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THE CABINET

Wednesday, 16th September, 2020 at 7.15 pm
Virtual Meeting/Remote - Please use the links on the Agenda Front Sheet to join the virtual meeting

Please click [Here](#) to view the meeting or copy and paste the link below into your web browser:

<https://bit.ly/3bqMeRd>

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), Katherine Chibah (Associate Cabinet Member – Non Voting), Ergin Erbil (Associate Cabinet Member – Non Voting) and Ahmet Hasan (Associate Cabinet Member – Non Voting)

NOTE: CONDUCT AT MEETINGS OF THE CABINET

Members of the public and representatives of the press are entitled to virtually attend meetings of the Cabinet and to 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

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. MINUTES (Pages 1 - 16)

To confirm the minutes of the previous Cabinet meeting held on 15 July 2020.

5. ANNUAL SCRUTINY WORK PROGRAMMES 2020/21

A report from the Director of Law and Governance will be circulated as “to follow”. Members will also receive a verbal update at the Cabinet meeting, following consideration of the work programmes at a meeting of the Overview and Scrutiny Committee on 15 September 2020.

6. REVENUE MONITORING 2020/21: QUARTER 1 (JUNE 2020) (Pages 17 - 78)

A report from the Executive Director – Resources is attached. **(Key decision – reference number 5198)**

7. CAPITAL PROGRAMME MONITOR FIRST QUARTER (JUNE 2020) (Pages 79 - 106)

A report from the Executive Director – Resources is attached. **(Key decision – reference number 5199)**

8. APPROVAL OF THE PRIVATE RENTED SECTOR HOUSING ENFORCEMENT POLICY (Pages 107 - 148)

A report from the Executive Director – Place is attached. **(Key decision – reference number 5144)**

9. APPROVAL OF THE IMPLEMENTATION AND SETTING FEE LEVELS FOR FINANCIAL PENALTIES UNDER THE HOUSING AND PLANNING ACT 2016 AND OTHER LEGISLATION (Pages 149 - 184)

A report from the Executive Director – Place is attached. **(Key decision – reference number 5145)**

10. OUTLINE PROGRAMME FOR TRANSPORT FOR LONDON LOCAL IMPLEMENTATION PLAN FUNDING IN 2021/22 (Pages 185 - 198)

A report from the Executive Director – Place is attached. **(Key decision – reference number 5172)**

11. APPOINTMENT OF A MAIN CONTRACTOR FRAMEWORK TO CARRY OUT HIF WORKS AT MERIDIAN WATER (Pages 199 - 306)

A report from the Executive Director – Place is attached. Note: Restricted appendix containing exempt information also refers. **(Key decision – reference number 5181)**

(This item contains 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 Schedule 12A to the Local Government Act 1972, as amended).

12. MERIDIAN WATER RESIDENTIAL DELIVERY PROGRAMME (Pages 307 - 346)

A report from the Executive Director – Place is attached. Note: Part 2 report containing exempt information also refers. **(Key decision – reference number 5174)**

13. CABINET AGENDA PLANNING - FUTURE ITEMS (Pages 347 - 350)

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

14. DATE OF NEXT MEETING

To note that the next Cabinet meeting is scheduled to take place on Wednesday 14 October 2020.

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 virtual meeting for the items of business listed as part 2 on 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)

PART TWO ITEM - CONTAINING EXEMPT INFORMATION

16. MERIDIAN WATER RESIDENTIAL PROGRAMME REPORT (Pages 351 - 480)

To receive a report from the Executive Director – Place. (The part one report above also refers). **(Key decision – reference number 5174)**

(This item contains 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 Schedule 12A to the Local Government Act 1972, as amended).

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**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 15 JULY 2020****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), Katherine Chibah (Enfield West) and Ergin Erbil (Non geographical)

OFFICERS:

Ian Davis (Chief Executive), Tony Theodoulou (Executive Director People), Fay Hammond (Acting Executive Director Resources), Sarah Cary (Executive Director Place), Jeremy Chambers (Director of Law and Governance), Matt Bowmer (Interim Director of Finance), Joanne Drew (Director of Housing and Regeneration), Doug Wilkinson (Director of Environment & Operational Services), Andrea De Lucy (Press and New Media Officer) and Clare Bryant (Senior Governance Officer) Jacqui Hurst (Secretary)

1**APOLOGIES FOR ABSENCE**

There were no apologies for absence. An apology for lateness was received from Councillor Ergin Erbil (Associate Cabinet Member).

2**DECLARATIONS OF INTEREST**

There were no declarations of interest.

3**DEPUTATIONS**

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Councillor Nesil Caliskan (Leader of the Council) advised Members that a deputation request to this meeting had been received which had been refused due to the length of the agenda under consideration.

**4
MINUTES**

AGREED, that the minutes of the previous meeting of the Cabinet held on 10 June 2020 be confirmed and signed by the Chair as a correct record.

**5
CAPITAL OUTTURN 2019/20**

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources detailing the outturn position of the Council's 2019/20 Capital Programme.

