									
Ref No.	Department	Proposal Summary (from template)	Category	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<b>Pay Awards and Inflation</b>									
General inflation	Corporate	General inflation	Inflation	3,000	3,000	3,000	3,000	3,000	15,000
Pay Awards	Corporate	Pay Awards	Inflation	2,500	2,526	2,550	2,576	2,602	12,754
Customer Experience & Change 1	Corporate	Inflation specifically for IT contracts	Inflation	320	320	320	320	320	1,600
Environment & Operations	Corporate	Impact of deteriorating commodity prices for dry recycling materials	Inflation	330					330
ASC_P1_1920	People	Customer Pathway Contract Inflation ASC	Inflation	708					708
ASC_P2_1920	People	Learning Disabilities Contract Inflation ASC	Inflation	494					494
ASC_P3_1920	People	Mental Health Contract Inflation ASC	Inflation	81					81
<b>Total Pay Awards and Inflation</b>				<b>7,433</b>	<b>5,846</b>	<b>5,870</b>	<b>5,896</b>	<b>5,922</b>	<b>30,967</b>
<b>Demographic Pressures</b>									
Demographic Pressures	People	Adult Social Care Demographic Pressures estimated July 2019	Demography	2,017	2,000	2,000	2,000	2,000	10,017
Older People	People	Older People - Overspend forecast for 2019/20 at Q1	Demography	1,159					1,159
Learning Disabilities	People	Learning Disabilities - Overspend forecast for 2019/20 at Q1	Demography	1,194					1,194
Demographic Pressures	People	Children's Social Care Demography estimated July 2019	Demography	397	0	0	0	0	397
CSC Demographic Pressure	People	Further Children's Social Care Demography	Demography	1,000	750	750	750	750	4,000
Home To School Transport/SEN Transport	Place	Home To School Transport Pressures (ongoing annual demand pressures impact of £530k) + other current pressures	Demography	650	530	530	530	530	2,770
Home To School Transport/SEN Transport	Place	Home To School Transport/SEN Transport - Overspend forecast for 2019/20 at Q1	Demography	600					600
<b>Total Demographic Pressures</b>				<b>7,017</b>	<b>3,280</b>	<b>3,280</b>	<b>3,280</b>	<b>3,280</b>	<b>20,137</b>
<b>Investment / Capital Financing</b>									
Legal	CEX	FOI/MEQ Team restructure	Investment	121					121
Organisational Development	CEX	Continuing Professional Development (estimate of £70k per directorate)	Investment	150					150
People & Governance	CEX	Director of HR	Investment	150					150
Head of Corporate Strategy	CEX	Head of Corporate Strategy	Investment	110					110
Capital Financing	Corporate	Capital Financing	Investment	1,000	1,000	1,000	1,000	1,000	5,000
WIL/EMG/DG	Corporate	Women into Leadership/Ethnic Minorities Group/Disabilities Group	Investment	75					75
- Property Investment	Corporate	Capital Financing Costs - Property Investment	Investment		468	468	468	468	1,872
- Montagu	Corporate	Capital Financing Costs - Montagu	Investment			869			869
- Fleet Replacement	Corporate	Capital Financing Costs - Fleet Replacement	Investment		304	458	360	360	1,482
- Additional Affordable Housing Meridian 1	Corporate	Capital Financing Costs - Additional Affordable Housing Meridian 1	Investment	525	405	193	1	440	1,564
- Crematorium Development	Corporate	Capital Financing Costs - Crematorium Development	Investment				282		282
Invest to Save	Corporate	Capital Financing Costs of Investment in LED Street Lighting	Investment	378					378
ASC	People	Modern Slavery Team	Investment	120					120
Investment in Youth Crime	People	Two Year Pilot on Prevention of Serious Youth Violence ends	Investment		(500)				-500
Children's Services	People	Permanent increase in the number of front line social workers	Investment	865					865
Summer Uni Programme	People	Summer Uni Programme	Investment	80					80
CSC	People	Children's Social Care - Edge of Care Work - social work team	Investment	385					385
Preventing cycle	People	Preventing cycle - managing risk of repeated pregnancies.	Investment		175				175
In-house support / skilled carers of teens	People	In-house support service and skilled carers of teens	Investment		500				500
Investment in Waste	Place	Investment in Street Cleaning (funded via Waste Savings)	Investment	500					500
Property & Economy	Place	Property Restructure and Asset Management System	Investment	440	100				540
R&M Budget	Place	Repairs and Maintenance budget shortfall (non-capital planned works)	Investment	150	150	150	150	150	750
Property & Economy	Place	Asset Valuations Capital Accounts - Statement of Accounts action plan	Investment	150					150
Commercial	Resources	Procurement Hub resources	Investment	250					250
Customer Experience & Change	Resources	Web Team structure	Investment	60					60
Customer Experience & Change 2	Resources	IT Team	Investment	350	350				700
Finance	Resources	Debt Strategy - increasing staff levels to focus on debt prevention and benefit maximisation	Investment	170					170

<b>Pressures in the Medium Term Financial Plan 2020/21 - 2024/25</b>									
<b>Ref No.</b>	<b>Department</b>	<b>Proposal Summary (from template)</b>	<b>Category</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>Total £000</b>
Customer Experience & Change	Resources	Customer Operations - quality manager and training post	Investment	89					89
<b>Total Investment / Capital Financing</b>				<b>6,118</b>	<b>2,952</b>	<b>3,138</b>	<b>2,261</b>	<b>2,418</b>	<b>16,887</b>
<b>North London Waste Authority</b>									
NLWA	Corporate	NLWA	NLWA	0	0	1,500	1,500	1,500	4,500
<b>Total NLWA</b>				<b>0</b>	<b>0</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>4,500</b>
<b>Pressures</b>									
ASC	People	Increasing costs of services delivered by IWE. 2020/21 forecasts being reviewed	Pressure	2,000					2,000
CSC	People	National Accreditation and Assessment System (NAAS) for Social Workers - new requirement	Pressure	200					200
Schools Traded	People	Prior year income target legacy for school traded unrealised	Pressure	600					600
ASC/PH	People	Use of one-off Public Health Reserves to support 2019-20 budget reversed	Pressure	937					937
R&E_P10_1718	Place	Street Lighting PFI Reserve	Pressure	291					291
R&E_P11_1718	Place	Planning Policy - establish a base budget for the function	Pressure	88					88
ENV_S9_1819_T1	Place	Traffic and Transportation Income (18/19 saving for 3 years only)	Pressure		130				130
Property & Economy	Place	Vacant Properties / Disposals - creation of base budget for function	Pressure	150					150
Trespass and Enforcement Actions On Council Land	Place	Trespass and Enforcement Actions On Council Land £250k per annum	Pressure	250					250
Property & Economy	Place	In sourcing cleaning contract (loss of JV income from NORSE JV £123k)	Pressure	123					123
Property Lease	Place	Increased property lease costs	Pressure	500					500
Customer Experience & Change 3	Resources	Out of hours service-one off contract termination cost	Pressure	31	-31				0
Commercial	Resources	Procurement Contract review/forward plan legacy savings	Pressure	520					520
Commercial	Resources	Schools Catering Service - reducing income	Pressure	200					200
<b>Total Pressures</b>				<b>5,890</b>	<b>99</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,989</b>
<b>Overall Pressures in the MTFP 2020/21 - 2024/25</b>				<b>26,458</b>	<b>12,177</b>	<b>13,788</b>	<b>12,937</b>	<b>13,120</b>	<b>78,480</b>

## Funding Assumptions in the Medium Term Financial Plan 2020/21 - 2024/25

<b>Proposal</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Council Tax</b>						
Council tax single person discounts and other discounts. Use our internal records to identify savings	(500)	(1,000)				(1,500)
Review Council Tax Reduction Scheme	(200)					(200)
Adult Social Care precept 2%	(2,559)	0	0	0	0	(2,559)
Tax Base adjustments and Tax Base Growth - additional 500 Band D						
Equivalents rather than 300	(193)	(278)	(289)	(300)	(312)	(1,372)
Core Council Tax increases (1.99% per annum)	(3,010)	(3,001)	(3,069)	(3,138)	(3,209)	(15,427)
<b>Business Rates</b>						
Business Rates Pool arrangement ending	2,950	0	0	0	0	2,950
SFA/Business Rates increase	(2,032)	0	0	0	0	(2,032)
<b>Grants</b>						
Social Care Grant (£1bn nationally)	(5,411)					(5,411)
New Homes Bonus - grant reduction		400	400	400	394	1,594
Reduction in Housing Benefit Admin Grant (10% per annum)	158	142	128	115	103	646
Homelessness Grant - reducing by £800k per year	800	800	800	800	800	4,000
<b>Other Items</b>						
One off Use of Reserves in 2019/20	1,000	0	0	0	0	1,000
Collection Fund Deficit	1,314	700	(700)	0	0	1,314
<b>Total</b>	<b>(7,683)</b>	<b>(2,237)</b>	<b>(2,730)</b>	<b>(2,123)</b>	<b>(2,224)</b>	<b>(16,997)</b>



**Full Year Effect of Prior Year Savings in 2020/21 - 2024/25**

			2020/21	2021/22	2022/23	2023/24	2024/25	Total
Directorate	Department	Title	£000	£000	£000	£000	£000	£000
Corporate	Corporate	Taxbase Growth	(75)					(75)
People	Adult Social Care	Reardon Court - Extra Care		(113)	(377)			(490)
People	Adult Social Care	Reduction in management as a result of service re-modelling	(157)					(157)
Place	Environment	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	(6)	(6)	(6)			(18)
Place	Environment	Additional T&T income from recharges to capital			25			25
Place	Environment	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	(390)	(60)	(31)			(481)
Place	Place	Meridian Water Meanwhile Use income	1,190					1,190
Place	Place	LED Street Lighting	(250)					(250)
Place	Place	Stop School Crossing Patrols	(34)					(34)
Place	Place	Building Control Income	(50)					(50)
Place	Place	Temporary Accommodation - Future Years	(780)	(711)				(1,491)
Place	Place	Market Rentals for Council Properties	(50)	(50)	(50)			(150)
Place	Place	Management actions to contain pressure	(379)					(379)
Place	Place	Increase income across R&E	(250)					(250)
Place	Place	Organisational Review Savings	(198)					(198)
Place	Place	Waste Savings	(1,800)	(700)				(2,500)
Resources	CEX/Resources	Payments Programme - new system allowing efficiencies in Exchequer	(200)	(200)				(400)
Resources	CEX/Resources	Energy Saving Initiatives	150					150
			<b>(3,279)</b>	<b>(1,840)</b>	<b>(439)</b>	<b>0</b>	<b>0</b>	<b>(5,558)</b>

**Tranche 1 Savings and Income Generation Proposals 2020/21 - 2024/25**

Reference	Department	Description of Saving/Income Generation Proposal	Tranche	2020/21	2021/22	2022/23	2023/24	2024/25	Total
				£000	£000	£000	£000	£000	£000
<b>Corporate</b>									
CORP 20-21 S01	Corporate	Take system credits as a one-off saving, then assume £500k each year ongoing saving	1	(2,000)	1,500				(500)
<b>Corporate Total</b>				<b>(2,000)</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(500)</b>
<b>Resources/CEX</b>									
RES 20-21 S01	Resources	Organisational Review Saving	1	(450)					(450)
RES 20-21 S02	Resources	Update of financial systems. Alternative to SAP & BPC.	1				(250)		(250)
RES 20-21 S04	Resources	Payroll Service expansion to schools	1					(200)	(200)
RES 20-21 S05	Resources	Staff savings from implementation of a vendor payment portal	1					(200)	(200)
RES 20-21 S06	Resources	Single view of the customer debt	1					(50)	(50)
RES 20-21 S07	Resources	On line forms and ability to upload information required to go into back office systems for revenues and benefits	1	(20)	(120)				(140)
RES 20-21 S08	Resources	Greater automation to reduce staff resources in administering DWP notifications	1		(60)				(60)
RES 20-21 S09	Resources	Review of out of hours contracting arrangements; early exit termination fees apply.	1	(14)	(42)				(56)
RES 20-21 S10	Resources	Customer Service Centre demand reduction and channel shift	1		(100)				(100)
RES 20-21 S11	Resources	Sustainable council: reduction in printing across the council by 15%	1	(50)					(50)
RES 20-21 S12	Resources	Re-procurement of bulk printing and postage contract	1	(200)					(200)
RES 20-21 S13	Resources	New arrangements for hosting ICT applications and mobile phone contract reductions	1	(1,300)					(1,300)
RES 20-21 S14	Resources	Reducing costs associated with data storage	1	(300)					(300)
RES 20-21 S16	Resources	Procurement saving resulting from replacing our digital customer platform	1	(800)					(800)
RES 20-21 S18	Resources	Rationalisation of telephony contracts	1		(200)				(200)
RES 20-21 S19	Resources	Automation of routine processes including the exploration of Artificial Intelligence	1		(50)				(50)
RES 20-21 S20	Resources	Reduction in the usage of the interpreting contract	1		(20)				(20)
RES 20-21 S21	Resources	Digital support to the UK immigration and visa verification service.	1	(140)	(140)				(280)
RES 20-21 S23	Resources	Investment in a sensory room for use by individuals, companies and schools	1	(20)					(20)
RES 20-21 S24	Resources	Makerspaces. Equipping community rooms to support crafting and other skill development	1	(20)					(20)
CEX 20-21 S02	CEX	Reduce printing	1	(50)					(50)
CEX 20-21 S03	CEX	Organisational Review Saving	1	(150)					(150)
CEX 20-21 S04	CEX	Review of recharges	1	(100)					(100)
<b>Resources/CEX Total</b>				<b>(3,614)</b>	<b>(732)</b>	<b>0</b>	<b>(250)</b>	<b>(450)</b>	<b>(5,046)</b>

**Tranche 1 Savings and Income Generation Proposals 2020/21 - 2024/25**

Reference	Department	Description of Saving/Income Generation Proposal	Tranche	2020/21	2021/22	2022/23	2023/24	2024/25	Total
				£000	£000	£000	£000	£000	£000
<b>Adults and Public Health</b>									
PEOPLE 20-21 S05	Adult Social Care	Increased income through fees and charges for chargeable Adult Social Care Services	1	(320)	(100)	(100)	(100)	(100)	(720)
PEOPLE 20-21 S06	Adult Social Care	Maximisation of IWE resource for day services	1	(90)					(90)
PEOPLE 20-21 S07	Adult Social Care	Review of residential placements to secure appropriate supported living	1	(200)					(200)
PEOPLE 20-21 S08	Adult Social Care	Increased use of Assistive Technology and support through the VCS	1	(100)					(100)
PEOPLE 20-21 S09	Adult Social Care	Reduced costs of care through early intervention	1	(110)					(110)
PEOPLE 20-21 S10	Adult Social Care	More efficient processing of DoLs and care of Pets	1	(40)					(40)
PEOPLE 20-21 S11	Adult Social Care	Reduction in print costs	1	(25)					(25)
PEOPLE 20-21 S13	Public Health	Review of commissioning contracts and out of borough Sexual Health spend	1	(970)					(970)
<b>Adults and Public Health Total</b>				<b>(1,855)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(2,255)</b>
<b>Children's and Education</b>									
PEOPLE 20-21 S04	Education	DSG Funding and capital recharges	1	(90)					(90)
PEOPLE 20-21 S03	Children Social Care	Reduction in business support (vacant post)	1	(39)					(39)
PEOPLE 20-21 S01a	Children Social Care	Reduction in early retirement pension budget	1	(58)					(58)
PEOPLE 20-21 S01b	Children Social Care	Reduction in reparation due to Police contribution	1	(10)					(10)
PEOPLE 20-21 S14	Children Social Care	Managing risk of repeated pregnancies.	1					(375)	(375)
PEOPLE 20-21 S15	Children Social Care	In-house support service and skilled carers of teens	1			(60)	(600)		(660)
PEOPLE 20-21 S02a	Children Social Care	Block booking semi-independent accommodation	1	(125)					(125)
PEOPLE 20-21 S02b	Children Social Care	Reducing placement cost	1	(140)					(140)
<b>Children's and Education Total</b>				<b>(462)</b>	<b>0</b>	<b>(60)</b>	<b>(600)</b>	<b>(375)</b>	<b>(1,497)</b>
<b>Place</b>									
PLACE 20-21 S04	Place	Traffic order income	1	(40)					(40)
PLACE 20-21 S06a	Place	Parking Contract Renewal	1	(165)	(35)				(200)
PLACE 20-21 S06b	Place	Crown Road Lorry Park and Shared Pound	1		(120)				(120)
PLACE 20-21 S07	Place	Additional LED street light savings	1		(260)				(260)

**Tranche 1 Savings and Income Generation Proposals 2020/21 - 2024/25**

Reference	Department	Description of Saving/Income Generation Proposal	Tranche	2020/21	2021/22	2022/23	2023/24	2024/25	Total
				£000	£000	£000	£000	£000	£000
PLACE 20-21 S08	Place	Scaffolding Permit Income	1	(50)					(50)
TBD	Place	Vehicle Fleet Replacement – through borrowing instead of leasing.	1	(1,200)					(1,200)
TBD	Place	In house Parks/Cemeteries contracts efficiency	1	(50)					(50)
TBD	Place	Southgate Cemetery Cemeteries Mausoleum and Vaulted graves sales	1				819		819
TBD	Place	Commercialisation of the Fleet Workshop	1	(50)					(50)
TBD	Place	Crematorium Development	1				(1,139)	(23)	(1,162)
TBD	Place	Inflation uplift on external clients and receipts income	1		(180)	(180)	(180)	(180)	(720)
TBD	Place	Genotin Road Car Park Redevelopment	1	93	(1,579)				(1,486)
PLACE 20-21 S02a	Place	Montagu Industrial Estate Redevelopment	1	0	0	0	(300)	(900)	(1,200)
PLACE 20-21 S02b	Place	Commercial Property Investment	1		(700)	(700)	(700)	(700)	(2,800)
TBD	Place	Security contract saving	1	(78)					(78)
PLACE 20-21 S03	Place	Rationalisation of property estate	1	156	(408)	(440)			(692)
TBD	Place	Reardon Court Development Rental Income	1	0	0	0	(600)	(30)	(630)
TBD	Place	Insource Cleaning Contract ongoing efficiencies	1	0	(50)				(50)
TBD	Place	Sub-stations rent reviews	1	0	(50)				(50)
PLACE 20-21 S01a	Place	Increase in fee income in the planning service	1		(170)	(20)			(190)
PLACE 20-21 S01b	Place	Building Control Plan Drawing Service	1		(30)	(20)			(50)
TBD	Place	Homelessness Service Review	1	(1,000)	(125)	(125)			(1,250)
PLACE 20-21 S05	Place	MW Meanwhile use income	1	(1,109)	387	86	0	(81)	(717)
TBD	Place	MW Non-Residential Rental Income	1	0	0	0	0	(194)	(194)
TBD	Place	Organisational Review Saving	1	(450)					(450)
<b>Place Total</b>				<b>(3,943)</b>	<b>(3,320)</b>	<b>(1,399)</b>	<b>(2,100)</b>	<b>(2,108)</b>	<b>(12,870)</b>
<b>Total Savings and Income Generation proposals</b>				<b>(11,874)</b>	<b>(2,652)</b>	<b>(1,559)</b>	<b>(3,050)</b>	<b>(3,033)</b>	<b>(22,168)</b>

**MUNICIPAL YEAR 2019/2020 REPORT NO. 99****MEETING TITLE AND DATE:****Cabinet – 16 October  
2019****REPORT OF:**Director of Law and  
Governance**Agenda – Part: 1****Item: 6****Subject:** Cabinet Sub-Committees  
2019/2020**Wards: All  
Non Key****Cabinet Member consulted: Cllr Nesil  
Caliskan**

Contact officer and telephone number:

Jeremy Chambers 0208 379 4799

E mail: [Jeremy.chambers@enfield.gov.uk](mailto:Jeremy.chambers@enfield.gov.uk)**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out the background to the establishment of the Cabinet Sub-Committees for the municipal year 2019/20 and recommends that they cease to exist.
- 1.2 The Cabinet Sub-Committees currently in existence are the Shareholder Board and the Local Plan Cabinet Sub-Committee.

**2. RECOMMENDATIONS**

Cabinet is asked to agree that the Shareholder Board and Local Plan Cabinet Sub-Committee for the municipal year 2019/20 cease to exist. In future, all appropriate reports, that would have previously been dealt with by the sub-committees, will now be considered by the Cabinet as a whole.

### **3. BACKGROUND**

- 3.1 In accordance with the Council's Constitution (Part 3, section 3.6 refers), the Cabinet may set up sub-committees which are accountable to the Cabinet.
- 3.2 At its meeting on 12 June 2019, the Cabinet agreed to establish two sub-committees for the municipal year 2019/20, the Shareholder Board and the Local Plan Cabinet Sub-Committee.
- 3.3 Both of the above sub-committees have limited authority granted to them by the Cabinet and only exist at the will of the Cabinet.
- 3.4 At the request of Councillor Nesil Caliskan, Leader of the Council, the agreement of Cabinet is now sought to delete these sub-committees. In future, all appropriate reports that would have previously been dealt with by the sub-committees will now be considered by the Cabinet as a whole.
- 3.5 The current membership of the Sub-Committees is as follows:

Shareholder Board – Cllrs: Nesil Caliskan, Ian Barnes, Mary Maguire, Alev Cazimoglu, Gina Needs

Local Plan Cabinet Sub-Committee – Cllrs: Nesil Caliskan, Mary Maguire, Gina Needs, George Savva

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

Not appropriate for this report.

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

To agree that the Cabinet Sub-Committees previously established for the municipal year 2019/20 cease to exist.

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

#### **6.1 Financial Implications**

There are no financial implications arising from this decision.

#### **6.2 Legal Implications**

The recommendations set out within this report are within the Council's powers and duties. The Council has general competence powers in s1

Localism Act 2011 which empowers it to undertake the actions recommended in this report.

### **6.3 Property Implications**

None.

## **7. KEY RISKS**

There are no key risks arising. All appropriate reports will now be considered by the Cabinet as a whole.

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

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

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

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

Not applicable for this report.

## **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.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

Not applicable to this report.

## **11. PUBLIC HEALTH IMPLICATIONS**

There are no direct public health implications from this report.

## **Background Papers**

None.

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**MUNICIPAL YEAR 2019/2020 REPORT NO. 100**

**MEETING TITLE AND DATE:**  
Cabinet: 16 October 2019

**REPORT OF:**  
Executive Director – Place

<b>Agenda – Part: 1</b>	<b>Item: 7</b>
<b>The Future Delivery of Cleaning Services – Council Corporate Buildings</b>	
<b>KD 4942</b>	
<b>Cabinet Member consulted: Cllr. Maguire</b>	

Contact officer and telephone number:

Mark Bradbury, Director of Property & Economy, 020 8379 1451

Email: [mark.bradbury@enfield.gov.uk](mailto:mark.bradbury@enfield.gov.uk)

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to seek approval of a further extension of the current Corporate Buildings Cleaning Contract for a period of three months to allow consultation with affected staff and union representatives on the insourcing of Cleaning Services into the Council and subject to that consultation to effect the insourcing of Cleaning Services and the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
- 1.2 The Cleaning Service for Enfield Council's corporate buildings has been provided under a contract with a Joint Venture between the Council and Norse (the trading arm of Norfolk County Council) known as Enfield Norse, for the last 10 years. Following a nine-month extension period agreed earlier this year, the current contract is due to expire on 31 December 2019. 80 Corporate Properties are currently covered by the contract.
- 1.3 Following approval by Cabinet in June 2019 of the Strategic Asset Management Plan officers are undertaking an Operational Property Review. The intention is for the Council to operate from fewer, better located buildings that better meet the current and future needs of customers and staff and that are more cost effective to run. This will over time reduce the number of properties requiring cleaning services.
- 1.4 The report sets out details of the options for the future delivery of Cleaning Services that have been considered.

## **2. RECOMMENDATIONS**

That Cabinet:-

- 2.1 Delegates authority to the Director of Property & Economy, in consultation with the Director of Resources to agree the extension of the current Cleaning Services contract with Enfield Norse for a period of 3 months from 31<sup>st</sup> December 2019.
- 2.2 Approves, subject to satisfactory completion of consultation with affected Staff and Union representatives, the insourcing of Cleaning Services for Corporate Buildings with effect from 1<sup>st</sup> April 2020 and the associated transfer of cleaning staff into council employment under the Transfer of Undertakings (Employment Protection) Regulations 2006 (TUPE) and delegates authority to the Director of Property & Economy, in consultation with the Director of Human Resources, to undertake such actions as may be necessary to implement this decision.