NOTED

1. That there were some minor changes to the paragraph numbers referred to in paragraphs 7, 8 and 9 of the report which were reflected in the decisions listed below.
2. That this was the fourth and final report of 2019/20, following similar monitoring reports as at Period 3 (Quarter 1), Period 6 (Quarter 2) and Period 8.
3. That at Period 8 (November), the forecast outturn position for 2019/20 across the General Fund and HRA was £215.4m. The actual outturn was £186.3m which represented 86% spend, compared to Period 8 forecast.
4. The report set out the total reprofiling of £19.3m on General Fund programmes and £10.0m on HRA programmes.
5. That 2020/21 was the first year of the Council changing to a 10 year capital programme which aligned with the 10 year Treasury management strategy.
6. That tables 1 and 2 of the report set out a summary outturn by Directorate and the capital outturn summary.
7. The general fund project outcomes as detailed in the report were highlighted which set out the significant investment in the Borough.
8. That table 3 of the report set out the variance analysis and Table 4 the Housing Revenue Account Capital Outturn. The main elements of the report were highlighted for Members and, it was noted that the Treasury Management Outturn report (detailed in Minute No.7 below)

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included further information on the external borrowing used by the Council to finance a portion of the capital programme.

9. The projects included in the report to support the Council's actions to take climate change including the planting of 400 trees with more planned, flood alleviation works, the introduction of LED lighting on-street, and low traffic neighbourhood initiatives.
10. Members welcomed the investment in supporting its most vulnerable residents and helping them experience a better quality of life at home.
11. The investment in education and creation of additional special education needs (SEN) places were highlighted, as set out in the report.
12. Members were also pleased to note the investment and significant progress in relation to Meridian Water as detailed in the report.

Alternative Options Considered: NOTED, that there were no alternative options relevant to this report.

DECISION: The Cabinet agreed to note

1. The total expenditure on the Capital Programme for 2019/20 was £186.3m, against the Period 8 forecast of £215.4m, as detailed from paragraph 13 of the report.
2. The total reprofiling of £19.3m on General Fund programmes and £10.0m on HRA programmes.
3. Project outcomes for the General Fund programmes from paragraph 24 of the report.
4. Variance analysis for the General Fund programmes from paragraph 91 of the report.
5. HRA Capital Outturn from paragraph 114 of the report.
6. Funding of the Council's capital expenditure for 2019/20 from paragraph 168 of the report.

Reason: To update Cabinet on the year end Capital Programme position, including project outputs.

(Key decision – reference number 5149)

6

REVENUE OUTTURN 2019/20

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Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources setting out the revenue outturn position for 2019/20.

NOTED

1. That the report set out the overall General Fund Revenue; Housing Revenue Account (HRA) and Dedicated Schools Grant outturn for 2019/20, with details of variations provided in the Appendices of the report. A summary of the year end reserves and balances position was set out in detail in Appendix J of the report.
2. The general fund revenue outturn position set out in the report and summarised in Table 1.
3. The trend of improvements in budget setting as noted in paragraphs 20 and 21 of the report. Improved budget setting had reduced the reliance of the Council on capital receipts to manage this position.
4. The detailed explanation of significant budget variations summarised in the report and Appendices B to E of the report. Members noted the continuing budget pressures being faced.
5. The flexible use of capital receipts detailed in the report and in Appendix G of the report. Enfield had chosen this flexibility to fund a number of transformation projects in the last four years (paragraph 86 of the report referred).
6. That the year end position for the Housing Revenue Account (HRA) had changed to a £3.2m positive variance which had been moved into HRA reserves.
7. The outturn position for the Dedicated Schools Grant as detailed in the report and Appendix I.
8. That the Council's General Fund reserves had remained stable, Members' attention was drawn to the detailed information on the earmarked reserves in the report and summarised in Appendix J of the report. The Dedicated Schools Grant (DSG) and school balances had large in-year deficits of £5.6m and £4.0m leading to an overall deficit of £7.7m. A plan to bring the DSG funded services into surplus and a strategy to work with schools in financial difficulty was underway (paragraph 111 of the report referred).
9. That the reserves overall were limited, especially in view of the challenging savings targets for 2021/22 and 2022/23. It was important to maintain a tight control on spend, deliver existing savings plans and recover lost income positions due to Covid-19, as highlighted in the report.

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10. Regarding the Collection Fund, Council Tax had recorded a £5.3m loss at 31 March 2020 due to collection levels falling below budgeted targets. The negative economic impact of the Covid-19 pandemic as set out in the report was highlighted. The effect on the council tax collection rates and expected fall in business rate income were noted.
11. That the Medium-Term Financial Strategy also referred, as detailed in Minute No.8 below. The Council would continue to lobby the Government for the funding pledged in dealing with the pandemic.
12. That the report set out in detail the revenue outturn position and a clear approach going forward. The outturn position demonstrated the robustness of the Council's financial monitoring.
13. That in response to the coronavirus pandemic, the statutory deadlines regarding the Statement of Accounts had been extended to September. Members were assured that the annual statement of accounts was on track to meet this deadline.
14. In response to questions raised, Members discussed the steps being taken to address the DSG and school balances deficit and to focus on Schools that had the most significant deficits, as set out in the report. The situation would continue to be closely monitored. The negative impact on Schools' income due to the pandemic was highlighted, for example through the hiring out of school halls. It was noted that the Government would not be funding any such loss of income. The difficult financial climate was recognised together with the work being undertaken by the Council to address the issues outlined in the report.

Alternative Options Considered: NOTED, that there were no alternative options relevant to this report.

DECISION: The Cabinet agreed to note the General Fund, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) revenue outturn position for 2019/20.

Reason: To ensure that Members were aware of the outturn position for the authority, including all major variances which had contributed to the outturn position.

(Key decision – reference number 5151)

7

ANNUAL TREASURY MANAGEMENT OUTTURN REPORT 2019/20

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources outlining the activities of the Council's Treasury Management function during the 2019/20 financial year.