## **3. BACKGROUND**

Council cleaning services were outsourced to a joint venture between Enfield Council and Norse Group (the trading arm of Norfolk County Council) known as Enfield Norse, with effect from 01 April 2009, with Council employed cleaning operatives transferring to Enfield Norse under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

Enfield Norse is a Public Joint Venture Partnership (PJVP). Enfield Council owns 40% of the equity in the PJVP and Norse owns 60%. Any profits are split 50:50, after Norse has deducted their administrative costs.

The original contract expired earlier this year and an extension to 31 December 2019 was agreed in June 2019 to enable an options appraisal to be undertaken. Prior to this a proposal to outsource a wider range of FM services including cleaning had been considered but was not pursued.

Under the current contract cleaning staff employed by Enfield Norse are paid a minimum of the London Living Wage. They do not however enjoy other benefits available to Council employed staff, including the Local Government Pension Scheme.

Currently, there are 80 Corporate Council buildings that receive Cleaning Services under the contract.

Following approval of the Strategic Asset Management Plan in June 2019 the Council has commenced a review of Operation Properties

with the aim of operating from fewer; better located buildings that better meet the current and future needs of staff and are more cost effective to operate. This process would see a reduction in the number of buildings requiring cleaning services and the assessment of future options for delivering services has taken that into account.

Enfield Norse also provides cleaning services to 15 Council managed schools and 16 Academies. These services are provided under separate contracts. The existing school contracts will continue to be delivered by Enfield Norse pending a separate decision on the future of the Joint Venture. Most of the contracts with Academies will be novated from Enfield Norse to the parent company Norse to comply with Teckal regulations which require no more than 20% of business undertaken by the company to be outside of the public sector.

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

Four options to deliver cleaning services including a do-nothing option have been reviewed.

##### **4.1 Do nothing**

This is not a viable option as the existing contract expires on 31<sup>st</sup> December 2019.

##### **4.2 Enter into a new contract with Enfield Norse**

Enfield Norse was asked to quote to provide the service for a maximum 4-year period, under a revised specification, based on an initial two-year period, followed by the option for two one-year extensions, subject to satisfactory performance.

For the initial two-year period, Enfield Norse was asked to fix the price except for increase any required to meet wage rises under the annual London Living Wage (LLW) review.

This option does not meet the Council's revised specification requirements, nor does it offer the greatest potential to benefit from reductions in the number of building required to be cleaned or other operational efficiencies. It does not align employee terms and conditions with Council employees. It is the most expensive option initially and over 4 years.

Please see Part 2 report for further information.

#### 4.3 **Enter into contract with a new supplier following competitive tender**

A tender (with no obligation to appoint) was undertaken in conjunction with Corporate Procurement, utilising the Eastern Shires Purchasing Organisations (ESPO) framework of 18 eligible companies, via the London Tenders Portal.

Tenderers were invited to bid based on a maximum 4-year contract based on an initial two-year period, followed by the option for two 1-year extensions, subject to satisfactory performance.

For the initial two-year period the tender bidders were asked to fix the price except for any required to meet wage rises under the annual London Living Wage (LLW) review.

The bids were evaluated based on 60% quality and 40% price.

Enfield Norse is one of the contractors on this framework so in addition to the option above was able to bid through this route.

This option does meet the Council's revised specification requirements but does not offer the greatest potential to benefit from reductions in the number of building required to be cleaned or other operational efficiencies. It does not align employee terms and conditions with Council employees. It is the cheapest option initially and over 4 years but would not be the cheapest medium term option.

Please see Part 2 report for tender analysis.

#### 4.4 **Bring the service in-house**

Insourcing the service and transferring the staff currently employed by Enfield Norse into the Council under the provisions of the Transfer of Undertakings (Employment Protection) Regulations 2006.

The service would be managed within the Facilities Management function within the new Construction, Maintenance and Facilities Management Team under the Director of Property & Economy. This team currently manages the contract relationship with Enfield Norse so has a detailed understanding of the properties, specification and cleaning related issues. The proposed structure includes management and supervision staff.

This option does meet the Council's revised specification requirements and offers the greatest potential to benefit from reductions in the

number of buildings required to be cleaned or other operational efficiencies. A conservative assessment of the number of buildings released and consequent savings has been allowed for in appraising this option.

This option is the only one that also allows alignment of employee terms and conditions with those of Council employees, offering staff better terms than they currently enjoy including the option to join the Local Government Pension Scheme.

Based on a conservative assessment of future cleaning needs it is the not the cheapest option initially or over 4 years, but measures taken during the 4 year period would enable an insourced service to be best placed to be the most flexible and cost effective going forward.

The principle reason for it not being the cheapest option is the cost of supporting employees Local Government Pensions (assuming an 80% take up by cleaning staff in line with the average take up by Council employees on similar grades).

Please see Part 2 report for cost analysis.

## **5. REASONS FOR RECOMMENDATIONS**

Whilst the recommended option is not initially the cheapest (primarily due to the cost of offering Local Government pensions to all staff in the insourcing option) the ongoing review of the Council's Operational Property will result in significant changes to the number of buildings occupied and the range of cleaning and related facilities management services provided. The merger of Facilities Management and Repairs & Maintenance will also offer opportunities for service innovation.

Insourcing the service will offer the maximum flexibility in managing this transition and provide the greatest opportunity to improve service whilst delivering future efficiencies.

Insourcing will also enable cleaning staff (a high proportion of whom are local residents) who work in our operational properties and work day to day alongside Council employed staff the opportunity to move to the same Terms and Conditions and to choose to benefit from the Local Government Pension Scheme.

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

### **6.1 Financial Implications**

See part 2 of the report

## 6.2 Legal Implications

- 6.2.1 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.
- 6.2.2 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.
- 6.2.3 TUPE “the Regulations” will apply on a relevant transfer which occurs: where a client engages a contractor to do work on its behalf; engages a different contractor to that work in place of the first contractor; or brings the work in house (a service provision change) regulation 3(1)(b) of the Regulations. The Council will need to ensure that it complies with the said requirements of the Regulations where applicable. Depending on whether the service is in-sourced or out-sourced, the Council will need to provide the Employment Liability information to the bidder as well as adhering to the requirements of informing and consulting employees via their representatives especially if the decision is made to bring the service in house.
- 6.2.4 The Council will have to be mindful of the Teckal Requirements on the Enfield Norse JV if the Corporate Cleaning Service provision is brought back in-house. The conditions to be fulfilled to benefit from the Teckal exemption are codified in the Public Contract Regulations 2015 (Regulation 12). Enfield Council is one of the contracting authorities of the joint venture and will need to exercise a control which is similar to that which it exercises over its own departments.

Teckal has 3 main requirements:

- a. the contracting authority (Enfield) exercises jointly with other contracting authorities (Norse) a control over that legal person which is similar to that which they exercise over their own departments
- b. more than 80% of the activities of that legal person (the JV – Enfield Norse) are carried out in the performance of tasks entrusted to it by the controlling contracting authorities (Enfield and Norse) or by other legal persons controlled by the same contracting authorities (Norse via Norfolk Council).

There must also be no direct private capital participation in the controlled legal entity.

- c. there is no direct private capital participation in the controlled legal person.

In order to make sure that the JV is Teckal compliant, Enfield Norse will need to ensure that 80% of the provision is being provided back in-house either to Norse or the Council as opposed to external entities. This is something that will need to be monitored.

6.2.5 The Council must continue to comply with all requirements of its Constitution and CPRs. The Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999.

6.2.6 Whichever option was recommended it should be noted that no immediate decision has been made to include schools within the provision as they have their separate contracts with the existing JV. The service being procured will namely be with regards to Corporate buildings.

The JV will remain in existence in order to provide cleaning services to the schools. The Council will need to review its involvement of the JV after 3 months of the services being brought in house in order to see how economical it is to have the JV running.

6.2.7 The Council will have to be mindful of any pension implications if a decision is taken in due course to terminate the running of the JV. If the JV terminates then its remaining employees via the Admissions Agreement will cease to have access to the pension fund. There will be some cost implications such as ensuring that any credit due in the form of any necessary contributions have been paid up until the cessation date. Other costs will include obtaining costs relating to the actuarial valuation of the fund. Costs with respect to any actuarial expenses will be borne by the Council as the Administering Authority.

6.2.8 The issue of the JV and the service may be conflated as the schools have their own service contracts with the JV. If the service terminates in December and a decision is made to insource or outsource the service. Those employees working for schools will still have access to the pension fund via the admissions agreement. Termination of that agreement will only happen if the requirements under the termination clause are met. The

most likely event which allow for the termination of the admission agreement would be a winding up of the company under clause 8.3(b).

### **6.3 Property Implications**

A well-managed cleaning service as part of an effective facilities management regime can help reduce repair and maintenance costs and prolong the life of assets.

The ongoing review of the Councils Operational Properties has already identified the potential for a reduction in the number of buildings that will require cleaning (and other services) and offer the potential for savings from this budget.

### **6.4 Procurement Implications**

Any procurement must be undertaken in accordance with the Council's Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

A business case was presented to the Procurement & Commissioning Review Board on 28/06/2018 with an agreed action plan.

The Enfield Norse Joint Venture was extended from its initial expiry date of 31/03/2019 to 31/12/2019 to enable options for the future contract to be identified. A further competition using the ESPO Total Cleaning Services Solution Framework (Lot 1A, General Cleaning, Window Cleaning and External Cleaning) was carried out to obtain comparable prices so that the service could undertake a benchmarking exercise.

The procurement was carried out on the London Tenders Portal (DN418239). All 18 suppliers on the framework covering the London Region were invited after being initially contacted in advance of the opportunity being published.

9 suppliers expressed their interest in the opportunity when contacted in advance of publication. 6 suppliers submitted a response, 4 opted out and the other x 8 did not respond.

It is recommended that the service checks with ESPO to determine the monitoring of the economic and financial standing of the framework suppliers to determine if there are any risks of supplier's services being interrupted.

Please also see Part 2 report for further details on the procurement exercise.



## **7. KEY RISKS**

- 1.1. **Cause:** The TUPE process cannot be successfully completed in the required timescale

**Effect:** This would cause a delay in the insourcing and potential leave the Council without a cleaning contract in place.

**Mitigation:** It is proposed to extend the existing contract by 3 months to allow sufficient time to manage the process.

- 1.2. **Cause:** The Operational Property Review does not identify early opportunities to reduce the portfolio of buildings requiring cleaning services

**Effect:** The cost of insourced cleaning services costs more in the medium term than the cheapest outsourced option.

**Mitigation:** The Operational Property Review has already identified a number of opportunities which are being pursued and will form part of the Medium-Term Financial Plan.

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

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

The Cleaning Service includes 20 Sheltered Housing schemes, so the proposals will assist in insuring we maintain high quality accommodation to promote independent living.

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

Effective facilities management of fewer, better located buildings that better meet the current and future needs of customers and staff and that are more cost effective to run will help ensure that we protect those most in need by continuing to deliver the services they rely on

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

Insourcing the service will enable us to ensure that all staff working to manage our corporate buildings continue to be paid at least the London Living Wage and benefit from the same terms and conditions, including the Local Government Pension Scheme as other Council employees.

## **9. EQUALITIES IMPACT IMPLICATIONS**

Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. It is important to consider the needs of the diverse groups with protected characteristics when designing and delivering services or budgets so people can get fairer opportunities and equal access to services.

A Predictive EQIA has been undertaken and has highlighted no negative impact on residents from the protected characteristic groups or persons due to socio-economic factors.

Bringing the service in house will enable the Council to better ensure that the service meets our obligations under the Equalities Act 2010.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

The provision of Cleaning Services must be monitored to ensure that the cleaning standards are at the required level. This will be monitored by Key Performance Indicators (KPI's).

Additionally, with Corporate Landlord approved and ongoing, this will see all (non HRA residential) buildings being transferred into Property & Economy management, thereby improving the existing management situation.

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

Employers have a responsibility to provide a safe working environment for staff, tenants and visitors to Council buildings.

If the cleaning service is insourced, the Council (as the employer) will be responsible for ensuring the health and safety of the cleaning staff (such as undertaking risk assessments, training etc) as well as ensuring that the cleaning activities do not give rise to health and safety risks to staff, occupiers and visitors to the council buildings.

## **12. HR IMPLICATIONS**

Insourcing the Cleaning Service will have direct HR cost implications for the Council as follows:

This is likely to result in the transfer of a significant number of contractor employees into the Council under the Transfer of Undertakings Regulations (TUPE) on their existing terms and conditions of employment. It is anticipated that this would include up to

140 individual members of staff (up to 60 FTE), however numbers are not confirmed until a TUPE process is commenced.

The Procurement and Property & Economy services will need to work closely with the HR Service and Legal Service to ensure that all legal requirements of TUPE are met.

Any new staff appointed to an in-house service following the initial transfer of staff would need to be appointed on (potentially more favourable) Council terms and conditions of service, which will have cost and employee relations implications. This could initially result in a “two-tier workforce” but it is intended that we will offer harmonisation of terms at the earliest opportunity.

Depending on the numbers of staff and posts identified for transfer, in a TUPE situation, the need for additional resource in HR and Payroll to provide support services for transferred staff, has been considered.

The proposed extension to the existing contractual arrangements will support a meaningful consultation process ahead of any transfer. This includes review of terms and conditions and consideration of measures relating to the transfer of staff to the Council.

Additional HR and payroll resources will be required during the transfer including the management of the TUPE process and ongoing after transfer, due to the number of part time roles and anticipated staff turnover.

It must be noted that because of future changes in the number of buildings requiring cleaning services it is proposed that the number of cleaning operatives will be reduced, it is intended that this will be achieved through managing staff turnover/vacancies which are typically higher than average in this sector.

### **13. PUBLIC HEALTH IMPLICATIONS**

Ensuring a robust cleaning specification and service delivery is in place is a key element in protecting the health and wellbeing of staff, councillors, customers and visitors in Council owned and managed property. The revised specifications are designed to deliver an efficient and effective service. Bringing the contract in house will ensure greater control.

Employment terms and conditions that promote flexible working and support ongoing financial security through pension opportunities can be demonstrated to improve employee wellbeing.

### **Background Papers**

None

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**MUNICIPAL YEAR 2019/2020 REPORT NO. 110**

**MEETING TITLE AND DATE**  
**CABINET 16<sup>th</sup> October 2019**

**REPORT OF:**  
 Sarah Cary  
 Executive Director Place

**Agenda – Part: 1**

**Item: 8**

**Subject: Appropriation and Development of Bury Street West Former Depot Site N9 9LA**

**Wards: All**  
**Key Decision No: KD 4971**

**Cabinet Member consulted: Cllr Caliskan/Councillor Maguire**

Contact officer and telephone number:  
 Fred Nugent Tel +442083795500 Email [fred.nugent@enfield.gov.uk](mailto:fred.nugent@enfield.gov.uk)

## **1. EXECUTIVE SUMMARY**

- 1.1 The Council has an ambitious draft Housing Strategy to deliver more homes for local people and Cabinet on 13<sup>th</sup> February 2019 (KD4830) approved a strategy for Building Council homes. To facilitate this a review of all assets is underway with a view to considering best use including for the delivery of affordable housing
- 1.2 This report follows on from the Cabinet decision on 12<sup>th</sup> November 2014 (KD3959) and updates Members on progress with this scheme. KD 3959 approved the principle of council-led delivery on the site of the former depot at Bury Street West. Since that time, planning permission was granted in 2017 for 50 residential units comprising mix of 2 and 3 storey semi-detached houses with associated landscaping and amenity including sub-station. The planning permission is for 50% affordable housing, 25 homes of London Affordable Rented (LAR) Council Housing and 25 homes for private sale.
- 1.3 This report summaries a delivery approach and proposes the appropriation of the site from the General Fund (GF) to the Housing Revenue Account (HRA) at planning policy compliant Market Value plus overage.
- 1.4 In addition, this report seeks approval for a budget from the HRA for development of the site and to delegate the delivery of the scheme to the Executive Director of Place, as part of the Building Council Homes for Londoners programme. (BCHFL)

## **2. RECOMMENDATIONS**

- 2.1 Agree to appropriate Bury Street West depot from the General Fund to the Housing Revenue Account at the certified market value of £3.5m plus overage in accordance with the Heads of Terms detailed at Part 2, Appendix 3 of the report.
- 2.2 Approve the increase of £20.3m to the HRA capital programme to fund the development and land purchase associated with at least 25 council homes and 25 private sale units with an option to increase proportionally at up to £250,000 per additional unit.
- 2.3 Delegate authority to the Executive Director of Place in consultation with the Cabinet Member for Finance and Procurement, the Director of Housing and Regeneration and the Cabinet Member for Social Housing:

The award of construction work contracts for the demolition and redevelopment of the site, project management and procurement arrangements including operational resourcing, design teams, and appointments for all pre and post contract construction services and the potential submission of a revised planning application.

## **3. BACKGROUND**

- 3.1 This site was formerly a Council Depot which ceased being used in 2012 when activities were transferred to Morson Road. Following a review of Assets this site is no longer needed for corporate purposes. It is an excellent site for the development of new homes, as part of our Council House Building programme.
- 3.2 This scheme proposed will allow for a considerable land value to be generated whilst meeting the council's aspiration of achieving 50% genuinely affordable housing on new housing development sites.
- 3.3 Therefore, the appropriation of this site from the General fund to the Housing Revenue Account at Market Value (having regard to the affordable housing requirement) plus overage will therefore contribute towards increasing the supply of affordable homes and it will satisfy other important corporate objectives.
- 3.4 The affordable housing offer on this site exceeds Enfield's current planning policy requirements. Policy requires 40% affordable housing with this 40% subdivided on a 60%/40% subdivision between affordable rented accommodation and intermediate housing. The

scheme is fully compliant with current GLA policy, as is required to achieve a planning permission.

- 3.5 The scheme proposed delivers considerably more council housing than the scheme set out in 2014, as GLA grant is now available and the Housing Revenue Account can finance the scheme build costs through borrowing.
- 3.6 This scheme delivers large family council houses which meets the highest needs of those on the council's housing waiting list.
- 3.7 The timing of this scheme will allow the housing department to access GLA grant funding within the 2019/2020 financial year and increase external investment in the borough.

**3.8 Heads of Terms**

For detailed terms of the transfer between the General Fund and the Housing Revenue Account - see Part 2, Appendix 2.

- 3.9 The Appropriation (Heads of Terms) also include an overage clause to reflect any potential difference in land value created by a planning consent with a density more than the current resolution to grant circa 50 semi-detached properties.

**3.10 Proposed Scheme**

In terms of scheme delivery, a Unilateral Undertaking (UU) is being finalised by LBE Legal Services in line feedback from the Greater London Authority (GLA). It is envisaged that a planning decision notice will be issued soon for the development of 50 Units of Housing with a 50/50 split between Private Sale and Affordable Housing.

The scheme design is being led by the award winning Karakusevic Carson Architects to meet the design requirements on delivering housing on a former Metropolitan Open Land (MOL) site.

The current preferred funding route will be to utilise the Building Council Homes for Londoners Grant from the Greater London Authority (GLA), for the 25 affordable council housing units and sales revenue for the private units. Based on this assumption, the anticipated 25 council houses will be for rent at prevailing London Affordable Rent Levels.

**3.11 Cost and Programme**

The maximum current scheme cost which includes Build Cost, land cost and all professional fees, is estimated at up to £24 Million, to allow for a possible increase in the density of the scheme and any potential increases in build costs.

To ensure value for money on this programme. Soft market testing will be undertaken to maximise contractor input. Established contractor

frameworks will be used to ensure that we are procuring via companies of suitable size and experience. Financial Checks will be carried out on all contractors who bid for the construction work.

The projected mobilisation date is for March 2020 subject to the LBE procurement route being signed off. The project has a 24-month construction period with practical completion targeted for Spring 2022.

The intended scheme mix (based on a 50-unit planning consent) is as follows: Private Sale – 4 x 2Bed 4Person Houses, 14 x 3Bed 5Person Houses, and 7 x 4Bed6Person Houses; Affordable Housing (Rented) – 14 x 2Bed 4PHouses and 11 x 3Bed 5PersonHouses. It is proposed to re-look at the unit mix and tenure of the houses, subject to planning. The tenure mix set out in any resolution to grant permission may be modified to more fully meet the housing needs of the borough and to maximise scheme revenue but shall not fall below the 50% requirement set out in the planning permission and this cabinet report.

### 3.12 Planning

The subject site has a resolution to grant planning permission for a residential development. Enfield Council resolved to grant the application, subject to a Unilateral Undertaking, on 19 December 2017 under reference 17/00344/RE4 for the demolition of existing buildings and structures, construction of new road with vehicular access to Bury Street West and erection of 50 residential units comprising mix of 2 and 3 storey semi-detached houses with associated landscaping and amenity including sub-station.

The GLA insisted that 50% of all units on this site be affordable housing, as part of their response, to LBE's resolution to grant planning permission.

## 4. ALTERNATIVE OPTIONS CONSIDERED.

- **The original delivery approach** involved the scheme being developed out within the property team. Subsequent to this approach a Housing Development Team has been set up, HRA borrowing has become available and GLA grant for affordable housing is available and has been secured. Thus, the direct delivery route is being continued but now under the auspices of the Housing Development Team with HRA capital funding.
- **Do Nothing.** This is not an acceptable solution as it leaves a vacant site vulnerable to third party occupation, it incurs unnecessary holding costs and security costs and fails to deliver much needed affordable housing.



- **Sell the site to a third party to develop.** This option would/may lead to delays in developing the site as it may be land banked. Additionally, the Council would lose control of the site which could delay the delivery of the affordable housing. A third-party private developer may also be inclined to “value engineer” the scheme to reduce costs by downgrading design features and or using cheaper materials.

Our most recent valuation suggests that £3.5m (plus overage) is a competitive market value given the 50% affordable housing requirement, so there is no guarantee that selling the scheme to a third party would generate greater land value and may lead to the negative outcomes listed above.

## **5. REASONS FOR RECOMMENDATIONS**

- To increase the supply of affordable council and private housing provision in the borough, particularly larger family homes.
- Generate an immediate capital sum to the General Fund plus the possibility of further payments.
- Enhance a listed property
- Deliver the highest quality housing in a former MOL area.
- Generate New Homes Bonus and Community Infrastructure payments for the Council
- Provide housing that reduces the costs of the General Fund in relation to Temporary Accommodation.
- Provide regeneration, social, economic and environmental improvements to the area.

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

### **6.1. Financial Implication**

#### **Land Appropriation**

This General Fund (GF) land will be appropriated from the GF to the Housing Revenue Account (HRA) based on the market valuation of £3.5m. This will generate a capital receipt to the General Fund and will be funded from HRA resources. This is currently affordable within the HRA 30-year business plan. A viability assessment has been completed which states that the HRA can afford to pay £3.5 million.

The NPV is within affordable the range for the HRA.

The units will be let at London Affordable rents generating an annual income of c. £190k. The assumptions have been run through the Council's Housing Development appraisal software Proval, the results are shown in the table above over a 30-year period. The assumptions have also been run through the HRA 30-year business plan and is affordable within the current plan. The Proval results are based on using the HRA's standard assumptions for an affordable housing scheme.

The build costs for this scheme have been independently verified. The financial risk associated to this scheme would be unidentified additional costs that may arise once this scheme is developed.

## **6.2. Legal Implications**

6.2.1 Section 122(1) of the Local Government Act 1972 ('the 1972 Act') provides that where land belonging to a Council is no longer required for the purpose for which it is currently held it may be appropriated for any other purpose for which the Council are authorised to acquire land. The appropriation of the depot for housing use is within the powers given by section 122 of the 1972 Act.

6.2.2 The Council's Property Procedure Rule require that any proposed appropriation of property from one purpose to another or any proposed transfer of property between the General Fund and the Housing Revenue Account, requires the approval of the relevant Director(s) and the Responsible Senior Officer. In this instance, the Director of Property and Economy.

6.2.3 An appropriate financial adjustment needs to be made between the Housing Revenue Account and the General Fund to reflect the market value of the land being appropriated, including its development value. It is noted that an independent valuation has been obtained for that purpose and that the appropriation is to be made in accordance with the heads of terms set out in Part 2, Appendix 2 of the report.

6.2.4 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. 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.

6.2.5 Furthermore, pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of housing accommodation. Section 9 of the Act empowers the Council to provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them or by acquiring houses. The Council therefore has the statutory powers as described in this report.