NOTED

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1. The key points of the report as highlighted including the borrowing outstanding, the capital financing requirement, average interest rates and investments and net borrowing. The Council had adopted the CIPFA Code (paragraph 7 of the report referred) which required the Council to approve treasury management half yearly and annual reports.
2. The information summarised in the report was outlined to Members including the borrowing update, capital financing requirement, cost of borrowing and investments as detailed in report. As at 31 March 2020 the Council held £986.9m of loans, an increase of £142.1m to previous year closing balance which was due to the Council's funding strategy for its capital programme. Outstanding loans on 31 March 2020 were summarised in Table 3 of the report and included loans that had been made to the Council's companies, as set out in the report.
3. The economic background set out in the report including references to the coronavirus pandemic and Brexit.
4. The interest rate information and factors regarding the Public Works Loan Board as detailed in the report.
5. The proposals set out in the report and reflected in the decisions below and recommendations to Council.
6. That the Annual Treasury Management Outturn report demonstrated the sound financial management of the Council with prudent investments that would seek to improve the lives of the Borough's residents. The Council's Section 151 Officer, the Executive Director – Resources, confirmed that over the reporting year all treasury management activities had been carried out in accordance with the approved limits and, the prudential indicators set out in the Council's Treasury Management Strategy statement.

Alternative Options Considered: None, not appropriate for this report.

DECISION: Cabinet agreed to

1. Note and comment on the contents of the report, as detailed above.
2. Recommend the 2019/20 Treasury Management Outturn report to Council.
3. Recommend to Council to approve the removal of 75% cap on total aggregate investments in money market funds (MMFs).
4. Recommend to Council to approve new money limit of £25m for each eligible counter party (Bank and MMF) meeting the Council's current criteria for high quality institution.

Reason: To inform Council of the Treasury Management performance for the financial year 2019/20.

(Key decision – reference number 5152)

8

MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2025/26

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources setting out how the Council would allocate its resources over the medium term to deliver the Council's objectives during a period of both huge uncertainty and financial challenge.

NOTED

1. That the Council had agreed a five-year Medium Term Financial Plan (MTFP) covering the period 2020/21 to 2024/25 at Council in February 2020. This report updated the assumptions from that time and set out the Strategy for agreeing the 2021/22 Budget and the MTFP for 2021/22 to 2025/26. The Council was now in a totally different position due to the impact of the coronavirus pandemic and the challenging times ahead were highlighted. The Council had a sound financial position and balanced budget in February. Paragraphs 18, 19 and 20 of the report provided an update on the MTFP assumptions. A best case assumption had been drawn which opened the year one gap to £18.613 and with the rolling forward of the Plan to 2025/26 there was a five year gap of £58.594m. The refresh of the financial assumptions was detailed in full in section 5 of the Plan. The funding gap arising from the cost of dealing with the pandemic and the Government funding received was highlighted. The in year response to financial pressures arising from Covid-19 was set out in section 6 of the Strategy.
2. The difficulty in accurately forecasting the impact on Council Tax income due to the ongoing issue of a significant number of residents being furloughed and the potential rise in unemployment rates and, the impact on businesses in the Borough.
3. In addition to the uncertainty of the ongoing economic impact of the pandemic, Members noted the continuing need for fairer funding from the Government and the demographic pressures being faced by the Council as set out in the report and Strategy. The Council would continue to lobby the Government on funding issues, as set out in decision 6 below.
4. The approach being taken to the identification of savings detailed in the report and reflected in the decisions below. Further reports would be presented to Cabinet in due course.

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5. That Members and Officers were continuing to work hard to continue to support its most vulnerable residents.
6. The significance of the economic situation and the resulting instability in the local economy which would require the Council to provide and increased level of support to the Borough's vulnerable residents. The pressures on local government finances was highlighted together with the need for the Government to honour its funding commitments to Councils.
7. The significant and continuing pressures on the provision of Adult Social Care, the demographic factors in the Borough and the statutory duties to meet. Members acknowledged the challenges in continuing to support its vulnerable residents. Additional costs had been incurred during the pandemic, for example, in the provision of personal protective equipment (PPE) and the testing facilities required.
8. That the pressures were being faced across London Councils and they would lobby the Government for adequate funding to meet service pressures and demands, as detailed in the report.
9. The Executive Director – Resources outlined Enfield's funding position including the historical underfunding by Government through the damping mechanism. The Council had worked hard to maintain a robust and resilient budget. The Council would continue to lobby the Government and would continue to undertake benchmarking with other local authorities.
10. The MTFFS was a comprehensive and important document.

Alternative Options Considered: None appropriate to this report.

DECISION: The Cabinet agreed to

1. Endorse the Medium-Term Financial Strategy.
2. Actively lobby Government to bring forward Fair Funding and the Business Rates reset.
3. Actively lobby Government to reform Adult Social Care funding.
4. Promote engagement in the 2021 Census.
5. Note the funding gap of £18.613m for 2021/22 and of £58.594m across the five year medium term.
6. Note the current shortfall in funding from Government to meet the financial cost to the Council of responding to the Covid-19 crisis and continue to lobby Government to meet these costs in full.

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7. Delegate authority to the Leader of the Council in consultation with the relevant portfolio holder to approve in year savings ahead of the September meeting of Cabinet.
8. Instruct the Acting Executive Director of Resources to bring a report to the September meeting of Cabinet providing an update on the 2020/21 financial year.
9. Agree the approach to develop savings and income generation proposals across the medium term.
10. Note the need for scenario planning and identification of savings options for best, moderate and worst case positions and the potential for significant service reductions should further government support fail to materialise.

Reason: To ensure the Council meets its statutory duty to set a balanced budget in February 2021.