- 6.2.6 Public law principles will also apply to the decisions made by the Council, including the Council's duty to take account of its fiduciary duty and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably and show that its decisions are made after having given due and proper consideration to all relevant factors.
- 6.2.7 The Construction Works Contract for the build will need to be procured in accordance with the Constitution, the Contracts Procedure Rules and the Public Contracts Regulations 2015. It is understood that it is intended to use established Contractor Frameworks. The use of Frameworks is permitted where it demonstrates Best Value – CPR 4 and the use of any Framework must be agreed by P & C Hub. Any Call Off from a legally compliant Framework must be carried out in line with the relevant Framework process via the E-Tendering Portal, with all documentation retained.
- 6.2.8 For any contracts worth over £1 million the Contractor must be required to provide enough security – CPR 1.18.
- 6.2.9 Any contracts worth over £250,000 must be sealed on behalf of the Council and retained in the archive.
- 6.2.10 All legal agreements referred to in this report must be in a form approved by Legal Services on behalf of the Director of Law and Governance, including any Grant Agreement with the GLA.

### **6.3 Property Implications**

These are embedded within this report.

## **7. KEY RISKS**

- 7.1 If the Council do not undertake regular reviews of its property holdings and dispose of surplus property this will result in the inefficient use of property with increased and unnecessary holding costs and ongoing repair and maintenance obligations.
- 7.2 The development of this site and the provision of more affordable housing will potentially reduce the risk of significant financial pressures elsewhere including ongoing security costs and the opportunity cost of a land receipt to the General Fund. Part of the site that is to be developed for sale for private housing which carries with it the risk of price fluctuations in the housing market.

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

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

The development of Bury Street West depot will provide at least 50 new affordable and private homes in Enfield. The homes are large family homes which are much needed.

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

The development is adjacent to a park and wetland, and the proposals increase access between the parks, allotments and wetlands and the adjoining residential neighbourhoods.

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

This sale to the HRA will assist the Council's objectives in delivering housing in the borough, create (construction and ancillary service) jobs and improve the Council's reputation for delivering affordable housing which will lead to attracting additional inward investment.

## **9. EQUALITIES IMPACT IMPLICATIONS**

Corporate advice has been sought regarding equalities and a decision has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report. A screening template has been completed.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

The Council should monitor the impact and relative success of this venture (as compared with other methods of delivery) in terms of speed of delivery, quality and price of the new development.

## **11. PUBLIC HEALTH IMPLICATIONS**

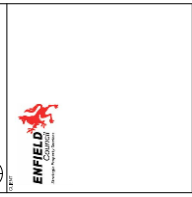
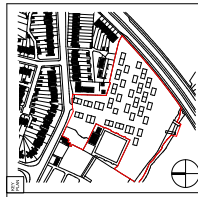
The delivery of new affordable housing units will potentially remove borough residents from inappropriate housing, create more homes for new residents, relieve overcrowding (in some cases) and thereby contribute towards an improvement in existing and new residents physical and mental well-being

### **Background Papers (previously published)**

Cabinet Report dated 12<sup>th</sup> November 2014 Bury St West (KD 3959)

Cabinet Report dated 13<sup>th</sup> February 2019 Better Council Homes (KD 4830)

Appendix 1 Permitted Planning Permission



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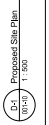
3	Planning Application	25/01/2017
4	Proposed Planning Permission	25/01/2017
5	Proposed Planning Permission	25/01/2017
6	Proposed Planning Permission	25/01/2017

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Proposed Site Plan

Project Reference	25D-AP-001-10
Page No.	3
Project Name	PLANNING
Client	ENHANCED
Scale	1:500 @ A1
Date	18/12/2016
Author	ENHANCED
Checker	ENHANCED
Approver	ENHANCED





MUNICIPAL YEAR 2019/2020 REPORT NO.

**102**

MEETING TITLE AND DATE:

Cabinet: 16<sup>th</sup> October 2019

REPORT OF:

Executive Director – Place

Agenda – Part: 1	Item: 9
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<b>Subject:</b> <b>Meridian Water Phase 2 Business Case</b> <b>Wards: Upper Edmonton</b> <b>Key Decision No: 4953</b>
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<b>Cabinet Member consulted: Cllr Nesil Caliskan</b>
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E mail: [jennifer.price@enfield.gov.uk](mailto:jennifer.price@enfield.gov.uk)**1. EXECUTIVE SUMMARY**

**1.1** In July 2018 Cabinet approved the **Meridian Water Programme Update report (KD4033)** to undertake business case development for the delivery of future phases.

**1.2** This report sets out the options appraisal for the **delivery model for circa 1,550 homes within Phase 2**. The following four shortlisted options have been appraised:

**Option 1:** Council as Master Developer (base case, same as Meridian One and Two delivery model)

**Option 2:** Council to form a 50/50 Joint Venture (JV) with a public sector partner

**Option 3:** Council led development of a rented housing scheme

**Option 4:** Investor led rented housing development; LBE retain the affordable housing

**1.3** A robust evaluation has been undertaken to select the option that is the most resilient and responsive to the changing socio-economic context and that best reflects the wider housing needs of the borough.

**1.4** The evaluation results show that Option 1 and Option 3 both meet the criteria as the delivery model for Phase 2 and score very similar levels. Further work on financial evaluation is to be undertaken on both options and further, more detailed analysis brought back to the Cabinet in autumn 2020.

**1.5** To achieve the project's placemaking and debt profile objectives, this report also recommends taking forward a specialist co-housing/ student accommodation as Phase2 sub-phase.

## 2. RECOMMENDATIONS

### That Cabinet:

- 2.1. Notes the result of the Business Case analysis is that Option 1 and Option 3 are the highest scoring options and therefore approves further work to formulate a **detailed delivery plan** on both options to assess the most appropriate strategy given the Council's wider financial position
- 2.2. Approves that Option 2 and Option 4 are not taken forward for further consideration
- 2.3. Delegates authority to the Meridian Water Programme Director to appoint advisors and design teams to work up a **detailed delivery plan** for Phase 2 to include:
  - reserved matters application and detailed design for Phase 2A
  - detailed procurement strategy including soft market engagement
  - detailed cost plan and financial evaluation
  - strategy for how the Council might hold market rented units
  - consideration of the Council's wider financial position to produce an optimal strategy for servicing interest and debt repayment
- 2.4. To note that the financial evaluation will be undertaken on both Option 1 and Option 3
- 2.5. Approves the commencement of soft market engagement on Co-living/Student housing blocks and the subsequent marketing of the blocks to a specialist Co-living/Student housing provider
- 2.6. Delegates to the Executive Director of Place in consultation with the Executive Director of Resources disposal of circa 0.5ha of land to a specialist Co-living provider
- 2.7. Delegates to the Meridian Water Programme Director the resourcing of the team(s) to deliver Phase 2A
- 2.8. Delegates authority to the Director of Meridian Water, liaising with the Director of Finance, to negotiate loan terms with the GLA



### 3. BACKGROUND

#### Project objectives

The project objectives for Meridian Water are to deliver:

- The highest quality of design and place-making all in accordance with the vision provided by the masterplan contained within the draft ELAAP and the Placebook
- At least 10,000 new mixed tenure homes
- A target of 3,000 new high quality jobs
- Speed of delivery - the scheme is intended to be delivered over circa 20-25 years
- A return on the Council's financial investment
- A legacy to be proud of after 50 years

Environmentally sustainable development

The Council is also prioritising the ambitions to :

- Make local people the principal beneficiaries
- Lift Edmonton wards out of the top 10% most deprived neighbourhoods

#### Background

**3.1** In July 2018 Cabinet approved the **Meridian Water Programme Update report (KD4033)** for the Council to undertake business case development for the delivery of future phases.

**3.2** The project has achieved significant milestones since this report was approved. The highlights include the following:

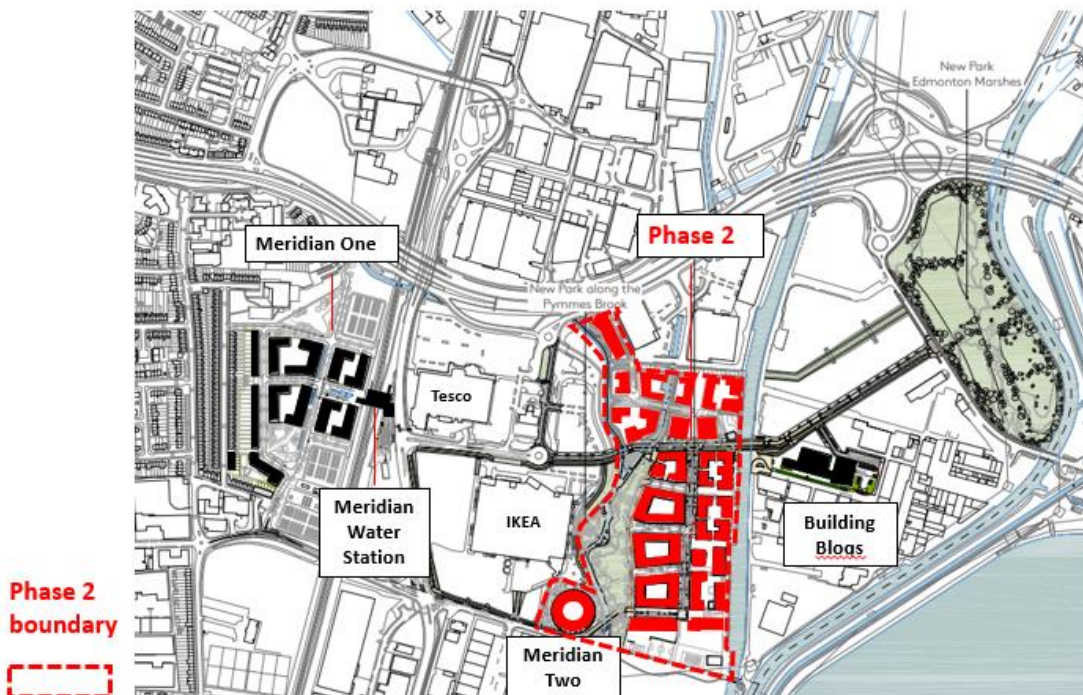
- **Meridian Water train station** was opened by the Secretary of State for Transport in June 2019 and will eventually serve 4 million passengers a year.
- **Meridian One:** The Council has selected Galliford Try to deliver at least **725 homes** with a start on site expected in 2020.
- **Meridian Two:** The Council has shortlisted four bidders to deliver circa 250 wholly affordable homes: L&Q, Optivo, Nottinghill Genesis, and Galliford Try. A partner will be chosen towards the end of 2019.
- **Field day:** Field Day, one of London's most established music festivals was held at the site in June 2019, bringing in excess of 25,000 people to the site over two days. There is a programme of further music and cultural events over the coming two years at the "Drumsheds"
- **Phase 2 Planning Application:** Enfield Council has submitted a planning application for **Phase 2** of Meridian Water which provides 2,300 new homes, a primary school, park, hotel, offices, student / Co-Living accommodation and workspace.

- **Housing Infrastructure Fund (HIF):** On 17 August 2019 the Chancellor announced the successful award of £156m HIF grant for Meridian Water which finances the delivery of strategic infrastructure across the site.

**3.3** The achievements to date demonstrate the increasing capability and capacity of the **Meridian Water team**. There are currently 30 full time employee posts and 14 dedicated support staff including from the legal, procurement and finance departments. The in-house team manages a multidisciplinary professional team including architects, planners, civil-engineers, surveyors and commercial advisors.

### Meridian Water Phase 2

**3.4** Phase 2 is one of the largest development phases at Meridian Water and the Council submitted an outline planning application in August 2019 to accelerate the delivery of homes. The plan below shows the location of Phase 2 within the context of the whole site.



**3.5** The key objectives of the Phase 2 development is to:

- To create a mixed-use, sustainable and diverse community with a range of housing options for every segment of the community
- To deliver a high-quality place which confirms Meridian Water as a successful place to live, work, play and invest

- Respond to the draft Housing Strategy:
  - Council homes
  - Private rental homes
- To be consistent with housing policies in Local Plan and Edmonton Leaside Area Action plan (40% affordable homes with 70% GLA Affordable Rent and 30% intermediate split)
- To always be tenure blind with exceptional quality and appearance of homes and public spaces
- To maintain speed of delivery / respond to market saturation risks

**3.6** Phase 2 covers up to 2,300 residential units (Class C3), inclusive of co-living and/or student accommodation developments, commercial development (Class B1a,b,c); retail (Class A1 and/or A2 and/or A3 and/or A4), social infrastructure (Class D1 and/or D2) and a primary school.





3.7 The development is approximately 11.9ha located at a former industrial land immediately adjacent to the administrative boundary of the London Borough of Haringey. The Site is bounded by the A406 North Circular Road to the north, River Lee Navigation to the east, Leaside Road and Tottenham Marshes to the south and Pymmes Brook to the west.

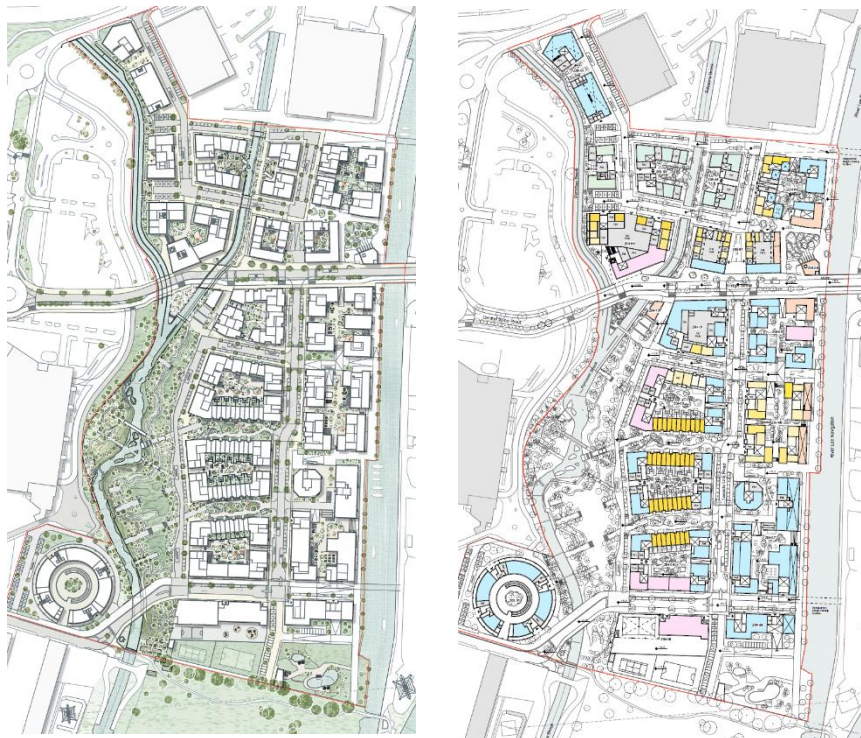


Figure 1 Phase2 illustrative plan (left) ground floor illustrative plan (right)

- 3.8** The planning application for Phase 2 was submitted at the same time as the detailed HIF planning application as a direct relationship between the HIF works and delivery at Phase 2 has been identified. Although they are separate applications it was deemed cost effective and time saving for the applications to be prepared at the same time.
- 3.9** Both applications were submitted in August 2019. The target date for determination is December 2019.

### **Delivery Options Appraisal**

- 3.10** Lambert Smith Hampton (LSH) were appointed to undertake the options appraisal for the delivery model of future phases. Due to the scale and complexity of the project, the team is working on the business plan on a phase by phase basis. This report considers the delivery of Phase 2. Out of the 2,300 units included in the Phase 2 planning application, the options appraisal investigates the delivery model for circa 1,550 of those units. The balance of the 2,300 homes is discussed at paragraph 4.2 below.
- 3.11** LSH initially developed a **long list of options** for delivery methods (see section 3.14). Through meetings with members and senior officers, the number of options was **shortlisted to four**.
- 3.12** This report summarises the in-depth analysis undertaken by LSH on the four shortlisted options and sets out an evaluation process. The LSH full report is attached in appendix A of the Part 2 Report.
- 3.13** The evaluation has been based on the following three key criteria and weightings which were proposed by senior officers and approved by Members:
- 1) Qualitative Assessment 35%
  - 2) Financial Performance 30%
  - 3) Risk Management 35%

The options have been scored by senior officers in the Council with support from the professional team.

- 3.14** Note that this evaluation structure is a conventional way to evaluate commercial performance. Work on development of a social value model is ongoing and will be used to inform the detailed design of each phase.
- 3.15** The outcome of the evaluation and the recommended option is included in Section 5.

### **Long list of options explored**

- 3.16** In January 2019, Members considered the long list of delivery options for future phases which included;
- 3.16.1 Council as Master Developer – delivers the strategic infrastructure and disposes of phases to third party developers
  - 3.16.2 Council forms a Public/Public Development Partnership with the GLA with the Council appointed as Development Manager to deliver Strategic Infrastructure and dispose of phases to third parties
  - 3.16.3 Council as Developer – delivers the strategic infrastructure and directly develops future phases, including sub-options to own, rent or sell the completed homes
  - 3.16.4 Council forms a Development Partnership with an investor and this Development Partnership (with a Development Manager) delivers the strategic infrastructure and disposes of phases to third party developers
  - 3.16.5 Council forms a Development Partnership with a Registered Provider and the Development Partnership directly delivers the strategic infrastructure and all phases
  - 3.16.6 Council disposes of all its existing land ownerships – without delivering any strategic infrastructure and losing control over the future development
  - 3.16.7 Following a qualitative and risk assessment it was agreed that the delivery options evaluation should be limited to Phase 2 only, and four options shortlisted for assessment.

### **Short list of options**

- 3.17** Lambert Smith Hampton have undertaken a robust options appraisal to assess the most resilient and responsive option against the changing nature of the construction and housing markets over the next 5-10 years and consider which option best meets the wider vision and objectives for Meridian Water.
- 3.18** The four lists of shortlisted options are as follows:
- Option 1: Council as Master Developer
  - Option 2: LBE/ Public Joint Venture (JV)
  - Option 3: Council led development (rented sector)
  - Option 4: Investor led development (rented sector) with LBE retaining the affordable housing

- 3.19** A Built to Rent (BtR) development model is proposed for option 3 and 4 which differs from a traditional sale scheme. BtR is a very different proposition to the typical Buy to Let model whereby individual landlords purchase units and let them in an uncoordinated manner.

In a BtR scheme, properties are defined as developments at scale (100 units+) which are purposefully designed and built with the tenant in mind. A single BtR operator or investor will typically manage the entire development.

It is anticipated that they will incorporate dedicated staff (potentially on-site) with a strong management ethos based on maximising the customer experience, together with a level of on-site amenity befitting the size of the development. Irrespective of the overall package of amenities, the creation of a community feel and positive customer experience is the underlying philosophy of any successful Build to Rent scheme.

The Council would need to ensure that any BtR operator / investor with whom it partnered in option 3 or 4 had the relevant track record and business culture to ensure that the development was managed in a socially-responsible way.

### Option Detail

#### **3.20 Option 1: Council as Master Developer (Baseline option)**

This is considered to be the Base Case in line with the delivery methodology for Meridian One & Two. This option would follow the same format of procuring developers on a sub-phase basis who will draw down the land and develop subject to certain rights and obligations contained within a development agreement. The summary of **Housing** output is as follows

Open Market Private Sale:	<b>557 units</b>
BtR:	<b>373 units</b>
Total affordable:	<b>626 units (40% of total units);</b> of which
Council retained affordable:	<b>156 units (10% of total units)</b>

3.20.1 The summary Financial returns are shown in the Part 2 report.

3.20.2 The list below summarises LSH comments on Option 1:

3.20.2.1 The Master Developer option is tried and tested in the market and accepted as a credible structure to attract high quality developers

3.20.2.2 The Council's existing resources have the capacity and skills to undertake the required preliminary work so that sub-phase sites can be brought to market in a ready for development state. This optimises market interest and can underpin a DA with secure delivery conditions

- 3.20.2.3 The option offers flexibility of timing and transaction structures so that the Council can capitalise on added value opportunities
- 3.20.2.4 Post procurement the Council has minimal construction and market risk
- 3.20.2.5 Commercial returns are limited to land receipts and overage structures reflecting this lower risk option
- 3.20.2.6 Such an option would be considered prudent but there is possibly a view that the Council is not receiving the level of returns it deserves for the years of commitment, initiative and investment made

### **3.21 Option 2: LBE/Public Joint Venture**

- 3.21.1 The GLA have expressed an interest in entering into a JV structure with the Council, therefore this option is potentially deliverable.
- 3.21.2 This option follows the format of Option 1, however, the Council will form a 50/50 Joint Venture (JV) with a public sector partner. The JV will act in the role of Master Developer and procure a developer for each sub phase who draws the land down and delivers the scheme secured through a DA with the JV. The Council will act as Development Manager (DM) to the JV.
- 3.21.3 The following outlines the key points of this delivery model:
  - JV to act in the role of Master Developer with the same delivery structure as Option 1 – developers procured on a sub-phase basis
  - Public sector partner will pay 50% of the costs incurred to date by the Council on Phase 2 when the JV is set up (£29.470)
  - Scheme delivers 50% affordable housing and GLA to make additional grant payments to ensure Enfield receive the same land value as the 40% affordable housing model
  - Council act as DM for the JV and receive a DM fee from JV (note that this means the Council will effectively pay itself 50% of the DM fee)
  - HRA acquire 156 affordable units (10%)
- 3.21.4 This report assumes the public sector partner will be the GLA.
- 3.21.5 A minimum of 50% of homes will be affordable housing required by GLA and of which 70% will be LAR in this option.



3.21.6 The housing output of option 2 is as follows:

Open Market Private Sale: **409 units**  
BtR: **373 units**  
Overall affordable: **774 units (50% of total units)**; of which  
Council retained affordable: **156 units (10% of total)**

3.21.7 The summary Financial returns are shown in the Part 2 report.

3.21.8 The list below summarises LSH comments on Option 2:

- The introduction of a JV partner creates an additional level of administration both during the initial set up in forming the JV and subsequent governance to be exercised by the Council as JV partner.
- The JV is proposed to act in the role of Master Developer which has already been shown to mitigate construction and market risk. Therefore, the principle advantage of the JV is the receipt of 50% of the costs to date on Phase 2 which may not be considered a major advantage in the context of the Council's investment to date in the whole scheme.
- A public sector JV may create tension in the future, in connection with the release of SIL designated land on the East Bank
- The option does not have a high degree of flexibility to respond to economic fluctuations as changes to the JV objectives will require variations to the Members Agreement and could be a source of dispute between the parties

3.21.9 Other comments are shown in the Part 2 report.

### **3.22 Option 3: Council led development (rented sectors)**

3.22.1 This Option explores a model where the Council, as a developer, delivers a 100% rented scheme. The following outlines the key points of this delivery model:

- Council directly delivers a 100% Build to Rent scheme through a building contractor
- Scheme delivers 40% affordable rented housing with balance as BtR
- Delivery split into three sub-phases
- HRA acquire all of the affordable rented housing

- BtR units held in separate Council-owned vehicle for 10 years with funding through Council debt (PWLB) then sold as open market sales
- Option to sell BtR shortly after completion on stabilisation of rents – officers to investigate further
- Surplus rents (net of Operating Costs and debt servicing) used to reduce debt each year
- Council carry 100% of construction and letting risk

3.22.2 In this option, the Council takes **full responsibility** for the delivery of a rented housing scheme through a **wholly owned subsidiary of the Council**. The establishment of the new housing company will require new functions in the team which would include:

- Housing Company (HC) operations, lettings and management
- Development management services to be commissioned
- Increase scope of professional team technical services

3.22.3 In delivering the scheme the Housing Company will incur costs in four areas which are reflected in the financial model and shown in the Part 2 report. The Council may choose to hold the BtR homes within an already established company.

3.22.4 The Housing output of Option 3 is as follows

- Private Sale: **0 units**
- BtR: **934 units**
- Overall affordable: **622 units (40% of total units)**; of which
- Council retained affordable: **622 units (40% of total units)**

3.22.5 The summary Financial returns are shown in the Part 2 report.

3.22.6 These metrics assume that the BtR units are held for 10 years after stabilisation and then sold (the Council could however choose to retain the BtR homes over the long-term). The alternative is to sell the units immediately on stabilisation and pay the debt down. The benefits of this scenario are :

- 3.22.6.1 Less letting risk taken by the Council
- 3.22.6.2 Debt reduced substantially at an early stage therefore reducing finance risk and interest payments
- 3.22.6.3 By waiting for rent stabilisation rather than forward selling prior to construction, the sales price would be significantly higher

However, the Council would also lose a valuable long-term revenue stream.

3.22.7 The points below summarise LSH comments on Option 3

- 3.22.7.1 This is a proactive and unique approach however LSH is not aware of other local government organisation considering direct private rented development on this scale
- 3.22.7.2 The growth of institutional investment in the sector and the low level of yields can be considered a vote of confidence in the sector and therefore the Council considering this option in detail demonstrates a prudent approach to achieving the objectives of diversity of tenure, increasing housing stock and generating secure long-term revenue
- 3.22.7.3 If the Council favour this option LSH recommends that a more detailed business case is prepared including detailed construction cost advice and analysis of funding options.
- 3.22.7.4 The option offers a high degree of flexibility to vary tenures on future phases
- 3.22.7.5 Market and construction risks will be mitigated to a point by spreading delivery over the ten year life of the scheme however notwithstanding this the private rented returns are vulnerable to a down turn in the letting market.
- 3.22.7.6 The Council are considering a similar delivery structure for the Snells & Joyce scheme which is sufficiently close that similar tenures will be in direct competition. Phasing will mitigate this risk to a point but there will be an overlapping of delivery costs and therefore an element of financial exposure for both schemes simultaneously. However there is a high demand for rented properties which should reduce risk
- 3.22.7.7 This option however does put all the risk and responsibility both operationally and financially onto the Council.

### **3.23 Option 4: Investor led rented development; LBE retain the affordable housing**

- 3.23.1 This option has been included in the shortlisted four as it offers the same housing outcomes as Option 3 but with a lower risk profile to the Council. The following outlines the key points of this delivery model:
  - Investor acquires the site subject to contractual obligations to deliver the scheme as a 100% rented model and transfer the whole affordable rented content to the Council
  - Investor retains the BtR units and the HRA acquires the 40% affordable rented housing

- Delivery split into two sub-phases
- Investor carries the construction cost risk and the BtR letting risk

3.23.2 This option assumes that an Investor is identified to deliver Phase 2 on the basis of delivering an entirely rented scheme. The affordable content is transferred to the HRA in return for the payment of Market Value as described in Option 3 and paid at Practical Completion. The private element of the scheme is retained as a private rented scheme by the Investor. We have assumed the land will be drawn down by the Investor in two phases in order to offer the critical mass required by most institutional investors.

3.23.3 The Housing output of Option 4 is as follows

- Open Market Private Sale: **0 units**
- BtR: **934 units**
- Overall affordable: **622 units (40% of total units);** of which
- Council (HRA) retained affordable: **622 units (40% of total units)**

3.23.4 The summary Financial returns are shown in the Part 2 report.

3.23.5 The points below summarise LSH's comments on Option 4:

3.23.5.1 Securing the development obligations from the Investor will require a robust Development Agreement including positive obligations. This means that the identification of a partner is likely to follow a formal procurement process and LSH is aware that many investors are not prepared to participate in such a process. However, in order to secure the best terms the Council will want to create a competitive process

3.23.5.2 If the Council favour this option LSH recommends an early programme of soft investor testing about the principle and procurement. Also legal advice should be sought to assess the risks of these obligations being captured in a land transaction structure

3.23.5.3 This option removes construction risk from the Council and, given the resources and expertise of Investors, is likely to deliver affordable housing to high quality and on a cost-efficient basis

3.23.5.4 This option can be seen to be a prudent approach of placing delivery risk in the hands of a party who can most afford to manage it, i.e. investment institutions, and the Council acting proactively to procure affordable housing efficiently

- 3.23.5.5 The flexibility of the option to vary tenure in the future is restricted owing to the scale of development that an Investor will require in the first phase and that their core objective will be housing to rent

#### 4. Evaluation

- 4.1.1 Each delivery option has been evaluated by performance in three areas with the percentage split as follows :
- 4.1.1.1 Qualitative Assessment 35%
  - 4.1.1.2 Financial Performance 30%
  - 4.1.1.3 Risk Management 35%
- 4.1.2 The evaluation criteria and weightings was formulated following advice from LSH and senior Council officers and takes account of the Phase 2 objectives.
- 4.1.3 Details of the evaluation scores are included in the LSH report (see appendix A)
- 4.1.4 The quality evaluation criteria was weighted as follows

Criteria	Weight
Ability of the Council to control development generally and specifically in relation to quality, timing, use, mix and density	30%
Ability of the Council to deliver Affordable Rented accommodation	20%
Ability of the Council to secure Council owned housing	15%
Ability of the Council to accelerate the pace of delivery	15%
Ability of the Council to actively influence social, economic and environmental outcomes	20%

The risk evaluation was weighted according to the following criteria

Risk	Weight
Level of land receipts / assets fails to achieve a return	10%
Construction risk and/or inflation erodes Council	20%

output	
Option fails to deliver the required level of social infrastructure	15%
Lack of flexibility does not allow adjustment of tenure to adapt to market conditions	15%
Failure to attract developer / investor / contractor interest in the proposition prejudices delivery	10%
Pressure on Council resources and Governance prejudices delivery	15%
Developer / Investor / Contract or corporate failure and lack of stake holder trust	15 %

Further specific project risks, where the mitigation will vary depending on the selected delivery option, are set out below together with impact and probability marking to demonstrate the overall risk profile of each option.

#### **P/I = Probability/Impact**

<b>Probability scoring</b>	<b>Impact scoring</b>
Highly unlikely – 1	No impact – 1
Unlikely – 2	Minimal impact – 2
Possible – 3	Significant impact – 3
Probable - 4	Catastrophe - 4

- 4.1.5 The financial evaluation was undertaken by using the net profitability index. This is calculated as the NPV of the project's future cash flows divided by the Council's total investment and indicates the value received in exchange for the investment. It is also commonly referred to as a "benefit-cost ratio".

4.1.6 Senior officers in the Council jointly undertook the evaluation of each option and the overall evaluation output is as follows

		Option 1		Option 2		Option 3		Option 4	
Criteria	Overall Weighting	Ranking within	Score Weighting	Ranking within	Score Weighting	Ranking within	Score Weighting	Ranking within	Score Weighting
Qualitative Assessment	35%	2	26%	3	18%	1	35%	4	9%
Risk Assessment	35%	3	18%	2	26%	4	9%	1	35%
Financial Assessment	30%	2	23%	3	15%	1	30%	4	8%
Total Score	100%		66%		59%		74%		51%
Rank			2		3		1		4

#### 4.1.7 Evaluation summary

4.1.7.1 Option 1 is ranked second. This option provides a good level of control to the Council on quality and housing output aspects and has a relatively low level of risk as it is a tried a tested model through the delivery of Meridians One and Two. However, the financial output fell slightly short of Option 3 as the Council's income on housing is limited to land receipts.

4.1.7.2 Option 2 is ranked third. Although this option presents low risk to the Council it also provides a restricted level of control for the Council on housing delivery output and the financial returns were limited.

4.1.7.3 Option 3 is ranked first. It provides the best level of control to the Council on housing output and the long-term financial returns are greater than the rest of the options. It was also seen to be the most flexible option to respond to the rapidly changing nature of the housing market and the housing needs of Enfield's residents. However, it is the highest risk option, which is as expected for the greater financial returns. It is also the option that adds the most amount of debt to the project.

4.1.7.4 Option 4 is ranked fourth. Although the delivery risk is the lowest, the level of control is solely with the third-party investor and the financial returns are limited due to the lower capital value of BtR units compared with

market sale and the lack of flexibility to refinance and repurpose the debts.

#### **4.1.8 Further notes on Option 3**

- 4.1.8.1 The combined weighted score across all categories was the highest for Option 3. This option also provides the Council with the benefits of control and flexibility to control affordable rented housing.
- 4.1.8.2 However, Option 3 requires significant additional Council borrowing in order to directly deliver the units through a building contractor. Therefore, delivery of the three blocks of Specialist Co-living/Student units (see section 4.2) by land disposal to a specialist Co-living/Student provider as described elsewhere in this report would be useful to provide an injection of capital into the General Fund to off-set some of the historic holding costs and reduce interest payments
- 4.1.8.3 In order to reduce the risk of adopting this option, it would be prudent to start delivery with three blocks to the south of the site, being circa **500 homes**. This would be called Phase 2a.
- 4.1.8.4 The summary Financial returns for Phase 2a are shown in the Part 2 report.
- 4.1.8.5 It has been shown that the overall profitability index for Option 3 is higher than that for Option 1 but only by a small margin. However, the NPV of Option 3, along with the potential for substantial long term revenue streams, is far greater.
- 4.1.8.6 It is therefore recommended that a detailed delivery plan for both Option 1 and Option 3 is worked up over the next few months and a financial assessment is brought back to Cabinet in Autumn 2020. This financial evaluation will be undertaken with an objective comparison between the two options
- 4.1.8.7 If Cabinet chooses Option 1 at that stage, the detailed design of Option 3 may require revision as a phase developer could wish to revisit the design to align with their own requirements.



## 4.2 Specialist Housing Development (Co-living/ student housing)

4.2.1 The above options appraisal excludes the housing units to be delivered at Meridian Two, the plot reserved for the option in the Orbital Business Park land agreement and the three **specialist housing development** blocks and employment block to the north of the boulevard. The excluded sites achieve the balance of the 2,300 homes. The specialist housing development blocks and employment block have been excluded following advice from the professional team that the optimal way to deliver these uses would be via a land disposal transaction.



4.2.2 The Phase 2 planning application makes provision for the development of up to circa.18,000 sqm of **specialist housing**, in the draft London Plan referred to as LSPBSL (Large Scale Purpose Built Shared Living). LSPBSL is a relatively new type of housing product which could incorporate either student housing or **'Co-living'**.

4.2.3 Co-living typically caters for young professionals, single people or post-graduate students who otherwise cannot afford to access good quality market-rate accommodation. The draft London Plan policy specifically identifies Co-living as addressing a key gap in the housing market. Paragraph 1.2.48 of the **Mayor's Housing SPG** recognises that this type of housing plays a strategically important, if not always fully recognised, part in meeting the needs of different Londoners. Strategically, Meridian Water is committed to providing a housing offer for every section of the community

and, as such, it is considered an important sector to address at Meridian Water.

4.2.4 It is recommended that Officers investigate how best **Co-living and/or student housing development** should be delivered in the early years of the Phase 2 delivery as there are multiple merits to this type of development. Both of these housing types will not only attract early adopters and pioneers to the site but will add to the diversity of housing offer at Meridian Water.

4.2.5 The next stage will focus on soft market testing to better understand the marketplace after which the site as shown below should be taken to the market on a land-sale basis.



*Figure 2 Co-living or student housing development opportunities at Phase 2*

## 5. Recommendation

5.1 Based on the evaluation outcome, this report recommends the following:

5.1.1 Notes the result of the Business Case analysis is that Option 1 and Option 3 are the highest scoring option and therefore approves further work to formulate a detailed delivery plan to assess the detailed financial performance of both options

5.1.2 Recommends that Option 2 and Option 4 to be ruled out from further consideration

5.1.3 Delegates authority to the Meridian Water Programme Director to appoint advisors and design teams to work up a detailed delivery plan to include:

- reserved matters application and detailed design for Phase 2A ready to procure a build contractor

- detailed procurement strategy including soft market engagement
- detailed cost plan
- strategy for how the Council might hold the market rented units, including the option to establish a Housing Company
- consideration of the Council's wider financial position across Meridian Water and optimal strategy for servicing interest and debt repayment

**5.1.4** To note that the detailed financial evaluation will be undertaken with an objective comparison between the two options

**5.1.5** The commencement of soft market engagement on Co-living/Student blocks and the subsequent marketing of the blocks to a specialist Co-living/Student provider

**5.1.6** Delegation of authority to the Executive Director of Place in consultation with the Executive Director of Resources to dispose of 0.5ha of land to a specialist Co-living/Student provider

**5.1.7** Delegation of authority to the Meridian Water Programme Director for the resourcing of the Council team to deliver Phase 2A

## **6. ALTERNATIVE OPTIONS CONSIDERED**

**6.1.1** The summary of the alternative options are as follows.

Option 2: Council to form a 50/50 Joint Venture (JV) with a public sector partner

Option 3: Council led development of a rented housing scheme

Option 4: Investor led rented housing development; LBE retain the affordable housing

The evaluation summary is included in section 5.1.6

**6.1.2** Proceed with option 3 being the highest scoring option :  
The scoring was very close between Option 1 and Option 3. Option 3 also requires a large amount of debt to be borrowed by the Council. It is therefore prudent to continue with further analysis of the two options prior to making a decision

**6.1.3** Continue with Option 1 :  
Option 3 provides for substantial financial benefits to the Council including the ability to not only service but also repay all the debt on Meridian One, Meridian Two and Phase 2. Within 35 years the Council could hold nearly £1Billion of assets debt free with an

income stream of over £30M per year. This opportunity therefore requires further analysis before any decision is taken

## 7. REASONS FOR RECOMMENDATIONS

7.1.1 The combined weighted score across all categories was the highest for Option 1 and Option 3. This Option 3 provides the Council with substantial financial benefits along with the benefits of control, flexibility and high levels of Council Homes whereas Option 1 requires less debt. The balance of risk and reward between the two options needs more detailed analysis before a decision can finally be made.

7.1.2 Option 1 has been the Council's baseline position since the termination of the master developer procurement process. Option 3 meets the **project objectives for Meridian Water** in the following ways

a) **To create a mixed-use, sustainable and diverse community with a range of housing options for every segment of the community**

It presents a 100% rented product with 60% of the homes targeted at key workers and middle-income families and 40% managed by HRA to provide affordable rented units. The proposed tenure provides greater opportunities to create a truly mixed community.

Co-living/student housing is proposed at earlier stages whilst the rest of the sites in Phase 2 is undergoing construction as these types of housing products are targeted at young professionals and students who are more likely to be comfortable as early adopters. The precedents for this strategy are the developments at Kings Cross and Wembley where student housing was successfully delivered early phases. The amenity spaces including gym, co-working spaces and shared dining spaces are provided internally within the building.

b) **To deliver a high-quality place which confirms Meridian Water as a successful place to live, work, play and invest**

Option 3 allows a holistic view of the project in its entirety, from inception through occupation and beyond into operation.

The Council will have the control to influence design quality throughout delivery stages. The Council is able to 'curate' the neighbourhood. The commercial spaces can be managed to ensure a mix of appropriate businesses and

uses, with the Council as landlord able to manage this as the community evolves.

2/3 of ground floor uses will accommodate diverse uses such as workspaces for SMEs, cafes, shops, healthcare and community facilities

**c) Respond to the draft Housing Strategy:**

The option performs very well when considered against the ambitions as set out in the **Draft Housing Strategy report**, particularly when viewed in the context of the alternative delivery options.

It provides a platform for the Council to demonstrably show how when acting in its own capacity, it will achieve these ambitions.

**1) Ambition 1: More genuinely affordable homes for local people**

The option offers a range of rental tenures affordable rent, intermediate and private/market can be provided. The Council has the ability to adjust rent levels to reflect income.

BtR can also be 'affordable' where 3-4 beds are shared.

By offering secure long term rental contracts LBE can address security of rent, which can be as important as the rental rate. By building a critical mass LBE can also manage defaults and reduce eviction rates compared to the local market.

**2) Ambition 2: Invest in and be proud of our council homes**

The option clearly demonstrates investment in new homes and a delivery and management structure that should ensure lasting quality of the built environment and the flexibility to invest in higher levels of sustainability to the benefit of Enfield residents and pride in responding to the climate change agenda

**3) Ambition 3: Quality and variety in private sector housing**

The option allows the Council to have direct control over quality and durability. By taking a long-term stake in the buildings the Council will be able to justify high quality, larger proportion of communal areas and robust building

standards. A combination of these factors allied to the fact that the buildings will be council owned will have general market appeal and particular appeal to a part of the market that is not currently catered for i.e. stability of tenure in a high-quality well-maintained home. These are the key differences to a buy-to-let model as BtR are purposely built to planning and investment plans of built to rent model require resilient design and quality of homes from the outset

**4) Ambition 4: Connect, involve and empower people in vibrant neighbourhoods**

With the Council in the driving seat the management, letting and terms of tenure can be equitable. LBE have the power to shape this to involve residents actively and passively in the management and maintenance of blocks and their amenity space.

**5) Ambition 5: Inclusive homes for everyone**

Council can, with this option, control issues such as phasing, typology and tenure and the ability to implement a delivery package that offers the widest selection of homes and at times when private sector may be slow to deliver.

The housing need for people with complex needs older people are key consideration to the housing offer. With the Council driving the design, construction and maintenance of the blocks they will be able to champion accessibility and inclusivity. Housing for older people is envisaged in Phase 2b/c

**d) To be consistent with housing policies in Local Plan and Edmonton Leaside Area Action plan**

The option is entirely consistent with Local Plan housing policies with 40% affordable homes with 70% GLA Affordable Rent and 30% intermediate split. The Local Plan housing policies are based upon a Borough wide assessment of housing need.

**e) To always be tenure blind with exceptional quality and appearance of homes and public spaces**

Through thoughtful and well considered appointment and management of design teams, advisors and contractors Option 3 delivery model provides the opportunities to create a truly well connected, tenure blind design outcome with exceptional quality.

**f) To maintain speed of delivery / respond to market saturation risks**

LSH's emerging phasing plan which, at 20% BtR, shows that the baseline model is struggling to deliver the scheme within 35 years due to sales absorption rates. A rental model will help to deliver the units much more rapidly.

Although further investigation needs to be carried out to look into these opportunities through a detailed delivery plan, the greatest strength of Option 3 is that the Council can venture down the path of BtR without yet closing off any of the other option to respond to risks such as market saturation. Option 3 retains 100% ownership from the Council and therefore 100% control, and as a result the Council can make significant progress in better understanding the considerable benefits of this option whilst still leaving open its ability to revert to a different model in the future.

The detailed delivery plan will demonstrate work to develop a long-term investment strategy demonstrating financial sustainability through the life of the project and beyond, which finances the creation of the development, funds the ongoing care, repair and maintenance of the homes and spaces, and offers a return for the Council.

**7.1.3** Some of the early findings show that there is potential for an opportunity to pursue a genuinely sustainable model, encompassing the financial, environmental and social aspects of sustainability.

**7.1.4** Further work is required to fully assess the wider socio-economic and environmental benefits of this option and to establish which scenario is the most beneficial to the Council –immediately on rent stabilisation or a longer-term hold.

**7.1.5** A detailed analysis of the financial implications of both Option 1 and Option 3 is required to assess the full impact on Council's debt position.

## **8. COMMENTS FROM OTHER DEPARTMENTS**

### **8.1 Financial Implications**

Recommendation 2.3 seek approval to develop a detailed delivery plan. The estimated cost forms part of request for the approval of the future Meridian water budget, which is the subject of a separate report on the agenda.

As Options 1 and 3 had similar scores in the evaluation carried out, further detailed financial analysis will be undertaken prior to a final decision being made. This analysis will include the impact of each option on both the Meridian water project and the Council's overall borrowing and debt position.

## **8.2 Legal Implications**

### **MD: 7<sup>th</sup> October 2019**

- 8.2.1** 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.
- 8.2.2** Pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of further housing accommodation. The Council has the power under section 9 of that Act to provide housing accommodation. The Local Government Act 2003 gives the Council power to borrow for any purpose related to its functions, and to utilise capital receipts, subject to the limitations set out in that Act. The Council therefore has the statutory powers to undertake the delivery of Phase 2 at Meridian Water as described in this report. Further analysis of the vires implications of the proposals will be necessary as details continue to be developed.
- 8.2.3** Public law principles will apply to the decisions made by the Council in relation to the proposals, including the Council's duty to take account of its fiduciary duty and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably and show that its decisions are made after having given due and proper consideration to all relevant factors (disregarding irrelevant factors).
- 8.2.4** The public sector equality duty under section 149 of the Equality Act 2010 requires the Council to have due regard to (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it. Any equality impact assessment prepared in respect of Meridian Water should be revisited as the project develops.
- 8.2.5** Any disposal of land envisaged by the subject matter of this report must comply with s123 Local Government Act 1972 and the Council's Property Procedure Rules. Any procurement by the Council of goods, services and/or works envisaged by the subject matter of this report must comply with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.
- 8.2.6** The establishment of a housing company as described in this report will be in accordance with s95 Local Government Act 2003 and s1 Localism Act 2011. Any such company must be set up in accordance with the Companies Act 2006,



including the appointment of the board to the company. The memorandum and articles of association and any other documents relevant to the establishment of the company must be in a form approved by Legal Services on behalf of the Director of Law and Governance.

**8.2.7** Should a wholly-owned vehicle (housing company) be utilised in the delivery of homes on Phase 2, a number of state aid and procurement law considerations will pertain to the Council's interaction with that vehicle. Analysis of these issues will need to be conducted when further details about the delivery structure are known and on an ongoing basis throughout the lifetime of the project. It is expected that the Council, mindful of its fiduciary duties, would seek to impose robust and defensible governance and procurement approaches on any wholly-owned vehicle.

**8.2.8** See Part 2 Report.

### **8.3 Property Implications**

7.3.1 Each option is programmed to commence close to completion of the HIF works which include highway access, flood alleviation and remediation. This is the trigger point for development and the programme and scale of each sub-phase has been planned to avoid market saturation. The timing and tenure of competing phases and local schemes have been assessed to ensure that values and absorption rates in phase 2 are not prejudiced. In this way the returns from property development should be optimised.

7.3.2 Completion of the HIF works requires some land acquisition which is being addressed by agreement and if required by CPO and the preparation for this process is underway and being conducted within the general acquisition terms of the Councils Property Procedure Rules and the rules will be followed in this process. For this reason we consider the potential slippage in the delivery programme as a result of delay to HIF to be a low risk.

7.3.3 Within each option the Council intends to retain ownership of the freehold interest in all land within the scheme with disposals of individual phases being by 250 year leasehold sale. Land disposals will be by the granting of a Building Lease coupled with a Development Agreement that will secure the standards and timing of development and meet the Council's requirements. The existing team has already demonstrated their procurement knowledge and capacity on Meridian One and Two.

7.3.4 The financial models for each option include a range of project management and consultancy costs which are required to undertake work to create 'ready for development sites. This includes design, town planning, site investigation and other specialist activities. The effect of these activities is to minimise development risk for either the Council in Option 3 or other options when sites are offered to the market. This will mitigate construction risk under Option 3 and maximise competition and avoid developers applying a risk premium to these items for other options.

7.3.4 The property returns from each option are assessed over a 30 year period after the completion of a 13 year development programme. In the case of Option 3 the returns are from the BtR income for a period of 10 years, followed by sale, and the non-residential is retained for the whole 30 years and an assessment of NAV at the close.

At the present time the specialist uses of hotel and student accommodation will be secured by land sale of this part although an alternative Co-living option is being assessed. We are satisfied that the estimated returns are reasonable in all the circumstances. The disposal of these specific sites for specialized providers, rather than aimed at the market at large, could potentially lead to a reduction in capital receipt compared with a standard residential development. However, many student and Co-living operators are able to pay full residential value for land. This will need to be carefully assessed during the soft market engagement and where any reduction in land value is identified a best consideration assessment carried out, potentially demonstrating best consideration is being achieved across the whole of the Phase 2 area through diversification of markets.

7.3.5 The model includes meanwhile use lettings within Phase 2 and these lettings will include break options to enable long term development to come forward but best consideration on this short term basis will be assured by high profile open market lettings. The break date programme will allow for sites to be released in line with the phasing plan that underpins the model.

7.3.6 The Property Implications for each option are in line with the Council's Strategic Asset Management Plan overriding themes of good homes, creating places and strong communities and has full regard to other Council policies, in particular Housing, Employment, Regeneration and Social Value.

7.3.8 Option 3 has significant implications on the Council's housing estate and procedures. As a result of the initial development obligations requiring technical resourcing, we are satisfied that the costs of these activities are covered. However the implementation of delivery requires a resourcing plan that ensures the Council appoints, or has access to an experienced construction planning and delivery team. The Council are relatively inexperienced in the direct delivery of schemes at scale, however if managed correctly Option 3 could deliver a significantly improved return compared with the other options. The risks involved include construction cost increases and labour availability post Brexit, possible changes in market demand, increased supply by third party developers locally and other macro-economic factors including the state of the economy, interest rates and possible legislation on rent controls.

7.3.9 Long term estate management of the BtR component is required under Option 3 and these management techniques must be equivalent to the standards achieved in competing BtR schemes and result in a service charge regime which is efficient and transparent. We expect that the block management will form part of the estate-wide management strategy which is being formulated, but it is imperative these service standards are achieved to mitigate the risk of rental returns failing to meet expectations.

- 7.3.10 Under Options 3 and 4, the whole affordable content will be transferred into the HRA and managed as part of that portfolio. There are clear property benefits of improving the overall level of quality of the Council portfolio and the lower maintenance costs of the new units will bring down the 'per unit' costs.
- 7.3.11 Each option has implications on the Council's commercial estate owing to the employment uses being retained. To meet the financial projections in the model this accommodation will need to be let and managed well, not only to maximise income, but also to offer amenity and high environmental standard in support of the private and affordable housing. This will require management resources to be responsible for interim management, lettings and estate management. The Meridian Water long term estate management strategy is still being formulated and the management of the employment space should be coordinated with this procedure.
- 7.3.12 The Council's core strategy is to promote housing development at Meridian Water. The approach towards land acquisition and development supports the strategy of housing development at the earliest time. Further property implications will also arise depending upon which option is adopted in due course. These will be commented on in further detail at the appropriate time as reports come forward.