(Key decision – reference number 5150)

9

QUARTERLY CORPORATE PERFORMANCE REPORT (QUARTER 4)

Councillor Ian Barnes (Deputy Leader) introduced the report of the Executive Director – Resources presenting the quarterly report on the Corporate performance scoreboard reflecting the Council priorities.

NOTED

1. That the report reflected the Council priorities as outlined in the new Council Business Plan for quarter four performance for 2019/20 covering January to March 2020. The next report would cover the period of the pandemic and its impact on the performance indicators.
2. That Appendix 2 to the report focused on a selection of priority key performance indicators that were underperforming and had detailed action plans in place. It was noted that the Customer Service performance had improved significantly. The positive progress on the highlighted indicators was noted as set out in the report. Quarterly meetings would continue to monitor the action plans and progress made. Members noted the actions and performance to date.
3. The challenging area of temporary accommodation provision and the two reports to be considered by the Cabinet on the way forward (as detailed in Minute Nos. 10 and 11 below).

Alternative Options Considered: Not to report regularly on the Council's performance in a public report. 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.

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DECISION: The Cabinet agreed to note, for information only, the progress being made towards delivering the key priority indicators for Enfield.

Reason: The report was part of the quarterly timetable for Cabinet to review performance.

(Non key)

10

HOMELESSNESS IN ENFIELD 3

Councillor Gina Needs (Cabinet Member for Social Housing) introduced the report of the Executive Director – Place presenting the third report to Cabinet on Homelessness in Enfield.

NOTED

1. That this report set out the Council's approach to ensuring that residents had access to properties from a wide range of tenures from social rent to shared ownership.
2. The proposals set out in the report to support the Council's objectives of preventing homelessness, reshaping the housing market including through the introduction of an ethical lettings agency by Housing Gateway Ltd. and the private sector licensing scheme. The range of support initiatives being provided were outlined as detailed in the report.
3. That the policies would enable the Council to support residents in accessing the right accommodation for them through a range of options, and in so doing provide long-term support and reduce the use of temporary accommodation.
4. Members welcomed the detailed report which demonstrated the Council's commitment to the prevention of homelessness in the Borough.
5. In response to questions raised, Members were advised of the consultation responses that had been received and the range of respondents engaged which was a good representation of residents in the Borough.
6. That living rooms would not be counted as bedrooms in the policy.
7. That the allocations scheme was a core part of the Council's homelessness strategy and its aim was to be a fair and honest policy for residents in housing allocations. The importance of the provision of good quality housing was highlighted.

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8. The negative impact that the pandemic had had on individuals through rising unemployment and the increased risk of homelessness. The Council would continue to seek to prevent homelessness and seek to provide sustainable housing options. In doing so, the importance of maintaining decent housing standards was highlighted.
9. The Council would continue to work with its partners to take an early intervention approach through a range of options, as set out in the report, and so continue to reduce the number of households placed in temporary accommodation.
10. In considering the report, the work of the Poverty and Reducing Inequality Board was highlighted and how this report would help support the recommendations of the Board, which the Leader of the Council chaired.
11. A discussion took place on the provision of housing options for key workers in the Borough, including the estate regeneration developments and discussions with North Middlesex University Hospital; the importance of affordable housing provision was highlighted.

Alternative Options Considered: NOTED, the following alternative options that had been considered:

Allocations: The primary option considered was to continue with the current approach. This would see an increasing number of households staying in temporary accommodation for long periods. This would also prevent the Council from being able to assist other groups in need.

Placement Policy: The Placement Policy codifies the approach to the use of the private rented sector. The transformation programme was based on making best use to the private rented sector. Without a formally approved policy there was a risk of legal challenge.

DECISION: The Cabinet agreed to

1. Recommend approval of the Allocations Scheme, as set out in Appendix 1 of the report to full Council.
2. Approve the Placement Policy for temporary accommodation and private rented sector offers, as set out in Appendix 2 of the report.
3. Approve the Intermediate Housing Policy as set out in Appendix 3 of the report.
4. Delegate authority to the Cabinet Member for Social Housing to approve minor amendments to the Allocations Scheme, Placement Policy and Intermediate Housing Policy.

Reason: The proposals outlined represent a shift in focus and investment in the prevention of homelessness and support for residents to proactively

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reduce the number of households reaching crisis point (paragraphs 13 – 16 of the report referred).

(Key decision – reference number 4682)

11

ROUGH SLEEPERS LOCAL DELIVERY PLAN

Councillor Gina Needs (Cabinet Member for Social Housing) introduced the report of the Executive Director – Place seeking approval of the local delivery plan for rough sleepers and to support the Council's efforts to secure funding to deliver the plan.

NOTED

1. The requirement for all rough sleepers to be accommodated at the start of the Covid-19 pandemic as set out in the report. The Council had provided approximately 290 rough sleepers with emergency accommodation since March 2020.
2. The positive and significant support that had been provided to the individuals involved.
3. That approval was being sought to the Local Delivery Plan for rough sleepers and to support the Council's efforts to secure funding to deliver the Plan, as detailed in the report. Members noted the significant financial costs and pressures being faced as set out in the report. The Council would continue to lobby the Government for funding to meet the costs incurred to date and the requirements going forward.
4. The wide range of different support needs and the difficulties being faced, including for those people with no recourse to public funds, and, those with significant health issues, as outlined in the report. This Plan represented a once in a lifetime opportunity to effectively end rough sleeping in the borough.
5. That this Plan would enable the Council to provide support for those vulnerable residents who it may not have been possible to engage with previously. It was hoped that long-term accommodation could be facilitated for those in need, as outlined in detail in the Plan.
6. In response to questions raised, Members were advised of the approximate number of people still rough sleeping in the Borough who had rejected offers of help from the council to date.
7. The measures being implemented by the Council, as previously considered, to support non-priority single people in their housing needs.

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Alternative Options Considered: NOTED that the alternative options would be:

1. To simply end the provision of accommodation. This would see the majority returning to rough sleeping and the re-establishment of encampments across the borough. This option had been ruled out as unacceptable.
2. To continue the existing arrangements. The costs of this would be significantly higher than moving people into other forms of housing and would mean placing people out of borough for an extended period.

DECISION: The Cabinet agreed

1. The approach on the support and accommodation of rough sleepers.
2. To support the efforts to secure funding to implement the plan.
3. To support efforts to secure government policy change as set out in paragraphs 30 and 31 of the report

Reason: To approve the Local Delivery Plan for rough sleepers and to support efforts to secure funding to deliver the plan, for the reasons detailed in the report.

(Key decision – reference number 5166)

12

ADOPTION OF THE ENFIELD CLIMATE ACTION PLAN

Councillor Ian Barnes (Deputy Leader) introduced the report of the Executive Director – Place providing an overview of Enfield's Climate Action Plan and seeking approval for its adoption.

NOTED

1. That the Enfield Climate Action Plan had been prepared in response to the Council's previous declaration of a climate emergency with the aim of making Enfield Council a carbon neutral organisation by 2030. The Plan was innovative and ambitious and the significant work that has been undertaken to date was acknowledged.
2. That, as detailed in the report, a Climate Change Task Force had been set up to support the Council in managing its response to the declared climate emergency.
3. The range of challenging but deliverable actions as detailed in the Plan. Examples, including, a programme to retrofit streetlamps with LED bulbs; the development of low traffic neighbourhoods, school streets, reforestation in northern Enfield, electrification of our fleet and new ways of working.

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4. The Council is prepared for multiple energy futures with leading experience in heat pump technology, decentralised energy through our company Energetik and the ambition to aim for standards such as Passivhaus.
5. That the Plan set out targets and actions for the Council and the Borough as a whole. The Council had already made its commitment to climate change clear and a number of the actions set out in the Plan had already been funded, for example, Energetik, LED lights on-street and new woodlands. Some actions would require additional resources and funding from within the Council, while others would need external funding, particularly from central and regional government.
6. The Climate Action Plan would influence other Council plans and strategies. The progress of the Plan would be closely monitored and regularly reported on.
7. The brief positive impact that the Covid 19 pandemic had had on carbon emissions with the use of fewer private vehicles and increased walking and cycling.
8. That, the majority of actions in the Climate Action Plan revolve around our ambitious borough wide Net Zero emissions target for 2040. This is a full decade ahead of the national target.
9. That the next planned engagement event would a virtual launch of the Enfield Climate Action Plan in the summer. A key part of delivering the Action Plan was an extensive long-term engagement programme with all stakeholders, as set out in the document. The Plan had been guided by the Climate Change Task Force and developed with input from across the Council. It had been informed by engagement with climate change organisations and the public. The report sought approval to delegate responsibility for implementation of the Plan to the Executive Director – Place in consultation with the relevant Cabinet Member, as set out in the decision below.
10. That thanks and appreciation were expressed to the officers involved in the development of the Plan, and to the local groups and residents for their valuable input and feedback to the consultation.
11. That the Action Plan was comprehensive, ambitious and deliverable. The Council would continue to consult and work with its partners, interested groups and residents. Tribute was paid to the work that had been carried out to date by the Climate Change Task Force.
12. The proposal to retrofit the Council's housing stock as set out in the Plan, and the significant cost of this work. It was noted that this would require substantial financial Government intervention. A trial has been introduced by Government but it was acknowledged that this should be much more extensive and wide-ranging if the UK is to meet its Net Zero

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target. The Council would continue to lobby Government for funding in order to implement and meet the targets set out in the Plan.

13. The detailed Borough-wide emissions as set out in the Plan. It was noted that 39% came from Transport on our roads, whereas in contrast, for example, only 0.7% of total UK emissions are from energy from waste in London. It was acknowledged that everyone should help support a significant reduction in transport emissions. The transport policies contained in the Plan would have a significant influence, including for example, low traffic neighbourhoods, to encourage more walking and cycling, school streets, a future electric vehicle charging policy and electrification of our fleet. It was noted that progress in the further use and development of electric fleet vehicles was also dependent on scientific developments as well as funding requirements.
14. The introduction of a new Council Environment Forum and the important role that it would have regarding Climate Change issues. As set out in the Plan, Members noted the proposals to divest the Council's pension fund from investment in fossil fuel companies. Members acknowledged that the Pension and Investment Committee is a wholly independent committee with a fiduciary duty. The representations made and questions that had been raised by Divest Enfield regarding this issue. In response, it was noted that a report was due to be considered at the forthcoming meeting of the Council's Pension, Policy and Investment Committee. Following that meeting a response would be made to the issues raised by Divest Enfield. The significant amount of work to be undertaken was acknowledged but that more needed to be done to provide detailed targets on how the committee will fully divest by 2025.
15. That the Council would continue to drive for progress and achievement of the targets as set out in the Plan and would ensure that progress and developments were communicated to the residents of the Borough.
16. That active engagement with all groups involved would continue. All Council reports now included environmental and climate change considerations. The Climate Change Task Force would continue to meet on a regular basis, with a virtual launch of the Action Plan scheduled for the Summer.