## **9. KEY RISKS**

The details of risk assessment is included in LSH report in Appendix A

The summary of risk for option 3 is as follows

<b>Meridian Water Phase2 option 3 risks*</b> (*the detailed risk assessment will be included in the detailed delivery plan for Option 3 and will be brought back to the Cabinet in 12 months)	
<b>Risk</b>	<b>Mitigation</b>
Land Receipts / Asset returns fail to achieve a return	The financial assessment demonstrated a healthy return to the Council. This option gives control to the Council to take a longer-term view over returns.
Construction risk and/or inflation erodes Council output	This option gives control to the Council to value engineer and adjust timing
Option fails to deliver the required level of social infrastructure	The Council is in control of adjusting social infrastructure and delivery, working closely across Council's divisions
Lack of flexibility to adjust tenure to adapt to market conditions	The mitigation is to vary tenure for future sub-phases.
Fail to attract developed / investor / contractor interest in the proposition	No risk on developer/investor partnership as the Council delivers the product. The report recommends approval to proceed with soft market engagement with the contractor and the outcome will be brought back to the Cabinet for approval in late 2020.
Pressure on Council resources and Governance prejudices delivery	This option adds pressure on Council resources and procurement of services. A detailed resourcing plan will be brought back to the Cabinet for approval in in late 2020.
Developer / Investor / Contract or corporate failure and lack of stake holder trust	Council exposed to the risk of contractor failure rather than developer failure. The outcome of soft market engagement with the contractor will be brought back to the Cabinet for approval in late 2020.
Council are considering a similar delivery structure for the Snells & Joyce scheme which is sufficiently close that similar tenures will be in direct competition.	Phasing will mitigate this risk to a point but there will be an overlapping of delivery costs and therefore an element of financial exposure for both schemes simultaneously.
Socio-economic shocks	Economic uncertainty surrounding Brexit would increase the demand for the rental market as potential buyers may hold off. A detailed study of resilience of Option 3 against socio-economic shocks will be brought back to the Cabinet in late 2020.
The housing offer does not meet housing need	The proposed tenure mix is entirely consistent with Local Plan and ELAAP requirements.

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

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

Meridian Water will provide high quality and sustainable homes to meet the diverse housing needs of the borough and London. Meridian Water will deliver high quality public spaces in a well-connected neighbourhood through improvements in both street and rail networks improving accessibility and increasing the frequency of services as well as reducing travel times not just for those living at Meridian Water, but for surrounding communities in Edmonton.

### **10.2 Sustain strong and healthy communities**

Meridian Water will provide social infrastructure allowing opportunities for the local community to partake in healthy lifestyle choices with access to gyms, a cycle network and access to high quality public open spaces. Meridian Water will encourage walking and cycling and use of sustainable transport modes.

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

Meridian Water will bring economic growth, support, inward investment, and create new jobs and build a strong and sustainable future for the local community. The development will be aligned with the three pillars of placemaking for Meridian Water, including 'Mixing uses; animating streets. This will ensure that the area is a lively place to complement and strengthen the local economy. The proximity to the station and attractive public realm will encourage people to visit and enjoy the area.

## **5. EQUALITIES IMPACT IMPLICATIONS**

**5.1** 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.

**5.2** An Equalities impact Assessment has been completed on the Meridian Water Master plan and it continues to be reviewed to ensure that Equalities and diversity will continue to be integrated into the development and delivery of Meridian Water to make sure they are embedded in the decision-making process and to avoid costly design changes.

## **6. PERFORMANCE AND DATA IMPLICATIONS**

**6.1** To be covered in detailed delivery plan

## **7. HEALTH AND SAFETY IMPLICATIONS**

**7.1** Health and Safety implications are considered as part of individual projects within Meridian Water. The programme should comply fully with Health and Safety legislation such as The Construction (Design & Management) Regulations (CDM 2015).

## **8. HR IMPLICATIONS**

**8.1** To be covered in detailed delivery plan

## **9. PUBLIC HEALTH IMPLICATIONS**

**9.1** The Council's investment in Meridian Water will lead to a range of public health benefits, including some that are significant.

**9.2** Meridian Water will be an environmentally and economically sustainable development with energy efficient homes powered by the Meridian Water heat network.

**9.3** The use of public transport, walking, cycling and healthy living will be encouraged through the design of the masterplan, with access to the Lee Valley, and new amenity space such as the 1.6 hectare Brooks Park with naturalised brooks.

**9.4** A wide range of social infrastructure including a gym, health facility, new primary school and a range of employment and retail spaces in close proximity within the masterplan will encourage sustainable living and social cohesion.

**9.5** The range of public health benefits at Meridian Water will positively impact the lives of new residents and existing residents in surrounding neighbourhoods.

## **Background Papers**

LSH Report attached to Part 2 report

## MUNICIPAL YEAR 2019/2020 REPORT NO. **104**

**MEETING TITLE AND DATE:**
**Cabinet: 16 October 2019**
**Council: 20 November 2019**
**REPORT OF:**

Executive Director of Place

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**Agenda – Part: 1**
**Item: 10**
**Subject: Meridian Water: Financial Model and 10 Year Budget**
**Wards: Upper Edmonton**
**Key Decision No: 4469**
**Cabinet Member consulted: Cllr Nesil Caliskan**

### 1. EXECUTIVE SUMMARY

- 1.1 This report follows the previous Financial Review report (KD4469) approved by Full Council on January 30<sup>th</sup> 2019.
- 1.2 Significant progress has been made across Meridian Water in recent months, with the announcement of Housing Infrastructure Fund (HIF) funding of £156m for site wide infrastructure works and rail enhancements, submission of two major planning applications for 2,300 homes and site wide infrastructure works, the opening of the new Meridian Water Station, selection of Galliford Try Partnerships as development partner for “Meridian One”, conclusion of a procurement process for “Meridian Two” as well as successful music and cultural events such as Field Day being held on site.
- 1.3 This report seeks Cabinet authorisation for the new Meridian Water 30-year Financial Model which has been produced following the Council assuming the role of Master Developer.
- 1.4 This report recommends a detailed capital budget for the Meridian Water regeneration programme for the remainder of 2019-20, plus the 2020-21 and 2021-22 financial years, and proposes that Cabinet recommends to Full Council, the authorisation for expenditure for these years totalling [£286m].
- 1.5 This report also sets out an indicative budget to cover capital expenditure for the period between April 2022 and April 2029 across the Meridian Water regeneration programme. By the end of this period, an anticipated 5,000 homes, 2,000-3,000 FTE jobs and transformational infrastructure will have been delivered at Meridian Water.

## **2. RECOMMENDATIONS**

That Cabinet;

- 2.1 Notes the Meridian Water 30-year Financial Model which confirms the overall financial viability of delivering Meridian Water
- 2.2 Authorises the baseline Financial Model to be used as the reference point and basis for decision making on Meridian Water
- 2.3 Note the recommended detailed Meridian Water programme budget totalling £286m to cover the remainder of 2019-20, plus the 2020-21 and 2021-22 Financial Years to undertake the projects and activities set out within this report, and recommend authorisation of its expenditure to Full Council.
- 2.4 Notes the indicative Meridian Water programme budget which covers the period 2022-23 through to 2028-29 totalling £245m, which is included within the Financial Model baseline
- 2.5 Recommends to Council the addition of £286M to the approved capital programme
- 2.6 Notes the estimated budget requirements for 2022/23 to 2028/29 of £245M, which would be approved as part of the 10 year capital programme.

## **3. BACKGROUND**

### **Purpose of report**

- 3.1 This report explains the current status of the Meridian Water Financial Model and asks that Cabinet notes the key assumptions and outputs that are included in the Financial Model baseline and authorises the baseline Financial Model to be used as the basis of decision making for Meridian Water.
- 3.2 This report proposes a detailed capital budget for the Meridian Water regeneration programme for the remainder of 2019-20, plus 2020-21 and 2021-22 financial years, and recommends that Cabinet makes a recommendation to Full Council to authorise expenditure of this budget totalling £286m (the full amount contingent on receipt of HIF funding). The approach has been taken to seek authority for expenditure of a detailed budget for a two-and-a-half-year period only as a regeneration programme of such scale and complexity, requires flexibility.
- 3.3 However, this report also sets out an indicative budget to cover capital expenditure for the period between April 2022 and March 2029 across the Meridian Water regeneration programme.



- 3.4 This 10 year period of investment will see the delivery of an anticipated 5,000 homes, 2,000-3,000 FTE jobs and transformational infrastructure which will establish Meridian Water as a successful neighbourhood, as well as providing significant socio-economic benefits to Upper Edmonton, neighbouring wards, and the London Borough of Enfield.
- 3.5 This report should be read in conjunction with the Phase 2 Business Plan (KD 4953) which is also on this Cabinet agenda.

### **Council as Master Developer**

- 3.6 In July 2018, Cabinet authorised the recommendations of three significant reports to kickstart the delivery of Meridian Water, with the Council taking on the master developer role;
  - 3.6.1 **Meridian Water Programme Update (KD4033):** this report sought approval for the Council to assume the role of master developer and commence procurement processes to appoint development partners for Site 1, now known as 'Meridian One' (Willoughby Lane) and Site 2 or 'Meridian Two' (Leeside Road former Gasholder), deliver an Employment Hub, and also commence an options appraisal for the future delivery model for the rest of Meridian Water.
  - 3.6.2 **Meridian Water - Housing Infrastructure Fund (KD4711):** this report sought approval to submit a business case to Ministry for Housing Communities and Local Government for Housing Infrastructure funding, as well as the strategy for delivering these works; through preparation of a detailed planning application and procurement of a contractor.
  - 3.6.3 **Meridian Water Employment Approach (KD4717):** this report sought a budget to deliver a number of employment led projects including Meridian Works with Building BloQs, and leasing various sites to 'meanwhile' operators to generate income and establish a sense of place at Meridian Water. This included leasing the Orbital Business Park Sheds to the Vibration Group to curate an ambitious programme of music and cultural events including Field Day Festival.

### **Meridian Water: Delivery Progress**

- 3.7 Since Cabinet authorised the recommendations of these three reports in July 2018, progress has been made across numerous workstreams and projects within the overall Meridian Water programme.
  - **Housing Infrastructure Fund (HIF) & Strategic Infrastructure Works:** after the business case was submitted by the GLA to MHCLG, the Council received notification on 16<sup>th</sup> August 2019 that it will receive the full £156m of grant funding from central government

which is a significant boost for Meridian Water. Receipt of this funding will be subject to satisfaction of several pre-contract conditions. A detailed planning application for the Strategic Infrastructure Works was also submitted in July 2019 to the Council's Planning Authority, and the competitive dialogue procurement process to appoint a framework of contractors to deliver the works is set to commence in October 2019. A report is on the 16<sup>th</sup> October Cabinet agenda recommending that the Council makes a Compulsory Purchase Order (KD 4832) to acquire third party land necessary to deliver the infrastructure works across Meridian Water.

- **Meridian Water Station (and Station Public Realm):** the brand-new Meridian Water Rail Station opened in June 2019, providing Upper Edmonton with a significantly improved transport connection and a catalyst for the Meridian Water project. Services increased to 3-4 trains per hour in September 2019. Public Realm works completed prior to the opening of the station which includes hard and soft landscaping to the front of the new station and pedestrian and cycle access across the Willoughby Lane site to Edmonton.
- **Meridian One:** after a competitive procurement process and Cabinet authorisation in April 2019 ("*Meridian Water – Meridian One Developer Procurement*" KD4864), Galliford Try Partnerships were selected as the Council's development partner for the delivery of at least 725 homes as well as circa 2,250m<sup>2</sup> of commercial, leisure and community space at the Willoughby Lane site. Having negotiated final terms, a separate report "*Meridian Water - Meridian One Developer Appointment*" (KD5004) is being brought to Cabinet on 16<sup>th</sup> October, recommending that the Council enters into the Development Agreement for a scheme which will provide 50% affordable housing, an uplift beyond the original outline planning permission and Council's invitation to tender (ITT) requirements, including over 200 Council homes for affordable rent. It is anticipated that a new planning application to provide additional homes may be submitted within the next 12 months. Meridian One will also provide meanwhile events and uses to activate the site, a construction skills academy to encourage local upskilling and labour, and opportunities for local artists as part of a hoarding project.
- **Phase 2 Outline Planning Application:** an outline planning application, the largest ever to be submitted to Enfield Council, was submitted in July 2019 for 2300+ homes, commercial employment and retail space, hotel, student accommodation a primary school and other social infrastructure. The application is in the centre of Meridian Water covering the land between Pymmes Brook to the west, the River Lea Navigation to the east, the North Circular Road to the north and Tottenham Marshes to the south. The Phase 2 Business Plan report KD 4953 is on the same Cabinet agenda this evening, which recommends the delivery strategy for over 1500 homes and other uses within this outline planning application.

- **Meridian Two:** a procurement process is in the final stages (through the GLA LDP2 framework) to select a development partner to deliver a 100% affordable housing led scheme of circa 250 homes, and 3,000m<sup>2</sup> of workspace. A report will be taken to Cabinet recommending the preferred partner in December. Construction is expected to start in 2021 with completion in 2023.
- **Vibration Group/Orbital Business Park Sheds “The Drumsheds”:** The Council entered into a lease with The Vibration Group to curate a programme of music and cultural events inside the iconic blue sheds and on adjacent Council owned land. Field Day, one of London’s most established music festivals was held at the site in June 2019, bringing in excess of 25,000 people to the site over two days. There is a programme of further music and cultural events over the coming two years at the “Drumsheds”.
- **Meridian Works One (Building BloQs):** An Agreement for Lease, and revised Grant Funding Agreement was signed earlier this year with Building BloQs to provide 3000m<sup>2</sup> of ‘maker space’. A planning application for the refurbishment of the former VOSA depot and construction of a new extension, was submitted in [August] 2019. Works on site are expected to commence later in 2019 and the space is expected to be occupied in mid-2020.
- **“Teardrop Site” Meanwhile Use (Meridian Way):** The Council is actively seeking an operator to provide a ‘meanwhile’ use on this prominent site adjacent to the Meridian Water Rail Station and Meridian Way, which can have a positive impact on place making, activating the site and providing important employment space.
- **Stonehill Site:** The site has been marketed and the 3 acre (1.2 hectare) Hawley road site is being taken by North London Waste Authority for their compound to enable the rebuilding of the Ecoplant. Through a marketing process, other meanwhile proposals within the Stonehill site that generate income and contribute to employment and placemaking objectives are being explored.

## **MERIDIAN WATER FINANCIAL MODEL**

- 3.8 Following the decision by Cabinet for the Council to take on the role of master developer at Meridian Water (KD4033), Lambert Smith Hampton were commissioned to produce a bespoke Financial Model and LBE Finance and the Meridian Water Team have been reviewing on-going progress.
- 3.9 The Meridian Water Financial Model covers a 30-year period, currently at year 6, and is used to monitor the performance of the Meridian Water programme against financial objectives. The Financial Model can also be

used to test different scenarios and sensitivities as the programme will always need to adapt and respond to different factors including macro-economic events/cycles, market conditions, changing regulation and Council specific policies, objectives and models of delivery.

- 3.10 The Meridian Water Financial Model will remain a live document and its role up until this point has been that of a traditional financial model for understanding the financial viability of a large regeneration programme. However, whilst this approach is needed, the Council has a greater remit than that of a developer and should take into account socio-economic outputs and other impacts that Meridian Water can have on the whole borough. For example, this may include the value of building new Council homes, providing social infrastructure and investing in new transport infrastructure. Therefore, Cabinet should note that further work will be undertaken to develop a Social Value Model which will be reported to Cabinet in 2020.
- 3.11 The objective of the Meridian Water Financial Model to date has been to forecast a reasonable return on investment for the Council after a number of essential qualitative objectives have been included;
- Provision of 40% affordable housing in accordance with the Enfield Leaside Area Action Plan (ELAAP) and existing Local Plan to meet local housing need for the London Borough of Enfield and meet the objectives of the Corporate Plan.
  - High quality of architecture, public realm and landscaping, in line with the Meridian Water Place Vision and three pillars of place making; 'Parklife on Your Doorstep', 'Your Place to Make and Create' and 'Mixing Uses Animating Streets'. Establishing a sense of place and character are essential components of a successful legacy.
  - Council ownership of non-residential ground floor uses; whether commercial (retail or employment), community, or leisure spaces so that the Council has control over the strategy to provide leisure, amenity and community activities, provide employment opportunities to local residents, and generate an income stream. This income stream in the future will be of significant value to the Council and contribute to funding Council services.
- 3.12 The financial return to the Council is a contingency to cover for unforeseen eventualities to protect the Council from making a loss.
- 3.13 The Financial Model makes a number of assumptions which are included in the Part 2 report because they are commercially sensitive.
- 3.14 The outputs of the Financial Model are also commercially sensitive and are therefore included in the Part 2 report. These outputs demonstrate that the Meridian Water regeneration programme is financially viable and that the recommended capital budget in this report should be authorised by Cabinet.

- 3.15 In addition to the Social Value Model, the Council will be commissioning a number of strategies for Meridian Water, including a Sustainability Strategy which will include detailed initiatives on environmental sustainability to mitigate the effects of climate change and reduce the impact of development on the environment. The development of these strategies will include scenario testing in the Financial Model and Social Value model so that decisions on any proposed initiatives are appropriately informed.

**Meridian Water 2.5-year budget: summary of activities and milestones**

- 3.16 Between 2019 and March 2022 within the detailed 2.5 year budget period the following activities are expected to be underway, or milestones completed;

<b>Meridian Water 2019-20 to 2021-2022: Key Activities and Milestones</b>
<p><b>Strategy and Programme Governance:</b></p> <ul style="list-style-type: none"> <li>• Preparation and approval of strategies to govern the Meridian Water programme including Estate Management, Asset Management, Employment, Sustainability</li> <li>• Estate Management company for Meridian Water becoming operational in 2021.</li> </ul>
<p><b>Planning &amp; Design:</b></p> <ul style="list-style-type: none"> <li>• Preparation of a Design Code and Masterplan Supplementary Planning Document to promote and ensure design quality across third party land within the Meridian Water masterplan.</li> <li>• On-going monitoring and approval of design information to ensure compliance with the Meridian Water Place Vision and contractual documents</li> </ul>
<p><b>Land Acquisition and Compulsory Purchase Order:</b></p> <ul style="list-style-type: none"> <li>• Acquisition of all land interests required to deliver the Strategic Infrastructure Works. All efforts will be made to secure the land via private treaty but if this cannot be achieved within the timeframe, a CPO will be made.</li> <li>• Compulsory Purchase Order to assemble all land required to deliver the SIW and to acquire any rights required to deliver those works. It is anticipated that a CPO could be made in winter 2019/20, following a possible public inquiry in summer 2020, vacant possession of land would be required in early 2021.</li> <li>• Relocation of the Cadent pressure reducing station site on Zone 1, enabling the delivery of infrastructure works for the Meridian One development and completing the acquisition of all developable land within the Zone 1 area of Meridian Water.</li> <li>• Acquisition of other ad hoc land parcels on the East Bank, as they are available in order to tidy up Council land holdings and facilitate future Meanwhile and Development projects.</li> </ul>
<p><b>Phase Delivery:</b></p>

- Meridian One – construction underway for Phase 1a from 2020 with the first affordable Council homes (acquired by LBE) close to completing in early 2022.
- Meridian Two – construction underway from 2021 for circa 250 all affordable homes and commercial workspace.
- Outline planning permission secured for 2,300 homes across Phase 2 in 2020.
- Detailed Delivery Plan workstream undertaken including obtaining Reserved Matters Planning Approvals for Phase 2a to deliver circa 500 homes. This will include detailed design, preparation of specification and a recommended procurement strategy for further Cabinet approval.

**Infrastructure Delivery:**

- Completion of remediation and utilities diversions at Willoughby Lane to enable the development of Meridian One.
- Draw down of HIF funding.
- Strategic Infrastructure Works planning permission to be secured in 2019-20.
- Strategic Infrastructure Works competitive dialogue process undertaken between 2019 and 2020 to appoint a framework of contractors to deliver the works.
- Pre-Construction Services Agreement expected to be entered into with main contractor for Infrastructure Works in 2020 to develop detailed design.
- Construction underway across the site from 2021.

**Meanwhile Uses, Employment & Socio Economic:**

- Production of the Meanwhile Masterplan, as a strategy to inform project decision making and for future developers.
- Drumsheds (Orbital Business Park) events expected to continue drawing large crowds, establishing Meridian Water as a music and cultural destination.
- Building BloQs workshop at former VOSA site occupied and operational in 2020 providing 3,000m<sup>2</sup> of employment space and circa 970 FTE jobs.
- Meanwhile uses in place across Stonehill and Teardrop sites.
- Activation of the canal and reuse of Antony Way properties to expand the activity hub and create more of a destination on the East Bank.

**Property Management & Security:**

- Procurement of a new site-wide Security company.
- Procurement of a Property Management Agent to oversee Property Management for the next three years.
- Ongoing letting of meanwhile sites as they become available to maximise revenue income and ensure best use of land ahead of development or infrastructure works.

**Meridian Water 10-year budget: summary of outcomes**

3.17 The future 10-year budget consists of £286M 2.5 year budget and the indicative budget of £245M. The investment of approximately £531m from the Council in Meridian Water over a 10 year period will have a transformational impact with the following future goals by 2029;

- Development of approximately 5000 new homes across the Masterplan.
- The 'Meridian One' site at Willoughby Lane will be a successful and established neighbourhood stitched into surrounding Angel Edmonton, with over 900-1000 homes including hundreds of Council homes, public spaces, employment, retail, health and leisure uses. Further development to the north and south as part of Phase 4 will see new high-quality mixed tenure development that increases the vibrancy and vitality of the place.
- The transformation of the heart of Meridian Water across the 'Phase 2' site will almost be complete, with a vibrant community residing between Pymmes Brook and the Lee Navigation, with over 1500 homes which have will have completed. Construction will be underway on the last development plots.
- Implementation of further rail infrastructure which will have boosted rail frequencies to 6-8 trains per hour at Meridian Water Station in 2023 which is a catalyst for transformation.
- Implementation of the following infrastructure by 2024; main vehicular routes, streets, pedestrian and cycleways, bridges, utilities capacity provision, plot remediation, flood capacity, to serve the masterplan area for all future phases of development.
- Social infrastructure, including a new primary school and a health centre.
- A successfully established and growing creative industries cluster exists across Meridian Water, providing several hundred skilled jobs for local people while generating activity across Meridian Water. This will include various types of product, fashion and graphic design and associated manufacturing, performing arts and theatre, film, music, TV, media, and many other diverse employment types.
- A gym, retail and employment space, providing an important offer for Meridian Water and Upper Edmonton residents.
- Approximately 9.1 hectares of parkland benefitting the new Meridian Water community and providing amenity for the neighbouring communities.
- Naturalised waterways which will have had significant ecological and amenity benefits for new Meridian Water and Edmonton residents.
- Significant social value captured, through Development Agreements, leases, works and services contracts. These will provide employment and skills opportunities for local residents.

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

##### Not approve the financial model baseline

- 4.1 Not approving a baseline for the Financial Model would not provide a basis and context for future decision making, and reporting against any changes in the key outputs and performance of the Meridian Water programme.

Do not approve full budget but rather approve each workstream separately;

- 4.2 This approach would not provide the strategic overview to budget setting for the Meridian Water programme and decision making. The overall costs borne by the Council for Meridian Water need to be considered against the benefits at a programme level, rather than looking at workstreams in isolation.

Approve shorter budget;

- 4.3 Approval for a budget shorter than 2.5 years would not provide sufficient flexibility to plan comprehensively and it would require additional reporting and governance which would not be the most efficient use of resources.

Seek approval for full 10-year budget;

- 4.4 This was considered however due to the scale and complexity of the Meridian Water programme which needs to respond to the changing economic cycles, market conditions, regulation and other factors, a period of 10 years is considered too long to provide sufficient cost certainty.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 Significant progress has been made on Meridian Water since reporting to Cabinet in July 2018 with successful delivery of London's newest Rail station, establishing a successful cultural offer on site, awarding the contract to deliver the first phase of development and circa 900-1000 homes, submitting planning applications to secure a further 2,300 new homes as well as crucial site wide infrastructure including parks, bridges, roads and cycleways. A record level of grant funding totalling £156m as part of the Housing Infrastructure Fund from central government has been announced, to deliver these crucial-site wide infrastructure works.
- 5.2 It is recommended that Cabinet approve the proposed detailed budget of £286m to cover the remainder of 2019-20, 2020-21, and 2021-22 financial years, based on the detailed programme of activities and milestones set out within this report. Within this period, progress is expected to continue with the first new homes completing, many more homes and site wide infrastructure under construction and the ramping up of employment and cultural activity to further establish Meridian Water as a destination.
- 5.3 Cabinet are asked to note the indicative budget over the remaining period up to 2028-2029 by which time it is expected that approximately 5000 new homes and between 2000-3000 FTE jobs will have been delivered.