Alternative Options Considered: None, the Council had committed to tackling the climate change emergency, to do this required a clear strategy with supporting actions.

DECISION: The Cabinet agreed to

1. Adopt the Enfield Climate Action Plan.

CABINET - 15.7.2020

2. Delegate responsibility for implementation of the Enfield Climate Action Plan to the Executive Director – Place in consultation with the relevant Cabinet Member.
3. Note that whilst a number of the actions in the Enfield Climate Action Plan were already funded, many others would require new funding commitments, including from central and regional government, and there would be full consideration of the financial implications as workstreams were progressed.

Reason: The Enfield Climate Action Plan defines the scale of the Council's existing carbon emissions and sets out a challenging but deliverable set of actions to reach the target of zero emissions by 2030 (as detailed in the report).

(Key decision – reference number 5136)

13

CABINET AGENDA PLANNING - FUTURE ITEMS

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

14

DATES OF FUTURE MEETINGS

NOTED, that Cabinet meetings were scheduled to take place on Wednesday 5 August 2020 and Wednesday 16 September 2020 at 7.15pm.

(Note: The August meeting has been cancelled).

London Borough of Enfield**Cabinet****16 September 2020**

Subject: Revenue Monitoring 2020/21: Quarter 1 (June 2020)
Cabinet Member: Cllr. Maguire
Executive Director: Fay Hammond

Key Decision: 5198

Purpose of Report

1. This Report sets out the Council's revenue budget monitoring position based on information to the end of June 2020. The report sets out the position with, and without, the impact of Covid-19 which will demonstrate that the Council was progressing on the journey of establishing a robust and resilient financial position prior to the outset of the pandemic. The report is set out to cover the following:
2. The revenue budget forecast including the impact of Covid-19, Government support and the Council's response is £10.6m overspend. If the impact of Covid19 is set aside, the underlying budget position at quarter 1 is £0.566m overspend which demonstrates the progress on establishing a robust budget. This the concluding headline and is set out in Appendix B, the report is set out as follows:
 - i. Paragraphs 27 to 78 provide the underlying pressures with the General Fund as at quarter 1 of £0.566m after the flexible use of capital receipts are applied.
 - ii. Paragraphs 79 to 114 provides an update on the Covid-19 financial impact of £64.3m. The Government's response in terms of additional funding is highlighted in paragraph 21.
 - iii. Paragraphs 112 to 115 describes the Council's response to the pandemic, savings, income proposals of £9.269m.
 - iv. Paragraphs 23 and 111 discuss the option to run a Collection Fund deficit and the implications of doing so on this year's finances and on going impact.
3. The impact of Covid-19 has been assessed by forecasting the additional expenditure, loss of income and impact on the savings programme, the total forecast is £64.3m.
4. The Government has provided much needed funding of £21.2m to support the Council's response. At the same time the Government also announced further support to help manage the loss of sales and fees and charges income, an estimate of circa £4m has been allowed for in the

current financial position; the government's technical guidance was released on 25 August and the estimated grant will be subsequently updated following a review of the guidance.

5. In year savings of £6.3m have been identified and will contribute towards the series of mitigations that are being put in place to manage the financial pressure. The budget includes a contingency of £3.0m which was set to manage unforeseen circumstances, and this will be planned to be used to help mitigate the Covid-19 pressure.
6. Once the impact of Covid-19 and the in year savings have been considered within the departmental forecasts, the revenue forecast overspend is £2.4m and after the application of capital receipts for transformation purposes of £1.8m, the net overspend is £0.6m.
7. The Government announced that the Council could run a Collection Fund deficit which will provide a benefit this financial year of £19.2m but it should be noted that this is only a short to medium term mitigation.
8. The overall impact on the Council's General Fund is an overspend of £10.6m which will have to be funded from the Council's reserves.
9. The Dedicated Schools Grant is forecasting an outturn position of a deficit of £2.534m. With the £4.482m deficit brought forward from 2019/20, the cumulative forecast deficit at year end is £7.016m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
10. The Housing Revenue Account is forecasting a £0.6m overspend which is a result of the pandemic, without which the HRA would have been forecasting a neutral position.
11. The report provides an update of the level of Earmarked Reserves as at the end of 2019/20 and changes since the Outturn report and a forecast position for the level of reserves as at the end of 2020/21.

Proposals

12. It is recommended that the Cabinet notes the General Fund, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) forecast revenue outturn position for 2020/21.
13. It is recommended that Cabinet note the Covid-19 impact of £64.3m and Council's response to mitigating this pressure.
14. It is also recommended that Cabinet note that without the pandemic the forecast overspend would have been £0.6m for the General Fund and further note the progress made on the journey to setting a robust and resilient budget.
15. It is recommended that Cabinet Members note the updated level of reserves as at 31st March 2020 and the forecast and implications for 2020/21 and over the life of the MTFP.
16. It is recommended that Executive Directors will continue to work with Cabinet Members to implement action plans to reduce the forecast

overspend in 2020/21 and implement savings, whilst managing, mitigating and minimising the Covid-19 financial impact.

Reason for Proposals

17. To ensure that members are aware of the forecast outturn position for the authority, including all major variances which are contributing to the outturn position and the mitigating actions being taken and proposed to manage the financial position for 2020/21.