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

### **6.1 Financial Implications**



The Financial Implications are included in the Part 2 report.

## **6.2 Legal Implications**

### **27<sup>th</sup> September 2019 MD**

- 6.2.1 The Council has power under section 1 of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles. The recommendations detailed in this report are in accordance with the Council's powers. Furthermore, pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of further housing accommodation. The Council has the power under section 9 of that Act to provide housing accommodation. The Local Government Act 2003 gives the Council power to borrow for any purpose related to its functions, and to utilise capital receipts, subject to the limitations set out in that Act.
- 6.2.2 The Council has a statutory duty under section 151 Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The rules relating to the Council's budget setting process are set out in the Part 4 of the Council's Constitution (Chapter 4.7).
- 6.2.3 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. 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.
- 6.2.4 The public sector equality duty under section 149 of the Equality Act 2010 requires the Council to have due regard to; (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it. Any equality impact assessment prepared in respect of the Meridian Water regeneration project should be revisited as part of changing nature of the Scheme.
- 6.2.5 Although there has been an announcement that the Council/GLA have been successful in their application for £156m HIF funding, receipt of funds will be subject to agreement of detailed terms and conditions and satisfaction by the Council and the GLA of pre-contract conditions yet to be agreed between the parties. In the event

that terms cannot be agreed, or pre-conditions satisfied, this funding is at risk.

- 6.2.6 Any acquisition or disposal of land interests to be funded out of the proposed budget must comply with the Council's Property Procedure Rules and, in the case of disposals of land, section 123 Local Government Act 1972. Any procurement of goods, services and/or works to be funded by the proposed budget must comply with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.

### **6.3 Property Implications**

- 6.2.1 Further land acquisition costs are included in these budgets which are required to enable construction of the HIF works and land assembly to complete delivery of the wider scheme. For the purposes of the Financial Model this remains on the assumption of the Council as Master Developer. These acquisitions (by CPO and agreement) will be conducted within the general acquisition terms of the Councils Property Procedure Rules and the rules will be followed in this process.
- 6.2.2 The power of acquisition of land within this budget is provided by the Local Government Act 1972. The Council intend to retain ownership of the freehold interest in all land within the scheme with disposals of individual phases being by leasehold sale.
- 6.2.3 The budgets include a range of project management and consultancy costs which are required to undertake work to create 'ready for development sites' This includes design, town planning, site investigation and other specialist activities. The effect of these activities are to minimise developer risk when sites are offered to the market and in this way maximise competition and avoid developers applying a risk premium to these items. In this way the Council will meet its section 123 obligation and optimise the timing and certainty of scheme delivery.
- 6.2.4 The Council will secure best consideration from disposals of these interests in accordance with the Local Government Act 1972. As described development sites will be disposed of with the benefit of outline planning permissions and substantially de-risked environmentally to make them of maximum appeal to the developer market. Disposals will be on the basis of Development Agreements to ensure delivery of the Councils development requirements. Because the model covers the whole 25 year development programme it makes assumptions in connection with value and cost inflation together with a cautious assessment of regeneration premium. The output is a series of land receipts and revenue returns. As the model shows the consideration will be a combination of land receipt and the transfer of revenue producing employment space.

- 6.2.5 The model includes revenues from other meanwhile use lettings at Stonehill, The Sheds and Teardrop site. These lettings will include break options to enable long term development to come forward but best consideration on this short-term basis will be assured by high profile open market lettings. The break date programme will allow for sites to be released in line with the phasing plan that underpins the model.
- 6.2.6 The Financial Model will be subject to regular review and reporting update to ensure that the results remain in line with market conditions at the time. At all times measures to mitigate any deterioration or maximise improvements will be highlighted as part of these reviews.
- 6.2.7 The Property Implications of the structure upon which the model is based is in line with the Councils Strategic Asset Management Plan overriding themes of good homes, creating places and strong communities and has full regard to other Council policies, in particular Housing, Employment, Regeneration and Social Value.
- 6.2.8 The delivery structure upon which the model is based has implications on the Councils commercial estate owing to the employment uses being transferred to the Council. To meet the financial projections in the model this accommodation will need to be let and managed. This will require management resources to be responsible for interim management, lettings and estate management. The Meridian Water long term estate management strategy is still being formulated and the management of the employment space will be co-ordinated with this procedure. All additional commercial space added to the Councils' portfolio increases the Councils' Corporate Landlord responsibilities and liabilities, which will have an effect on the Council's budgets. The impact of this should be considered in detail at each phase of development or prior to transfer of any commercial asset in to the general fund.
- 6.2.9 The Councils core strategy is to promote housing development at Meridian Water and the land acquisition and development strategy support the strategy of housing development at the earliest time.

## 7 KEY RISKS

- 7.2 Some of the key risks relating to the Budget and Financial Model are included in the table below. A number of financial model scenarios are also included in the exempt Part 2 report as they contain commercially sensitive information.

<b>Meridian Water Financial Model and Budget Risks</b>	
<b>Risk &amp; Effect</b>	<b>Mitigation</b>
<b>Projected Costs Increase:</b> The projected costs over the 25 year	The Budget within the Financial Model includes a large contingency

<p>period increase significantly above those included in the Financial Model, making Meridian Water unviable.</p>	<p>of 10% which is considered a prudent approach given the scale and complexity of the programme, sensitive assumptions being used, and potential cost inflation due to site specific factors (i.e. abnormal costs, market factors, and any policy changes during the period). Assumptions are regularly reviewed, and sensitives and scenarios will be modelled so that the Financial Model can be used to anticipate the impact on key performance outputs and any mitigating actions taken.</p>
<p><b>Market Saturation:</b> With Meridian One, regeneration projects such as Joyce &amp; Snells, plus IKEA and Tesco residential led redevelopment schemes, the local market becomes saturated with private sale housing, reducing values and adversely impacting financial viability.</p>	<p>This risk is being closely monitored to ensure that the timing for delivery of particular tenure types by the Council and its partners is considered, and market saturation is avoided. For example the Council is considering 'Build to Rent' tenure on Phase 2 to avoid competition with private sale housing on IKEA and Tesco sites.</p>
<p><b>HIF Funding:</b> The full extent of HIF funding is not released if the Council is unable to agree terms and satisfy conditions, which would present a significant viability issue for Meridian Water.</p>	<p>If HIF funding is not or only partially secured, the Council will look to secure alternative funding for the HIF Works.</p>
<p><b>Impact of Brexit on Values:</b> Sales values particularly and rents are negatively impacted following a 'No Deal' or any form of exit by the UK from the European Union, impacting the financial viability and/or levels of affordable housing and level of quality on phase developments at Meridian Water.</p>	<p>The Council has limited control over market factors such as these, other than the ability to an extent to control the timing of development until conditions improve. The Council could explore tenure options which minimise the impact, even for interim periods until values improve.</p>
<p><b>Impact of Brexit on construction costs:</b> Both labour and materials costs increase as following a 'No</p>	<p>The Council has limited control over market factors such as these, other than the ability to an extent to</p>

Deal' or any form of exit by the UK from the European Union, negatively impacting the financial viability and/or levels of affordable housing, and level of quality on phase developments in Meridian Water.	control the timing of development until conditions improve.
<b>Inflation on land:</b> Inflation on land still to be acquired is higher than projected, increasing the Council's costs.	The Council will continually review assumptions on a periodic basis so that decisions on the timing of acquisition can be made. The Council can also review a number of other development assumptions to mitigate an increase in acquisition costs.
<b>'Meanwhile' income:</b> Meanwhile income doesn't achieve revenue target for the Financial Model.	The Council will continually review 'meanwhile' income targets across Meridian Water to achieve the balance between place making and revenue generation and servicing debt.

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

### 8.1 Good homes in well-connected neighbourhoods

Meridian Water will provide high quality and sustainable homes to meet the diverse housing needs of the borough and London. Meridian Water will deliver high quality public spaces in a well-connected neighbourhood through improvements in both street and rail networks improving accessibility and increasing the frequency of services as well as reducing travel times not just for those living at Meridian Water, but for surrounding communities in Edmonton.

### 8.2 Sustain strong and healthy communities

Meridian Water will provide social infrastructure allowing opportunities for the local community to partake in healthy lifestyle choices with access to leisure centres, a cycle network and access to high quality public open spaces. Meridian Water will encourage walking and cycling and use of sustainable transport modes.

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

Meridian Water will bring economic growth, support, inward investment, and create new jobs and build a strong and sustainable future for the local community. The development will be aligned with the three pillars of placemaking for Meridian Water, including 'Mixing uses; animating streets. This will ensure that the area is a lively place to complement and strengthen the local economy. The proximity to the station and attractive public realm will encourage people to visit and enjoy the area.

## **9 EQUALITIES IMPACT IMPLICATIONS**

- 9.1** 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.
- 9.2** 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. It should also be noted that projects or work stream deriving from this may be subject to a separate Equalities Impact Assessment. Therefore any projects or work stream will be assessed independently on its need to undertake an EQIA to ensure that the council meets the Public Sector Duty of the Equality Act 2010.

## **10 PERFORMANCE AND DATA IMPLICATIONS**

- 10.1 Not applicable.

## **11 HEALTH AND SAFETY IMPLICATIONS**

- 11.1 Health and Safety implications are considered as part of individual projects within Meridian Water. The Council has included the fees associated with complying fully with Health and Safety legislation such as The Construction (Design & Management) Regulations (CDM 2015).

## **12 HR IMPLICATIONS**

- 12.1 A new Meridian Water team structure is now in place which includes 35 FTE posts. The detailed budget recommended for authorisation in this report includes an additional £508,000 per annum for 6 additional posts. The team structure is to be reviewed on an annual basis to reflect the changing needs of delivering Meridian Water.

### **13 PUBLIC HEALTH IMPLICATIONS**

- 13.1 The Council's investment in Meridian Water will lead to a range of public health benefits, including some that are significant.
- 13.2 Meridian Water will be an environmentally and economically sustainable development with energy efficient homes powered by the Meridian Water heat network.
- 13.3 The use of public transport, walking, cycling and healthy living will be encouraged through the design of the masterplan, with access to the Lee Valley, and new amenity space such as the 1.6 hectare Brooks Park with naturalised brooks.
- 13.4 A wide range of social infrastructure including a gym, health facility, new primary school and a range of employment and retail spaces in close proximity within the masterplan will encourage sustainable living and social cohesion.
- 13.5 The range of public health benefits at Meridian Water will positively impact the lives of new residents and existing residents in surrounding neighbourhoods.

### **Background Papers**

None

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**MUNICIPAL YEAR 2019/2020 REPORT NO. 112****MEETING TITLE AND DATE:**Cabinet 16<sup>th</sup> October 2019**REPORT OF:**Executive Director  
Place

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E mail: [peter.george@enfield.gov.uk](mailto:peter.george@enfield.gov.uk)**Agenda – Part: 1****Item: 11****Subject: Meridian Water – Meridian One  
Developer Procurement****Wards: Upper Edmonton  
Key Decision No: 4864****Cabinet Member consulted: Cllr Nesil  
Caliskan****1. EXECUTIVE SUMMARY**

- 1.1 On 24<sup>th</sup> April 2019, Cabinet approved the appointment of Galliford Try Partnerships (GTP) as developer for Meridian One (KD 4864)
- 1.2 Authority was delegated to the Portfolio holder to confirm the level of affordable housing and Council Homes in the deal
- 1.3 Since that date, negotiations have taken place between the Council and GTP and a deal agreed as follows :
- 1.3.1 The scheme will be delivered with 50% affordable housing, of which 50% will be affordable rent
  - 1.3.2 The Council will purchase the affordable rented units from GTP at a price agreed within the Development Agreement (the units may subsequently be appropriated to the HRA at their certified value after practical completion, this will be the subject of a separate cabinet report at the time)
  - 1.3.3 A warranty for the historic soil and ground water remediation works will be secured by the Council from Cognition, including removal and mapping of underground obstructions. GTP will accept this warranty and complete the remaining remediation works on-site therefore removing the condition precedent for the Council to do so
  - 1.3.4 GTP will also take on responsibility for managing Cadent relocating the PRS and IP Main and releasing the IP Main easement therefore removing the condition precedent for the Council to do so
  - 1.3.5 GTP will complete the fit-out of the non-residential units to the Council's 'shell and core plus' specification therefore removing the requirement for the Council to pay for the works themselves after practical completion

## **2. EXECUTIVE SUMMARY...continued**

- 1.3.6 The Council has issued a Design Charter for the potential re-design of Phase 1B which is included within the Development Agreement. GTP have agreed with the principles of the charter subject to final agreement on the detail prior to exchange of the DA
- 1.3.7 GTP have agreed to target two thirds of the net ground floor area being non-residential uses (excluding maisonettes) gifted to the Council at nil cost

## **2. RECOMMENDATIONS**

It is recommended that Cabinet :

- 2.1 Authorises the deal with GTP as set out in this report subject to the completion of external Red Book Valuations, undertaken by the two appointed Registered Valuers at LSH and BNP Paribas, confirming the status of the disposal in relation to s.123 of the Local Government Act 1972 'best consideration' and 'market value' and approved by the Cabinet Member for Finance & Procurement
- 2.2 Authorises the expenditure of £200,000 towards community benefits as detailed in this report
- 2.3 Delegates agreement of the remediation costs, the remediation warranty and the costs for GTP to manage the relocation of the PRS to the Director of Meridian Water
- 2.4 Delegates agreement of the final drafting of the Design Charter to the Director of Meridian Water
- 2.5 Delegates agreement of the cost of completing the non-residential units to the Council's 'shell and core plus' specification to the Director of Meridian Water
- 2.6 Delegates authority to the Executive Director of Place in consultation with the Director of Resources and the Director of Law and Governance to agree the terms of the Development Agreement and ancillary documents with GTP after receipt of a procurement risk report from Trowers and Hamlin which the Director of Law and Governance is satisfied presents an acceptable procurement risk to the Council
- 2.7 Delegates authority to Legal Services on behalf of the Director of Law and Governance to enter into the Development Agreement and any ancillary documents.
- 2.8 Authorise the addition of £1.1m expenditure added to the Medium Term Financial Plan, to service the outstanding debt attached to Meridian One.

### 3. BACKGROUND

3.1 On 24th April 2019, Cabinet approved the appointment of GTP as developer for Meridian One (HD 4864). Such approval was subject to the following authorisations :

3.1.1 Programme Director – Meridian Water (in consultation with the Director - Law and Governance and the Director - Finance) authorised to enter in to a Development Agreement and ancillary documents for Meridian One

3.1.2 Prior to signing the Development Agreement, the Executive Director of Place (in consultation with the Director - Law and Governance and the Director - Finance) authorised to enter into discussions with GTP to secure up to 50% affordable housing with the Council retaining at least 75 affordable rented units on the site

3.1.3 At the conclusion of the discussions referred to above, authority was delegated to the Leader (in consultation with the Executive Director - Place, the Director - Law and Governance and the Director - Finance) to confirm the level of affordable housing for inclusion in the Development Agreement which must fall within a range of 35%-50% in addition to the Council retaining at least 75 affordable rented units

3.1.4 Subject to the above negotiations being concluded and valuation advice being finalised authority was delegated to :

3.1.4.1 The Cabinet Member for Finance to approve the valuation of the retained affordable rented units to be appropriated to the Housing Revenue Account and the necessary accounting adjustments between the General Fund and the Housing Revenue Account; and

3.1.4.2 The Cabinet Member for Housing to approve the appropriation of the retained affordable rented units to the Housing Revenue Account.

3.2 Negotiations have subsequently taken place with GTP and a deal agreed as follows :

#### 3.2.1 Affordable Housing and Land Value

The scheme will be delivered with 50% affordable housing, of which 50% will be affordable rent.

This tenure split has been agreed following a steer by Cabinet and is supported by both the Draft London Plan and Enfield's own Local Plan aspirations.

The ELAAP and the Local Plan seek affordable housing to be split 70% affordable rent and 30% intermediate. However, as the outline planning consent requires only 25% affordable housing of which 40% is affordable rent (75 units in total) the number of affordable rented units delivered within the scheme has been increased as far as possible whilst still remaining viable.

### 3.2.2 Council Purchase of Affordable Rented Units

The Council will purchase all the affordable rented units from GTP at a price agreed within the Development Agreement and detailed in the Part 2.

If GTP deliver the scheme under the terms of the current planning consent, this would mean that the Council ultimately purchases 182 affordable units. If GTP apply for a revised planning consent for Phase 1b under the terms of the DA then this number would increase. Current estimates of the total number of units which could be delivered are around 910 with 230 offered to the Council as affordable rent. Unit numbers will not be determined until after the DA has been signed and the detailed planning consent secured by GTP, however the Council has approval rights as land owner on all planning applications submitted by GTP.

### 3.2.3 Remediation and Enabling Works

#### Remediation

A warranty for the historic soil and ground water remediation works, including removal of underground obstructions, is being secured from Cognition. GTP will accept this warranty and complete the remaining remediation works on-site therefore removing the condition precedent for the Council to do so. The costs for GTP to carry out this work will be off-set from the land value.

The Council's cost consultants, Stace, have reviewed the GTP cost for completing the remediation works and confirmed that it is in line with the market and therefore represents value for money.

The Council had already budgeted for costs to be spent on completion of the remediation works and this amount was included in the budget approved by Council in January 2019. These costs no longer need to be expended and therefore the Council will be making savings to off-set against the GTP costs.

In addition to this, the risk to the Council has significantly reduced as GTP have now taken full responsibility for the works and the condition precedent for the Council to complete the works within the development agreement has now been removed thus reducing conflict and potential claims on the Council.

#### Relocation of PRS

GTP will also take on responsibility for managing Cadent relocating the gas Pressure Reducing Station (PRS) and Intermediate Pressure Main (IP Main) and releasing the IP Main easement, therefore removing the condition precedent for the Council to do so.

GTP have advised a cost to carry out this role and these costs will be off-set from the land value. In addition, the Council will still pay Cadent directly for the cost of the relocation works and the long stop dates within the agreed programme in the development agreement are subject to extension in the event that the works are delayed by Cadent through no fault of GTP.

The Council had previously budgeted for costs of professional fees to manage this relocation and these costs will no longer be required. In addition, the Council gains substantial benefits through removal of the condition precedent for it to complete these works in the development agreement and through the ability for the developer to plan its programme around the works.

#### 3.2.4 Phase 1B and the Design Charter

The Council has issued a Design Charter for the potential re-design of Phase 1B which is included within the Development Agreement. GTP have agreed to the charter in principle, subject to agreement of final details prior to signing the DA. GTP have also confirmed that any redesign will meet the terms of the agreed charter.

GTP have presented the Council with an indicative concept plan for how 912 units might fit on the site which has been reviewed by the Council's in-house design team

The building blocks of the new 912-unit proposal follow the basic principles of the previous consented scheme. Density is raised in the form of height and mass in the plots facing the railway line ie. Blocks B & D. At Block B, the tower at the NW corner reaches 24 storeys while the SE tower is 20 storeys, functioning as a place marker for the new Meridian Water station and the main square. The maximum height for Block D is 13 storeys, creating a sense of enclosure to the square without compromising the natural light into it. Blocks A & C remain fairly similar to the consented scheme of the 725 homes.

The Council's team are currently developing different options for the community space, within the current planning use, and are keen to explore a health offer. The existing community will be consulted during this process to make sure that the final space will reflect their needs.

### 3.2.5 Non-Residential Units – Fit-Out

The tender documents initially required GTP to deliver the non-residential units to the Council at nil cost on a shell and core specification. The Council was to provide GTP with a detailed fit-out specification later in the programme and pay GTP separately for the work required out of future approved budgets.

Further work on the use and marketability of these units has resulted in the decision to deliver these units to the market on a 'shell and core plus' basis rather than fully fitted out. The specification has now been developed and GTP will be in a position to advise the cost for the additional works prior to signing the DA. The Council's professional cost consultants, Stace, have estimated the cost for the works and will work with GTP to ensure that the final price agreed with them offers the Council value for money based on this estimate.

The sum agreed with GTP for upgrading the specification of the non-residential units to the Council's 'shell and core plus' specification will be netted off the land value.

### 3.2.6 Non-Residential Uses – Quantum

GTP have reviewed the existing outline planning consent and confirmed that the average quantum of non-residential units across the four blocks A – D exceeds two thirds of the net internal area (excluding area required for ground floor family homes/maisonettes). They have committed to maintain this level in any revised planning application.

3.3 The goal of Meridian Water is to make local people the primary beneficiaries of the scheme. The top priorities of local people have been identified to the Council at various community meetings as being:

- Anti-social behaviour
- Fly-tipping/rubbish

It is therefore recommended to spend £200,000 towards alleviating these problems in Upper Edmonton as follows :

- £100K for street cleansing
- £100K for community safety

This sum can be contained within the contingency allowance within the current approved budget if necessary, however it is also specifically included as a line item in the budget as set out in the Meridian Water Financial Review report also being presented at this Cabinet meeting.

Furthermore, the development agreement requires the developer to :

- Follow the Local Lettings Plan to prioritise Edmonton residents for the new affordable homes
- Follow the Intermediate Housing policy, to prioritise Enfield residents for shared ownership, intermediate rent and London Living Rent homes

3.4 The difference between GTP's original bid offer and the deal now agreed with them can be seen in the following table :

<b>Comparison of GTP bid option and Council negotiated deal</b>	<b>GTP bid option (April 2019)</b>	<b>Council's Negotiated deal</b>
No. of homes	725	910 (estimated)
No. of Council Homes (Affordable Rent)	75	230 (25%)
No. of RP Affordable Rent Homes	0	0
No. of RP Intermediate Homes	179	226 (25%)
No. of Build to Rent Homes	213	196
No. of Private Sale Homes	258	258
% Affordable overall	35%	50%

For further comparison tables, please the Part 2 report.

### **3.5 Best Consideration**

3.5.1 Under S123 of the Local Government Act 1972, the Council is required to achieve best consideration for its assets.

Lambert Smith Hampton formally advised in their report dated 4<sup>th</sup> October 2019 that their red book valuation (compiled in accordance with the requirements of s123 and following the advice set out in the Technical Appendix to Circular 06/03) will demonstrate that this transaction is compliant with s123 LGA 1972.

A second red book valuation has been commissioned by the Council from BNP Paribas. This second valuation will provide support for the conclusions within the LSH valuation and ensure that independence and transparency is clearly seen to be achieved. This red book valuation will be completed prior to signing the DA, however BNP Paribas have already confirmed that they agree with the opinion that the deal achieves best consideration.



### 3.6 Programme

GTP have provided a programme which will be included in the development agreement and the dates for various milestones will be subject to contractual Long Stop Dates and Drop Dead Dates.

Assuming the development agreement is exchanged at the end of October, the relevant dates are as follows :

Phase 1A RMA	November 2019 – September 2020
Phase 1B planning consent	November 2019 – February 2021
Remediation and enabling Works	April 2020 – December 2021
Housing Delivery Start on Site	December 2020
First LAR Completions	December 2021 – May 2022

### 3.7 Next Steps

Once the DA has been signed, GTP will commence work as follows :

Commence reserved matters application on Phase 1A	November 2019
Commence Site Surveys and Investigation Works	November 2019
Commence detailed planning application on Phase 1B	December 2019
Commence work to relocate PRS	April 2020
Site Set-Up	June 2020
Housing Start on Site	January 2021
Commence Stage 2 Remediation Works	July 2021
First Completion of Affordable Housing	December 2021
Completion Phase 1A	March 2023
Completion Phase 1B	March 2026

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

Do not do the deal with GTP – a robust procurement exercise has been carried out in order to secure GTP as preferred bidder and their offer was substantially stronger than any other bidders. The market has continued to soften since the bid process took place and it is highly unlikely that such a good offer would be achieved again if a new procurement exercise was run.

Reduce the amount of affordable housing, or affordable rented accommodation provided – if GTP submit a revised planning consent for Phase 1B they would be required to meet the Council and the GLA's affordable housing policy being 40% affordable housing with between 50% - 70% of that being affordable rented accommodation. Furthermore, increasing the amount of affordable housing, and in particular affordable rented housing, within the Borough is one of the administration's top priorities.