Relevance to the Council's Plan

18. The General Fund, HRA and DSG Outturn Report sets out how the Council has best used its limited resources to deliver the Council's objectives in 2020/21. These objectives are:
 - i. Good homes in well-connected neighbourhoods
 - ii. Sustain strong and healthy communities
 - iii. Build our local economy to create a thriving place

Background

19. On 26 February 2020, the 2020/21 budget was set by Council. New savings of £9.2m and new income generation plans of £2.7m were agreed for 2020/21. Savings and income proposals agreed from previous years to be delivered in 2020/21 totalled £3.3m. As part of the aim to place the budget in a more resilient position, in 2020/21 £30.1m of growth was included to reflect the demographic, inflationary, investment, capital financing needs, partly offset by a £3.6m benefit from the Pensions Actuarial Review to give a net growth figure of £26.5m.
20. The Council responded rapidly to the Covid-19 crisis ensuring that it supported the community as effectively as possible in very challenging circumstances. This has had a significant financial impact as previously reported to Cabinet in May. At the time the pressures were £68.1m and whilst this has been under continual review and refreshed with the latest forecast at £64.3m the pressure is still the most significant challenge the Council has faced.
21. The Government has provided much needed funding of £21.2m to support the Council's response. This has been in the form of three tranches of Covid-19 support funding i.e. the authority's allocation from the national allocations of £3.2bn and the more recent £0.5bn. At the same time the Government also announced further support to help manage the loss of sales and fees and charges income. The technical guidance on the sales, fees and charges grant income was formally released on 25th August, an estimate of circa £4m has been allowed for in the current financial position, this will be reviewed in the light of this recent guidance.
22. Recent Government announcement will mean that the Council could run a Council Tax deficit which will provide a benefit this financial year of £19.2m but it should be noted that this is only a short to medium term mitigation.

There has been an indication, via the Secretary of State for Housing, Communities and Local Government, that this position maybe reviewed to provide some support for this lost income. This would be welcomed; however, the details are not currently clear and therefore the Council is prudently continuing to review budget options.

23. As set out in the Cabinet report of 15th July, the Medium Term Financial Strategy (MTFS) set out the approach for meeting the Covid-19 financial pressures by seeking in year savings. These in year savings are an essential part of the Council's response in order to be in long term sustainable budget position. After this action and the use of contingency the shortfall is still £29.257m. Taking into consideration the quarter 1 forecast of £0.6m overspend and if the Government's option to run a Council Tax deficit is implemented this will reduce the shortfall to £10.616m.
24. The 2020/21 budget relied on a one-off use of reserves of £1.56m from the Risk Reserve. The potential calls on the Risk Reserve due to Covid19 exceed the available Risk Reserve, and therefore, as set out in the Reserves Section (paragraph 174), a review of the Reserves is underway to identify service specific reserves that can be transferred to the Risk Reserve.
25. The £64.3m financial pressure the Council is facing as a result of the Covid-19 pandemic have been reported collectively and are not included in the department forecast positions. These pressures are covered in paragraphs 79 to 114 and detailed in [Appendix G](#).
26. This report also provides information on the main budget variances and their causes that are affecting the Council across all departments that are not as a result of Covid-19 and these are covered in paragraphs 27 to 78. Although a full budget monitor is carried out each month, variations in this report are limited to variances of at least £50,000 whether adverse or favourable, to provide a greater strategic focus. This report sets out the overall General Fund Revenue; Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) forecast outturn for 2020/21, with details of variations provided in [Appendices C](#) to F (General Fund) and [Appendix K](#) (HRA) and [Appendix L](#) (DSG). The variances detailed in each department are those which the Council would be experiencing without the pandemic, any variances resulting from Covid-19 are detailed in [Appendix G](#). The report also provides a monitor of reserves and balances, which are set out in detail in [Appendix M](#). Use of capital receipts to fund transformation expenditure is summarised in [Appendix H](#).

Main Considerations for the Council

27. **General Fund Quarter 1 Forecast Outturn**
28. Each of the departments has generated a list of the key variances which are contributing to the projected outturn figures and are not resulting from the pandemic. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by

implementing offsetting savings measures. All Executive Directors reporting overspends are working on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the Medium Term Financial Plan (MTFP).

29. The forecast budget position is set out in Table 1 below. It provides a comparison between the latest budget and the forecast position. This is the total forecast position for the Council, including the effects of Covid-19.
30. Table 2 sets out the Covid-19 associated pressures the Council is experiencing by department.

31. Table 1: General Fund Quarter 1 Projected Departmental Outturn Variances 2020/21

Department	Net Budget	Total Gross Forecast Outturn	Flexible use of Capital Receipts	Total Net Forecast Variance incl. Covid19 & In Year Savings	Net Variance excl. Covid-19 & In year savings	For information		
						Covid-19 Total Impact (see Table 2)	Covid-19 Funding / Collection Fund	In Year savings
Chief Exec	11.026	11.939	(0.765)	0.148	0.252	0.330	0.000	(0.434)
People	124.626	135.704	(0.045)	11.033	0.345	11.908	0.000	(1.220)
Place	34.057	47.157	(0.086)	13.014	(0.088)	15.317	0.000	(2.215)
Resources	37.649	44.097	(0.918)	5.530	0.057	5.873	0.000	(0.400)
Service Net Costs	207.358	238.897	(1.814)	29.725	0.566	33.428	0.000	(4.269)
Corporate Expenses	33.478	35.921	0.000	2.443	0.000	4.443	0.000	(2.000)
Bad Debt Provisions	0.791	10.596	0.000	9.805	0.000	9.805	*(2.600)	0.000
Contingency	3.000	0.000	0.000	(3.000)	0.000	0.000	0.000	(3.000)
Net Expenditure	244.627	285.414	(1.814)	38.973	0.566	47.676	0.000	(9.269)
Expenditure financed by:								
Business Rates	(98.666)	(93.102)	0.000	5.564	0.000	5.564	*(5.564)	0.000
Council Tax	(134.051)	(142.216)	0.000	(8.165)	0.000	11.042	*(11.042)	0.000
Other non-ring-fenced Government Grants	(10.345)	(36.101)	0.000	(25.756)	0.000	0.000	(25.756)	0.000
Reserves	(1.565)	(1.565)	0.000	0.000	0.000	0.000	0.000	0.000
General Fund Corporate Financing	0.000	12.430	(1.814)	10.616	0.566	64.282	(44.963)	(9.269)

*These figures total £19.206 which represents the Collection Fund deficit that the Council could run based on the recent Government announcement. Though this benefits the finances for 2020/21, this will need to be recovered over the next three financial years, hence increasing future budget gap in the Medium Term Financial Plan.