Do not transfer responsibility for remediation and PRS/IP Main relocation to GTP – officers consider the additional net costs to the Council for this risk transfer to be more than outweighed by the reduction in risk to the Council

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

The original offer from GTP was secured in a competitive environment during a robust procurement exercise and was substantially higher than any other bidder. It is unlikely that such a good deal could be secured again due to a softening of the market and a general reduction in confidence amongst developers.

The changes in the deal since the original offer have been at the request of the Council and, whilst the land value has reduced, are otherwise materially to its benefit in terms of decreased risk and increased affordable rented housing.

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

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

See Part 2 report

## 6.2 Legal Implications

### MD: 8th October 2019

- 6.2.1 Officers have been advised throughout the procurement process outlined in this report by officers from the Council's Legal Services department and by Trowers & Hamlins LLP.
- 6.2.2 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. Furthermore, pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of further housing accommodation. The Council has the power under section 9 of that Act to provide housing accommodation. The Local Government Act 2003 gives the Council power to borrow for any purpose related to its functions, and to utilise capital receipts, subject to the limitations set out in that Act. The Council therefore has the statutory powers to enter into the transactions described in this report.
- 6.2.3 Public law principles apply to the decisions made by the Council in relation to the proposals set out in this report, including the Council's duty to take account of its fiduciary duty and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably and show that its decisions are made after having given due and proper consideration to all relevant factors (disregarding irrelevant factors).
- 6.2.4 In conducting the procurement of a developer for Meridian One, the Council must comply with all requirements of its Constitution, Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015 ("Regulations"), both of which permit the call-off from an existing framework if the framework terms permit. The resulting call-off contract must be based on the framework terms and the Council must ensure that it follows the rules of the framework.
- 6.2.5 It is noted that outline planning permission has been granted for the development of the Phase 1 Meridian Water site comprising (among other things) up to 725 residential units, retail (A1/A2/A3), community (D1) and leisure (D2) floorspace. Entry by the into an agreed form Section 106 Agreement is a condition precedent to development taking place on the main site. Any variations to the permission and/Section 106 will need to be submitted to and approved by the Local Planning Authority pursuant to the Town and Country Planning Act 1990.

- 6.2.6 Throughout the engagement of GTP, the Council must comply with its obligations of obtaining best value, under the Local Government Act 1999.
- 6.2.7 Any property transactions (including the disposals and acquisitions detailed in this report and any appropriation from the General Fund to the HRA) entered into by the Council as a consequence of the subject matter of this report must comply with the Council's Property Procedure Rules and s123 Local Government Act 1972 (which requires the Council to obtain the best consideration that can reasonably be obtained for the disposal of its land to GTP). Accordingly, the disposal to GTP will be subject to the approval of the Cabinet Member for Finance and Procurement of Red Book valuations to be prepared by LSH and BNP Paribas in accordance with the Technical Appendix to Circular 06/03. Officers should seek further legal advice in the event that either of the valuations indicate that the proposed deal with GTP does not represent the best consideration that can reasonably be obtained.
- 6.2.8 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance.

### 6.3 Property Implications

- 6.3.1 The following sections of the Council's Property Procedure Rules apply to this transaction.

#### ***11. Disposal - General***

*11.1 The Local Government Act 1972 s123 applies to all disposals. For Section 123 purposes, a disposal includes the grant of a lease of more than 7 years or an assignment of an existing lease which has more than 7 years to run.*

*11.2 To ensure transparency in all property transactions as a matter of general principle, disposals or lettings to any organisation, including charitable, voluntary or non-profit organisations, must be on the basis of market value, with any financial assistance or other gratuitous benefit to be provided by way of a grant rather than reduction in the disposal terms.*

*11.3 The Council is highly unlikely to dispose of a Property Asset at less than best consideration, but where this is approved by Cabinet under exceptional circumstances, the Council is potentially providing a subsidy to the new owner, developer and/or the occupier of the Property Asset such that there may be a distortion of competition. Where this occurs, the Council must ensure that the nature and amount of subsidy complies with State Aid Rules, as defined by Article 107(1) of the Treaty on the Functioning of the European Union, particularly if there is no element of competition in the sales/disposals process.*

- 6.3.2 The initial disposal deal with Galliford Try met the criteria for market value and best consideration, as the price agreed was the best obtainable following an open market

exercise. The following renegotiated deal with Galliford Try is classified as an 'off-market' disposal, to which the following Property Procedure Rules apply, in addition to the General section above:

**14. Disposal - Off Market**

*14.1 There may be instances where a disposal by way of open market sale would not achieve the best consideration reasonably obtainable. Examples include (but are not limited to) sales to a tenant, disposal to a development partner, disposal to an adjoining owner.*

*14.2 Such disposals are subject to a report prepared by the Responsible Senior Officer, and approved by the relevant Cabinet member, that includes:*

*14.2.1 Justification for such a disposal as being in the best interest of the Council*

*14.2.2 Written advice, including a market value, from an external registered valuer.*

6.3.3 Officers in the Meridian Water team have been advised throughout the process outlined in this report by external property advisors, Lambert Smith Hampton (LSH). Lambert Smith Hampton have provided valuation advice and will be providing a Red Book Valuation in support of this disposal. An additional external property advisor; BNP Paribas, has also been appointed by the Meridian Water team, and they will be providing a second Red Book Valuation, which provides a further independent external perspective to confirm the deal is compliant with s.123 of the Local Government Act 1972. Any risks related to these Red Book valuations are the responsibility of LSH and BNP Paribas.

6.3.4 To ensure compliance with the Council's Constitutional Property Procedure Rules, this disposal is subject to the completion of external Red Book Valuations, undertaken by the two appointed Registered Valuers at LSH and BNP Paribas, confirming the status of the disposal in relation to s.123 of the Local Government Act 1972 'best consideration' and 'market value' and approved by the Cabinet Member for Finance & Procurement.

6.3.5 The Council will retain ownership of the freehold interest in all land within the scheme. The intention is to grant a 250 year leasehold interest to Galliford Try.

6.3.6 The Council will need to establish how it wishes to operationally hold and manage the proposed Council Homes in the future, with any subsequent property transactions, such as an appropriation to the Housing Revenue Account, being subject to a further report and compliance with s.123 Local Government Act 1972 and the Council's Property Procedure Rules where applicable.

6.3.7 The transaction has implications on the Council's commercial estate and Corporate Landlord liabilities, owing to the retention of ground floor commercial employment space by the Council. To meet the financial projections in the model, this accommodation will need to be of a suitable specification and to be let and managed well; not only to maximise income, but also to offer amenity and high environmental standards, in support of the private and affordable housing surrounding it. This will require management resources to be responsible for management, lettings and estate management. The Meridian Water long term estate management strategy is still being formulated and the management of the employment space will need to be co-ordinated with this procedure.

6.3.8 The public realm management will need to form part of the estate-wide management strategy. This is being formulated and it is imperative these arrangements and service levels are high quality and sustainable, to maintain local amenity standards and protect asset value.

## **7. KEY RISKS**

1. GTP do not sign the deal
  - This is considered a very low risk as GTP have shown consistent and considerable interest in signing the DA and will have expended significant amounts of money in getting to this stage
2. Procurement challenge from another bidder
  - The Council's external legal advisors, Trowers and Hamlin, are reviewing the overall deal and will advise the Council on any procurement risk prior to signing the DA
3. Cadent delay PRS and/or IP Main relocation
  - This has always been a risk to the delivery programme for this scheme and the deal as described above with GTP is not expected to adversely affect the risk probability. However, GTP are more likely to have the skills, resources and relationships required to ensure that Cadent make good progress. The impact of any slippage is also much reduced as the Council are no longer responsible to GTP for delivery of the works, the only impact would be the potential extension of the Long Stop Dates within the DA

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

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

The Meridian Water scheme aims to provide a well-connected neighbourhood through improvements in both road and rail networks increasing the frequency of services as well as reducing travel times. The scheme will be built in accordance with a very robust design code ensuring high quality of design and build with a range of tenures.

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

The Meridian Water regeneration scheme aims to provide robust social infrastructure providing opportunities for the local community to partake in healthy lifestyle choices with access to leisure centres, a cycle network and access to high quality public open spaces.

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

The Meridian Water regeneration scheme aims to bring economic growth, support inward investment, create new jobs and build a strong and sustainable future for the local community.

## **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.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

Corporate advice has been sought in regard to performance and data implications and an agreement has been reached that no performance/data indicators would be affected.

## **11. PUBLIC HEALTH IMPLICATIONS**

There are no direct public health implications from this deal with GTP. However, the Meridian Water programme is likely to positively impact on population health in a number of ways; it will provide housing (including affordable housing) which is fundamental to health and it will be a sustainable development and seek to minimise and mitigate its effects upon the environment thereby reducing impact upon climate change, itself described as the greatest threat to public health in the 21st century.

Further, Meridian Water is being designed so that it will integrate healthy lifestyles into everyday life; active transport will help to increase and maintain levels of physical activity (associated with reducing the risk of all long-term conditions by 20-40%), retail outlets will be encouraged to sell healthy food (associated with a reduced risk of obesity and several cancer) and reduced smoking (the greatest cause of premature death in the UK, responsible for more deaths than the next 5 causes combined).



## THE CABINET

### Draft list of Items for future Cabinet Meetings (NOTE: The items listed below are subject to change.)

<b>MUNICIPAL YEAR 2019/2020</b>
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<b>NOVEMBER 2019</b>
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- 1. Joint Health and Wellbeing Strategy** Tony Theodoulou

This joint strategy will set out how the local system will work together to improve the health and wellbeing of the local community and reduce health inequalities. **(Key decision – reference number 4852)**
- 2. Meridian Water Infrastructure Compulsory Purchase Order (CPO)** Sarah Cary

This will seek agreement to a compulsory purchase order to enable strategic infrastructure for Meridian Water. **(Key decision – reference number 4832)**
- 3. Acquisition of Land Within Meridian Water** Sarah Cary

This will seek approval to the acquisition of land required for the strategic infrastructure works within Meridian Water. **(Key decision – reference number 4984)**
- 4. Quarterly Revenue Monitoring (including HRA) 2019/2020 Quarter 2** Fay Hammond

This will update Cabinet on the revenue monitoring position as at the end of September 2019. **(Key decision – reference number 5016)**
- 5. Quarterly Capital Monitoring 2019/2020 Quarter 2** Fay Hammond

This will update Cabinet on the capital monitoring position as at the end of September 2019. **(Key decision – reference number 5015)**
- 6. Half Yearly Treasury Position 2019/2020** Fay Hammond

This will present the half yearly treasury position 2019/2020. **(Key decision – reference number 4992)**
- 7. Local Implementation Plan Annual Spending Submission 2020/21** Sarah Cary

This will seek approval to Enfield's proposed 2020/21 programme for delivering the Mayor's Transport Strategy. This is required to secure

Transport for London Local Implementation Plan funding. **(Key decision – reference number 5001)**

8. **Update Strategy and Approach to Delivering Pupil Places** Tony Theodoulou/  
Fay Hammond

This will provide an update on the strategy and approach to delivering pupil places. **(Key decision – reference number 4893)**

9. **Children’s Social Care Increasing Demand and Pressures** Tony Theodoulou

Cabinet are asked to note the good work of frontline staff and the rise in practice improvement against a backdrop of increasing caseloads. To ensure caseloads are at a reasonable level prior to the next focussed Ofsted visit, Cabinet are asked to approve £500k investment to bring caseloads down to under the Pan London standards and to maintain consistency in good practice. **(Key decision – reference number 5014)**

10. **Dockless Bike Byelaw** Sarah Cary

Dockless bikes have a role to play in encouraging active travel but need to be regulated; the report will seek agreement to ask full Council to delegate authority to London Councils to make a London-wide byelaw, which will then confer consistent powers to the boroughs to regulate dockless bikes.  
(Non key)

11. **Joyce Avenue and Snells Park Estate Regeneration** Sarah Cary

This will update on progress with potential housing schemes in the Housing Zone Edmonton Futures. **(Key decision – reference number 4590)**

## DECEMBER 2019

1. **Housing and Growth Strategy** Sarah Cary

This strategy will set out how the council will deliver an ambitious new approach to housing and good growth in Enfield. **(Key decision – reference number 4841)**

2. **Preventing Homelessness and Rough Sleeping Strategy** Sarah Cary

This will set out how the council will help to prevent homelessness and rough sleeping. **(Key decision – reference number 4809)**

3. **Housing Revenue Account 30-Year Business Plan Update** Sarah Cary

This will update Cabinet on the HRA 30 year business plan, capital programme and rents. **(Key decision – reference number 4969)**

4. **Tranche Two Budget Proposals 2020/21** Fay Hammond

This will present the tranche two budget proposals 2020/21. **(Key decision – reference number tbc)**
5. **Safeguarding Annual Report (Adults and Children)** Tony Theodoulou

This will present a joint Safeguarding Annual Report for adults and children. (Non key)
6. **Meridian Water – Meridian Two Developer** Sarah Cary

This will seek approval to the procurement to appoint the Meridian Two Developer. **(Key decision – reference number 4952)**
7. **Local Authority Trading Companies – Annual Accounts** Fay Hammond

This will report the contents of the annual audited accounts of the Council's wholly owned trading companies. **(Key decision – reference number 5013)**
8. **Housing Development Delivery Strategy** Sarah Cary

This will set out the Council's Housing Development Strategy and seeks delegated authority from Cabinet to deliver the strategy. **(Key decision – reference number 4998)**
9. **2020/21 Corporate Capital Condition Programme** Sarah Cary

This will set out the capital programme of major repairs to corporate buildings determined from prioritised condition survey data. **(Key decision – reference number 5004)**
10. **Travel Assistance Policy** Tony Theodoulou

This policy will set out how the Council will identify and support those children and young people who need travel assistance to their school or setting and provide it in a consistent, transparent and fair way. **(Key decision – reference number 4851)**
11. **Corporate Property Investment Programme (CPIP)** Sarah Cary

This will seek approval to a block programme of capital investment into the Council's Corporate Property assets to support the delivery of the Strategic Asset Management Plan (SAMP). **(Key decision – reference number 5006)**
12. **Asset Management System Project (Atrium Replacement)** Sarah Cary

This will seek approval for the funding of a project to replace the corporate asset management system, Atrium, which is to be discontinued by the supplier in December 2021. **(Key decision – reference number 5011)**

13. **Beck House Site Redevelopment, Upton Road, Edmonton, N18 2LJ** Sarah Cary

This will seek approval of the investment decision, acquisition of land interests, consultation and development to enable the delivery of new Council homes. **(Key decision – reference number 4970)**

14. **Compulsory Purchase Order for the Redevelopment of The Montagu Industrial Estate** Sarah Cary

This will seek approval of the Compulsory Purchase Order (CPO) and amended capital budget to cover the estimated CPO cost, demolition, remediation and on-going vacant property management as part of the Montagu Industrial Estate Redevelopment. **(Key decision – reference number 4873)**

15. **Future Operating Model IWE Ltd.** Tony Theodoulou

This will seek approval to the future operating model of IWE Ltd. **(Key decision – reference number tbc)**

#### JANUARY 2020

1. **Quarterly Corporate Performance Report** Fay Hammond

This will present the quarterly corporate performance report. (Non key)

2. **Temporary Accommodation Placement Policy** Sarah Cary

This policy will explain how the Council will assist homeless households in finding accommodation. **(Key decision – reference number 4676)**

3. **Rural Portfolio – Corporate Landlord Compliance** Sarah Cary

This will request funding for essential repairs and maintenance on the Rural Portfolio in order to meet the Council's Corporate Landlord and Lease responsibilities. **(Key decision – reference number 4974)**

4. **Council Tax Base 2020/21** Fay Hammond

This will present the council tax base 2020/21. **(Key decision – reference number tbc)**

5. **Business Rate Base 2020/21** Fay Hammond

This will present the business rate base 2020/21. **(Key decision – reference number tbc)**

6. **Council Tax Reduction Scheme 2020/21** Fay Hammond

This will present the council tax reduction scheme 2020/21. **(Key decision – reference number tbc)**

7. **Proposal for Private Rented Property Licensing Schemes** Sarah Cary

This will consider proposals to introduce additional and selective licensing schemes for private rented properties. **(Key decision – reference number 4999)**

8. **Partially Owned Companies Update** Fay Hammond

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

9. **Meridian Water Employment Strategy** Sarah Cary

This will seek approval to the employment strategy for Meridian Water. **(Key decision – reference number 4881)**

## FEBRUARY 2020

1. **Broomfield House** Sarah Cary

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

2. **Quarterly Revenue Monitoring (including HRA) 2019/2020 Quarter 3** Fay Hammond

This will present the quarterly revenue monitoring 2019/20 quarter 3. **(Key decision – reference number tbc)**

3. **Quarterly Capital Monitoring 2019/2020 Quarter 3** Fay Hammond

This will present the quarterly capital monitoring 2019/20 quarter 3. **(Key decision – reference number tbc)**

4. **Budget Report 2020/21 and Medium Term Financial Plan 2020/21 to 2029/30** Fay Hammond

This will present the budget report 2020/21 and the medium term financial plan 2020/21 to 2029/30. **(Key decision – reference number tbc)**

5. **Capital Strategy and Capital Programme 2020/21 to 2029/30** Fay Hammond

This will present the capital strategy and capital programme 2020/21 to 2029/30. **(Key decision – reference number tbc)**

6. **HRA Business Plan Budget 2020/21 and Rent Setting and Service Charges Report 2020/21** Fay Hammond

This will present the HRA Business Plan and Rent Setting Report 2020/21. **(Key decision – reference number 5008)**

7. **Treasury Management Strategy 2020/21** Fay Hammond

This will present the treasury management strategy 2020/21. **(Key decision – reference number tbc)**

8. **Housing Allocations Scheme** Sarah Cary

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)**

#### MARCH 2020

1. **Company Business Plans** Fay Hammond  
**(Key decision – reference number tbc)**

2. **Future Company Decisions** Fay Hammond  
**(Key decision – reference number tbc)**

#### APRIL 2020

1. **Quarterly Corporate Performance Report** Fay Hammond  
This will present the quarterly corporate performance report. (Non key)

2. **Company – Regulatory Compliance** Fay Hammond  
**(Key decision – reference number tbc)**

3. **Re-appointment of Company Directors** Fay Hammond  
**(Key decision – reference number tbc)**

CABINET - 11.9.2019

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON WEDNESDAY, 11 SEPTEMBER 2019****COUNCILLORS****PRESENT**

Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader), Alev Cazimoglu (Cabinet Member for Health and Social Care), Guney Dogan (Cabinet Member for Environment and Sustainability), Rick Jewell (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety and Cohesion), Mary Maguire (Cabinet Member for Finance and Procurement), Gina Needs (Cabinet Member for Social Housing), George Savva MBE (Cabinet Member for Licensing and Regulatory Services) and Mahtab Uddin (Cabinet Member for Public Health)

**Associate Cabinet Members (Non-Executive and Non-Voting):** Mustafa Cetinkaya (Enfield South East), Ahmet Hasan (Enfield North), Claire Stewart (Enfield West)

**OFFICERS:**

Ian Davis (Chief Executive), Tony Theodoulou (Executive Director People), Fay Hammond (Executive Director Resources), Doug Wilkinson (Director of Environment & Operational Services), Jayne Middleton-Albooye (Head of Legal Services), Nicky Fiedler (Acting Director Commercial), Joanne Drew (Director of Housing and Regeneration), Nick Martin (Head of Service Temporary Accommodation), Richard Sorenson (Project Manager, Housing Operations) and Andrea De Lucy (Press and New Media Officer) Jacqui Hurst (Secretary)

**Also Attending:** Councillor Glynis Vince  
Ian Guest (Energetik)

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

An apology for lateness was received from Councillor Mahtab Uddin (Cabinet Member for Public Health).

**2****DECLARATIONS OF INTEREST**

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

**3****DEPUTATIONS**

**CABINET - 11.9.2019**

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

**4**

**SCRUTINY WORK PROGRAMME 2019/2020 AND UPDATE ON NEW STATUTORY SCRUTINY GUIDANCE**

Councillor Ian Barnes (Deputy Leader) introduced the report of the Director of Law and Governance (No.69) setting out the Scrutiny work programme and work streams for 2019/20 for the Council's Overview and Scrutiny Committee, Health and Crime Standing Panels.

NOTED

1. That comments were being invited on the Overview and Scrutiny Committee proposed work programme and work streams for 2019/20, prior to approval by Council.
2. The draft work programmes for the Overview and Scrutiny Committee and the Health and Crime standing scrutiny panels as detailed in Appendix A of the report. The Overview and Scrutiny Committee work programme included a Budget meeting in December 2019. The programme allowed for the flexibility to consider call-ins and, for pre-decision scrutiny.
3. The agreed workstreams for 2019/20, as set out in Appendix B of the report, were: Improving Enfield Shopping Areas (Lead Member: Cllr Tolga Aramaz) – this was a continuation of the workstream, to conclude the review and finalise recommendations; Review of Procurement (Lead Member: Cllr Edward Smith); Review of Exclusions (Lead Member: Cllr Bernadette Lappage); and, Meridian Water (Lead Member: Cllr Achilleas Georgiou).
4. That Councillor Susan Erbil (Chair of the Overview and Scrutiny Committee) was invited to address her comments to the Cabinet. It was noted that the 4<sup>th</sup> listed work stream would begin when another one had been completed to allow for the required officer capacity in supporting this work. The date of the meeting to consider the Associate Cabinet Member work programmes was currently under consideration and would be advised in due course.
5. Councillor Susan Erbil outlined her views to Cabinet on the role of the Overview and Scrutiny Committee and the way in which the Council's scrutiny role would be conducted.
6. The new statutory guidance on Overview and Scrutiny in Local and Combined Authorities as detailed in section 6 and appended to the report.



**CABINET - 11.9.2019**

**Alternative Options Considered:** The Overview and Scrutiny Committee was required, under the Council's Constitution, to present an annual scrutiny work programme to Council for adoption.

**DECISION:** The Cabinet recommended the Overview and Scrutiny Committee proposed work programme and workstreams for 2019/20 to Council for approval.

**Reason:** To comply with the requirements of the Council's Constitution, the work programme had to be formally adopted by Council. In addition, scrutiny was essential to good governance and enabled the voice and concerns of residents and communities to be heard, and provides positive challenge and accountability.

(Non key)

**5**

**TRANSITION OF CHILDREN LEAVING CARE SCRUTINY WORK STREAM**

Councillor Rick Jewell (Cabinet Member for Children's Services) introduced the report of the Director of Law and Governance (No.70) providing the report of the scrutiny work stream on the transition of children leaving care.

**NOTED**

1. The recommendations of the Scrutiny work stream together with the comments of the Cabinet Member and Executive Director, as detailed in the report.
2. The conclusion of the work stream set out in section 12 of the report.
3. That the work stream had been chaired by Councillor Susan Erbil.
4. The statutory duties of the Local Authority and its role as a Corporate Parent, as detailed in the report. Looked after children were some of the most vulnerable children in society and as such, they needed and deserved the best possible support from the services available. The work stream had raised awareness of this important area of responsibility and several recommendations had been made, as set out in the report.
5. Appendix A to the report set out the responses of the Cabinet Member for Children's Services and Executive Director – People to the report and recommendations of the Transition of Children Leaving Care Scrutiny work stream. The recommendations were highlighted to Members.
6. Councillor Susan Erbil, as Chair of the work stream, was invited to address any comments to the Cabinet. It was noted that members of the work stream had met with a cross-section of both officers and young people. The importance of the role of the local authority as

**CABINET - 11.9.2019**

Corporate Parent was highlighted together with the need to raise awareness of the responsibilities and duties of this statutory role.

7. Members expressed their thanks and appreciation to all those who had been involved in supporting the work stream and, recognised the importance of this area of work. Councillor Ian Barnes thanked Claire Johnson in particular for the scrutiny report. The recommendations were welcomed. The need to provide effective support to care leavers was acknowledged.
8. A discussion took place on the recommendations set out in the report including issues such as apprenticeships and supported leisure activities.
9. Members took this opportunity to highlight and discuss the well-attended summer university programme which had been financially supported by the Council. Approximately 900 young people had taken part in this free programme. 85% of places had been taken up and completed. The Council expressed its commitment to continuing to support this programme in future years; and, would look at opportunities to expand and improve the training programmes on offer. Further consideration would also be given to the provision of free lunches to support those young people in need. The breadth of the courses which had been offered was praised and the resulting opportunities for young people in gaining such experience. It was noted that care leavers had also been targeted in the participation of the training on offer.

**Alternative Options Considered:** None, the Council had a legal duty as Corporate Parents to provide the best possible care to looked after children and care leavers.

**DECISION:** The Cabinet agreed to note the following recommendations and, the comments of the Cabinet Member for Children's Services and Executive Director – People, as set out in Appendix A of the report:

1. Further to discussions at workstreams meetings and with the full support of the workstream members, it was agreed the Corporate Parenting Board would take forward immediately:
  - I. Total Respect Training (Corporate Parent Training for elected members) - it was agreed that this would be arranged through the Corporate Parent Board with training commencing as soon as possible. This was delivered in small groups by the children in Care Council, so it was agreed that it would not be possible to deliver this to all elected members, this would be targeted to elected members working with Children's Services who need a more in depth understanding of the issues
  - II. Free Gym passes/ membership of Leisure clubs - it was agreed that the Corporate Parenting Board would investigate this further and look at possibilities around this

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- III. Gap analysis on mental health to inform a business case for increasing capacity in the CAMHS/ HEART team - it was agreed that this would be provided to the Corporate Parenting Board for them to take forward.
2. Prior to 2010, information on Corporate Parenting to inform all elected members of their own and the council's responsibilities was previously provided as part of the induction pack given to Members. This information was to be included in future induction packs that Councillors receive when they were elected and to also be provided to all current councillors.
  3. To demonstrate a whole council approach towards care leavers and to ensure that corporate parenting was everyone's responsibility, exploration of online resources to take place for online awareness raising training purposes. This information should be made available for officers outside of Children's Services, so they could recognise their role as corporate parents and the support that they could provide.
  4. Under corporate parent responsibilities:
    - The Council creates a bespoke apprenticeship scheme specifically for Care Leavers.
    - Council departments consider where they might be able to provide work experience opportunities specifically to Looked after Children and Care Leavers.
    - When the council agrees new contracts consideration to be given to prioritising opportunities for care leavers where possible within corporate contracts.
  5. To further embed a strong corporate parenting ethos; the Council, explore the viability of developing a light touch mentoring scheme where council officers are linked to individual care leavers who had no strong family networks. Council officers taking part in the scheme would be provided with basic relevant training but ultimately such a scheme would be cost neutral.
  6. To note that further to a request from officers in the leaving care team and following discussions with colleagues in adult mental health services. A single point of contact number in adult mental health services had been provided to staff in the Leaving Care team to contact for advice and guidance.

**Reason:** to enhance the services available and raise awareness of the Corporate Parenting duties and responsibilities with elected members and officers and further embed a strong ethos across the whole Council.

(Non key)

6

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**REVENUE MONITORING 2019/20: QUARTER 1 (JUNE 2019)**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.71) setting out the Council's revenue budget monitoring position based on information to the end of June 2019.

**NOTED**

1. That after the application of capital receipts for transformation purposes of £2.6m; the revenue budget forecast reflected an outturn position of £3.9m overspend for 2019/20 which would be funded using the Council's reserves, as detailed in the report.
2. The forecast position for the Dedicated Schools Grant as detailed in the report (paragraph 1.4 and section 5 of the report referred).
3. That the Housing Revenue Account was forecasting no variance to budget.
4. The departmental monitoring information, budget pressures and mitigating actions as set out in the report and its appendices.
5. The proposed flexible use of capital receipts as detailed in section 5 and Appendix I of the report.
6. The background as set out in section 3 of the report. The continuing budget pressures being experienced; the areas most affected and the actions being taken as detailed in the report. Members' continued to express their concern over inadequate Government funding to meet growing demand and pressures experienced by local government.
7. That £0.6m of income generation was considered at high risk of not being realised, Appendix G, Table 7 of the report referred.
8. That management actions were ongoing to continue to address these budget pressures and seek to improve budget forecasting. The Pressures Challenge Board had been reconvened.
9. In response to questions raised, Members discussed the pressures being experienced in the area of Adult Social Care and in particular the highlighted budget pressures of Independence and Wellbeing Enfield (IWE) as set out in the report. The complex needs and high cost of provision in relation to the Learning Disabilities Service was noted. The pressures experienced and the impact of cases transitioning from child to adult support provision were explained. The range of issues experienced around the projection of the number of individual cases requiring support, and related costs were discussed in detail.

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10. The rising number of older people in the Borough, their long-term health conditions, and support required was noted. The Council's investment in the provision of additional supported living opportunities in the Borough, including at the Reardon Court development was discussed. Long-term solutions were required to this area of growing need. It was noted that the provision of Adult Social Care was underfunded nationally, however, Enfield continued to provide good quality services to its residents.
11. Members were reminded of the Council's investment in Adult Social Care as part of this year's budget process. Whilst an overspend was still forecast, the budget position for this area was a significant improvement from the previous year.
12. In response to questions raised, Members discussed the provision and cost of Home to School/SEN transport in the Borough and the reasons for the projected overspend, as set out in paragraph 5.22 of the report. It was noted that the provision of an additional 300 SEN pupil places in the Borough would have a positive impact on future expenditure. Members were advised that this provision had also reduced the level of potential overspend on the Dedicated Schools Grant. The Local Authority was currently awaiting details of the funding to be provided for the next financial year.
13. That work was currently being undertaken on a new travel assistance policy which would be brought to Cabinet in due course for consideration together with a further report on SEN provision in the Borough.
14. Members expressed concern at the continued lack of clarity regarding the Government's funding settlement. In particular; it was noted that a 75% London Pilot Pool for 2019/20 had been announced as part of the Local Government Finance Settlement in December 2018 and Budget included this within its assumptions. There was no clarity yet regarding future pooling.
15. Members whilst acknowledging that the budget position had improved from the previous year, were not complacent and would continue to seek mitigating actions to address the forecast overspends as set out in the report. It was noted the recommendations for full Council would be addressed within the February Budget outturn report.
16. Members discussed and noted the reasons for the projected overspend in relation to the Dry Recycling Contract as set out in paragraph 5.23 of the report. The mitigating actions being taken, including the changes to the Council's waste recycling arrangements; and, the employment of dedicated recycling officers to engage with residents and improve communication in this area were explained in detail. Members highlighted the need to remind residents of the issues around the contamination of recycling waste.

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**Alternative Options Considered:** Not applicable to this report.

**DECISION:** The Cabinet agreed to:

1. Note the financial backdrop to the Council's budget position (described in paragraphs 3.1 to 3.11 of the report).
2. Note the £3.9m overspend revenue outturn projection and the use of £2.6m of capital receipts to support organisation transformation.
3. Note that Cabinet Members would continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2019/20 and implement savings.
4. Note that the Pressures Challenge Board would be reconvened for 2019/20.
5. Note the position of the Dedicated schools Grant (DSG) as set out in section 5.37 of the report.
6. Note the position of the Housing Revenue Account (HRA) as set out in section 7 of the report.
7. Recommend £1.5m of the overspend in respect of IWE being met from Contingency as set out in paragraphs 5.8 and 5.32 of the report.
8. Recommend that Council approve the update to the planned flexible use of capital receipts for 2019/20 (paragraph 5.36 and Appendix I of the report).

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

**(Key decision – reference number 4944)**

**7**

**CAPITAL PROGRAMME MONITOR FIRST QUARTER (JUNE) 2019**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.72) informing Members of the current position up to the end of June 2019 regarding the Council's Capital Programme (2019/20 to 2022/23) considering the latest information for all capital schemes including the funding arrangements.

NOTED

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1. That the overall expenditure for the approved programme was projected to be £144m for the General Fund, £117m for HRA and £24m for Enfield Companies for 2019/20.
2. The successful Housing Infrastructure Fund (HIF) award of £156m as set out in the report. The significance of this funding was highlighted and would enable the necessary infrastructure to be implemented at Meridian Water and unlock the potential for the next phase of housing development. It was essential for well-connected neighbourhoods to be developed to support positive growth and transform the lives of residents. Particular thanks were expressed to Sarah Cary (Executive Director – Place) and Peter George (Meridian Water Programme Director) together with the Meridian Water team for this significant achievement.
3. That the report set out the estimated capital spending plans for 2019/20 to 2022/23 including the proposed arrangements for funding and confirmed that the revenue capital financing costs for the approved 2019/20 to 2022/23 programme were provided for in the budget.
4. The information set out in the tables included within the report including the proposed additional items (table 3) and reductions (table 4). Appendix A set out the approved capital programme in detail. With regard to the additional funding required for Extra Care Housing at Reardon Court, it was noted that this had followed the increased funding contribution from the GLA and the resulting positive increase in the number of units to be provided. This increase in capital funding would be recommended to full Council for approval.
5. In particular, the capital expenditure in relation to housing provision as highlighted in the report.

**Alternative Options Considered:** No alternative options had been considered.

**DECISION:** The Cabinet agreed to recommend to Council to

1. Note the additions to the Capital Programme set out in Table 3 in paragraph 4.9 of the report and approved the addition of the following to the approved Capital Programme:
  - i. Reardon Court and,
  - ii. Corporate Capital Condition Programme (CCCP)
2. The proposed reductions set out in Table 4 in paragraph 4.11 of the report.
3. Note the £156m Housing Infrastructure Fund (HIF) award.

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4. The revised four-year approved programme totalling £562m as set out in Appendix A of the report.

**Reason:** To update the programme for carry forwards from 2018/19 along with amendments to the Programme for additions and deletions since Council approval in February and also to inform members of the current forecast position at the end of the first quarter of the financial year. Additionally to bring to the attention of members for significant award of £156m of HIF grant.

**(Key decision – reference number 4943)**

**8**

**HOMELESSNESS IN ENFIELD**

Councillor Gina Needs (Cabinet Member for Social Housing) introduced the report of the Executive Director – Place (No.73) outlining the Council's response to homelessness in Enfield.

**NOTED**

1. That the report of the Smith Institute was appended to the report. The report made it clear that the solutions to the rise of homelessness in the borough lie in the private rented sector. The scale of the challenge identified required a radical change of direction in how the Council addresses the needs of households in crisis.
2. That the Council was currently consulting on its draft Homelessness Prevention Strategy. This report focused on the Council's proposed response to the recommendations of the Smith Institute, alongside a vision for preventing and reducing homelessness with the aim of eliminating the use of temporary accommodation. Detailed proposals on a new service model for homelessness and temporary accommodation, an ethical lettings agency, and a revised allocation scheme would be brought to Cabinet following public consultation.
3. The high number of poorer households living in the private rented sector in Enfield, as set out in the report together with the number in temporary accommodation.
4. The key areas of focus as set out in section 4 of the report including homelessness prevention; scheme of allocation; cost effective supply; joining capital letters; establishing an ethical lettings and property management agency; engaging with landlords and agents to enhance and promote the supply of private rented homes; and, the establishment of additional and selective licensing to drive up the quality of homes.
5. In response to questions raised, the role and purpose of Capital Letters (the Pan London Housing procurement agency) was explained in detail. The need for effective cross-borough working was highlighted.



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Councillors asked the questions on the appended sheet which also contains a note of the responses.

6. That preventing homelessness was the key driver. The shortage of supply in suitable housing provision was acknowledged.
7. The development of the Council's Housing and Growth Strategy and Homelessness Prevention Strategy which would seek to prevent crisis points by getting involved at an early stage. The importance of prioritising homelessness prevention was highlighted.
8. Members noted the revisions required to the scheme of allocation for social housing, a report would be presented to Cabinet in due course following a period of public consultation, as outlined in the report. The current and proposed points allocation was explained together with the impact on those residents in the private rented sector.
9. The need to intervene and review the current model of social housing provision in the Borough to meet identified needs and effectively address the areas of concern as set out in the report. The role of Housing Gateway was outlined to Members.
10. The importance of good quality housing on the health and wellbeing of residents. This would have long-term benefits on future service provision.
11. Members praised the work of the Smith Institute and the clarity which had been provided by their report. The findings of the study were highlighted, in particular, the role of the private rented sector and, the main causes for homelessness in the Borough. The need for intervention was explained in detail. A range of housing provision would continue to be required to meet the demand for housing.

**Alternative Options Considered:** The primary option considered was to continue with the current approach. This was focused on prevention and relief of homelessness through the provision of temporary accommodation. Our projections suggest that if the number of requests for assistance remain at their current level the number of households in temporary accommodation and the associated costs would continue to rise.

**DECISION:** The Cabinet agreed to

1. Endorse the direction of travel outlined in the report to put greater emphasis on homelessness prevention.
2. Authorise the following actions prior to bringing back further reports to Cabinet:

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- 2.1 Negotiate terms to join Capital Letters (the Pan London Housing procurement agency) to access Government funding for the procurement of private rented accommodation.
- 2.2 Develop a business case for a lettings and property management agency.
- 2.3 Delegate to the Director of Housing and Regeneration, after consultation with the Cabinet Member for Social Housing, to go to public consultation on a revised scheme of allocation for social housing.

**Reason:** The human cost of homelessness and households spending years in temporary accommodation was enormous. At the same time the financial cost to the council of an ever-increasing number of households in temporary accommodation was growing. The proposals outlined in the report represented a shift in focus and investment in the prevention of homelessness and support for residents to proactively reduce the number of households reaching crisis point.

**(Key decision – reference number 4959)**

**9**

**ENERGETIK - TRANCHE 2 INVESTMENT DECISION**

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – Resources (No.74) seeking the second tranche of funding to deliver the remainder of its business plan which included building the heating infrastructure required to serve Meridian Water.

**NOTED**

1. That Report No.78 also referred as detailed in Minute No.15 below.
2. That Energetik had previously received approval of its business plan and initial funding in January 2017, as detailed in the report. The company was now seeking its second tranche of funding to deliver the remainder of its business plan which included the heating infrastructure required to serve Meridian Water.
3. The work which had been undertaken and progressed as set out in detail in the report. In October 2018 the Cabinet had asked Energetik to review alternative funding sources; and, in March 2019 a further update report on progress had been provided. The business plan had been thoroughly reviewed to ensure its viability going forward. The issue of addressing fuel poverty had now been incorporated, as noted in paragraph 1.3.3 of the report. The Business Plan had been independently reviewed by KPMG.
4. The aims and benefits of Energetik as set out in the report. Appendix A to the report outlined the heat network update summary.

**Alternative Options Considered:** As detailed in Minute No.15 below.

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**DECISION:** The decisions of Cabinet were set out in Minute No.15 below, Report No.78 referred.

**Reason:** Energetik had already had a positive impact on the customers living on its heat networks, with fair pricing and a high quality of service. The second investment in Energetik would allow the company to realise the remainder of its business plan, to serve over 10,000 homes and businesses in Enfield and beyond. The company's aims and objectives were aligned with the Council's key strategic goals, and would contribute significantly to the Council's carbon reduction targets, improve air quality in the area and provide environmentally friendly energy to Enfield residents at a fair price.

**(Key decision – reference number 4642)**

**10**

**BREXIT PANEL UPDATE**

Councillor Ian Barnes (Deputy Leader) provided the Cabinet with a verbal update on the work being undertaken by the Council's Brexit Panel of which he was Chair. Councillor Ian Barnes also tabled the risk register. He updated Cabinet that the Brexit Panel was originally chaired by the previous Deputy Leader. The risk register previously was only 7 pages long. Over the past few weeks Councillor Barnes had worked with officers to update the risk register department by department. Current risk register is 47 pages and now comprehensive.

NOTED the following points raised in discussion:

1. The continued uncertainty around Brexit including the actions of the current Government and the negative impact on the economy and EU citizens.
2. The work being undertaken in safeguarding the future of EU residents living in Enfield by the Council in conjunction with the Citizens Advice Service. Outreach sessions were being held to reach EU residents in their own communities to raise awareness of their need to apply for settled status. Advice and assistance was being provided in completing the necessary registration applications so that they can continue to remain in Enfield post Brexit. Such residents were required to register by the Government deadline of 31 December 2020 but were being encouraged to register as soon as possible.
3. That as part of the increased communications campaign in the Borough, Councillor Nesil Caliskan as Leader of the Council and Councillor Ian Barnes as Deputy Leader, had written to approximately 21,000 EU residents in the Borough to encourage the required registration to take place.
4. The Council had prepared a comprehensive risk register. The need for a glossary of terms of abbreviations used was noted.

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5. There would be additional emergency Gold Commands in place the week before and after 31 October 2019.
6. The close work being undertaken with the Citizens Advice Bureau, particular thanks and appreciation were expressed to the Enfield Chief Executive, Jill Harrison for her considerable efforts. The Council was supporting the CAB with additional resources as and when necessary.
7. That the Home Office would not currently release the figures to the Council of the number of EU residents in Enfield who had already registered for settled status.
8. The potential negative impact of Brexit on the supply of goods, on the provision of social care, and on businesses in general.
9. In conclusion, Councillor Caliskan, reiterated the significance of Brexit and its potential effects on the Borough and its residents. Thanks were expressed to the Brexit Panel, under the leadership of Councillor Barnes, for their valuable and detailed work which would continue. The potential risks of a no deal Brexit were highlighted, including the potential impact on the work force delivering adult social care. The Council would continue to seek to mitigate the risks to the Borough's residents. Communications would continue with hard to reach EU residents and communities and the Council would work closely with its partners. The work being undertaken by London Councils was highlighted.
10. Members expressed their concern at the poor communications from Central Government and the apparent disregard of the impact on London and its residents. The Cabinet condemned the appalling conduct of the Prime Minister and the actions which he had taken to suspend Parliament which had been ruled unlawful by Scotland's highest civil court. Members reiterated their concerns at the potential harmful impact on Brexit.

**11**

**CABINET AGENDA PLANNING - FUTURE ITEMS**

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

**12**

**MINUTES**

**AGREED**, that the minutes of the previous meetings of the Cabinet held on 8 July and 17 July 2019 be confirmed and signed by the Chair as a correct record.

**13**

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**DATE OF NEXT MEETING**

NOTED, that the next meeting of the Cabinet was scheduled to take place on Wednesday 16 October 2019 at 7.15pm.

**14**

**EXCLUSION OF THE PRESS AND PUBLIC**

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

**15**

**ENERGETIK - TRANCHE 2 INVESTMENT DECISION**

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – Resources (No.78).

NOTED

1. That Report No.74 also referred as detailed in Minute No.9 above.
2. The financial implications of the proposed investment decision as set out in detail in the report and the approvals required by full Council. The work which had been undertaken to date and the confirmation awaited regarding the external funding sources. The business plan had been refreshed and scrutinised as outlined in the report.
3. That approval was being sought for further investment to fund phase 2a of the Energetik business plan up to 2024. Further reports would be presented to future Cabinet meetings as and when required for consideration and approval.
4. Members were provided with an update on the existing programmes of work and those proposed in the future, as outlined in the report. All potential opportunities would continue to be explored covering both Council and private developments. The viability and costs involvement in further network expansions were outlined in detail. The long-term aims and aspirations of Energetik were discussed and, the issues to be taken into consideration in moving forward were noted.
5. The progress in the development of Meridian Water and the phased approach that was now being taken which reduced the potential risks, and increased flexibility.

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6. Members acknowledged the issues which had been raised for discussion. The Business Plan had been scrutinised in detail and the external funding sources sought as required. The positive environmental impact that Energetik could continue to develop in the Borough was noted together with the aim of tackling fuel poverty.
7. That any impact from Brexit would be addressed as appropriate and necessary.

**Alternative Options Considered:** NOTED, the alternative options that had been considered as detailed in full in section 4 of the report.

**DECISION:** The Cabinet agreed to recommend to Council to

1. Approve a further investment of £30m, to fund phase 2a of Energetik business plan up to 2024 which was contingent on the Council securing HNIP and MEEF funding as set out in the table in paragraph 3.50 of the report. For the avoidance of doubt, the execution of the Heat Supply Agreement with the NLWA was a condition precedent on the Council releasing the approved funding being sought, as detailed in paragraph 3.4.4 of the report.
2. Should the Council not be able to demonstrate the need for HNIP gap funding by January 2020 as set out in the table at paragraph 3.50 of the report, the decision on an updated investment strategy would be brought back to Cabinet.
3. Approve the forecast £7.25m, allocation to be added to the Council's "Projects in the Pipeline". Addition to the approved programme would require relevant Council and Cabinet approval. Tranche 2b was the remaining investment required to deliver the full Energetik business case on the current assumptions and timelines.
4. Approve the revisions to the company's 40-year Business Plan as outlined within the company's Business Plan Addendum and the revised financial projections as identified within paragraphs 3.47 to 3.49 of the report.
5. Approve the delegation to the Executive Director – Resources (in consultation with the Director of Commercial) to agree and approve any items arising out of the due diligence exercise being conducted by KPMG, and from the legal and financial state aid advice.
6. Approve the Executive Director – Resources (in consultation with the Director of Commercial) to work with the company to agree and execute an on-lending agreement to cover Tranche 2 expenditure and to implement any arrangement involving equity by the Council. As per paragraph 3.33 of the report and the percentages set out in recommendation 2.6 of the report, above the blended rate, whichever was higher.

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7. Subject to investment being secured from HNIP, approve in principle the ring-fencing of an amount of the received interest payments from Energetik, to be used on Enfield fuel poverty projects, to be reviewed annually, noting that a further paper would be required in due course detailing the intervention options available.

**Reason:** As detailed in Report No.74, Minute No.9 above referred.  
**(Key decision – reference number 4642)**

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## **Cabinet – 11<sup>th</sup> September**

### **Homelessness in Enfield**

#### **Questions**

#### **How important is prevention given the priority is on supply?**

Yes we have a shortage of supply and yes we are building more homes as a priority. The reality is though that these will take years to develop and so this does nothing to help residents becoming homeless now. The trauma of losing your home and the insecurity of temporary accommodation cannot be overstated. We believe that preventing homelessness should be our aim and that this will always be better for residents than temporary accommodation.

With 84% of the households currently approaching us as homeless, it is too late for us to carry out any prevention work. This means that they move into temporary accommodation, often for many years. In the first half of last year this was true for 1221 households. We know from the pilot work carried out in Enfield by the North London Housing Partnership that early intervention can prevent homelessness in around 80% of cases.

#### **When was the last agreed revision of the Allocations Policy scheme?**

The last full Allocations Scheme was agreed in 2012 and amended in 2015 to reflect changes in legislation.

#### **What debt prevention and financial resilience support do we give?**

Residents have had their incomes eroded as a result of Welfare Reform changes. Our support is therefore vital - we do this on three ways:

1. Proactively supporting residents to promptly make claims for UC
2. Supporting residents to maximise benefits
3. Providing a money advice service when residents have wider financial issues

#### **How much are we investing in prevention services (what do we want in the future)?**

The current cost of the Housing Option and Advice Service is approximately £2.9M per year. The net cost of providing temporary accommodation is approximately £6M per year. Any investment in prevention should reduce the ongoing cost to the Council through a reduction in using temporary accommodation.

We are still in the process of quantifying what resources will be needed for the new service and this will be the subject of a further Cabinet report in December. We know that there are 4850 households in the private rented sector whose income is less than their expenditure. Some residents will only need information to assist them whereas others will need help with negotiating with their landlord or help with budgeting and income maximisation.

There are two key elements to the proposals:

- Training and going support for residents to assist them in sustaining a tenancy
- 'Upstream' prevention to stop residents reaching a crisis

### **Why would we use the Gateway for the lettings agenda?**

There is not enough social housing to meet the needs of our residents. The private rented sector is really the only option for many people. As a Council we are limited in what accommodation and tenancies we can offer. Although Gateway is owned by the Council these restrictions do not apply. This means that Gateway is able to offer residents a long-term tenancy where the Council is only able to offer a licence for shared accommodation.

### **Para 4.7.1 – why and how would we work with other boroughs on Capital Letters?**

The thirteen participating boroughs are: Tower Hamlets, Haringey, Waltham Forest, Brent, Ealing, Bexley, Lewisham, Croydon, Redbridge, Southwark, Barking & Dagenham, Westminster and Hammersmith & Fulham.

The aim of Capital Letters is to procure private rented accommodation that can then be used to house residents becoming homeless. With our involvement we will be able to help ensure the strategic direction is to ensure boroughs first look to acquire homes in their own areas – as is the key priority for this Council. There are two further reasons why it is in our interest to join:

1. Capital Letters will be procuring properties in Enfield regardless of whether we join. If we are not part of this partnership we will lose access to these properties and be competing against Capital Letters to secure accommodation for Enfield residents.
2. Capital Letters has secured £38M from MHCLG. This will be used in part to provide incentives to landlords. If we join the partnership part of the £38M will be used to help Enfield residents.

### **Para 4.12.1 – how significant is the lack of bidding and how much does this cost. What is the comms strategy behind this plan?**

There are 3757 live cases on the Housing Register. Of these there are 1270 households who are in Group 4 (homeless applicants) and have not bid on a property in the last 3 months. These applicants are mainly in temporary accommodation.

All of the non-bidders for one and two bedroom properties have been contacted by the allocations team and where applicants continue not to bid the team will make them a direct offer.