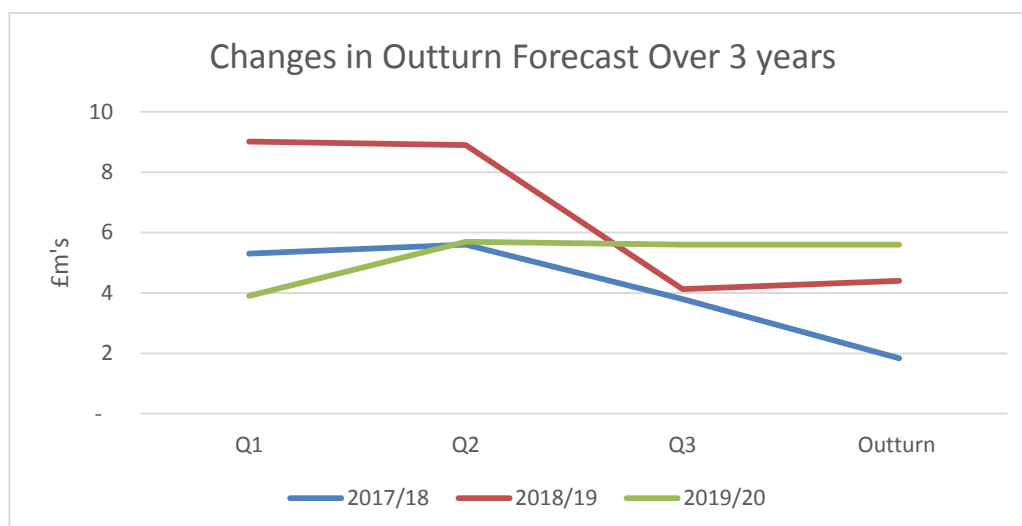
Table 2: Summary of Covid-19 Impact by Department

Department	Net Budget	Covid-19 Additional Expenditure	Covid-19 Loss of Income	Covid-19 Impact on Savings Programme	Covid-19 Total Impact
		£m	£m	£m	£m
Chief Exec	11.026	0.000	0.330	0.000	0.330
People	124.626	11.535	0.373	0.000	11.908
Place	34.057	5.493	8.024	1.800	15.317
Resources	37.649	1.364	3.609	0.900	5.873
Service Net Costs	207.358	18.392	12.336	2.700	33.428
Corporate Expenses	33.478	4.443	0.000	0.000	4.443
Bad Debt Provisions	0.791	9.805	0.000	0.000	9.805
Contingency	3.000	0.000	0.000	0.000	0.000
Net Expenditure	244.627	32.640	12.336	2.700	47.676
Expenditure financed by:					
Business Rates	(98.666)	0.000	5.564	0.000	5.564
Council Tax	(134.051)	0.000	11.042	0.000	11.042
Other non-ring-fenced Government Grants	(10.345)	0.000	0.000	0.000	0.000
Reserves	(1.565)	0.000	0.000	0.000	0.000
General Fund Corporate Financing	0.000	32.640	28.942	2.700	64.282

Budgets shown in Tables 1 and 2 are controllable departmental budgets excluding capital and asset impairment charges, which are not directly controlled by departments.

32. Management actions are ongoing to continue to address all budget pressures, including those related to Covid-19. Management action taken to reduce costs includes reconvening the Pressures Challenge Board to review the most significant pressures being reported. The purpose of the sessions is to identify any further solutions to reduce the overspend in 2020/21 but also to identify whether there will be an ongoing pressure that will need to be considered in the 2021/22 budget setting process.
33. There has been a trend of improvements in budget setting and monitoring at Enfield Council over the past three years to improve the robustness and resilience of the council's finances. As a result of strong financial management and financial leadership, there has been less variation in forecast outturn between quarters in year and these are more accurate forecasts of actual outturn. The outturn position for 2019/20 was an overspend of £5.6m and this was after the flexibility of applying £2.7m of capital receipts had been applied.
34. The above tables show that, had the Covid-19 crisis not occurred, the Council would be continuing that journey of increasing the robustness and resilience of its financial management and forecasting.

35. Chart 1: Trends in outturn forecasting since 2017/18



36. This report provides further information on the budget position as follows:
- Summary narrative for each service area and supported by [Appendices C to F](#) providing additional data and analysis
 - Monitoring information on the progress towards meeting agreed savings and income generation agreed
 - Update on DSG and HRA
 - The financial management key performance indicators set out in [Appendix A](#).
37. **Departmental Monitoring Information – Budget Pressures and Mitigating Actions (net variance, excluding Covid19)**
38. **Chief Executive's ([Appendix C](#))**
39. The Chief Executive's department is forecasting a net adverse variance of £0.252m against a budget of £11.0m after the department has contributed £0.434m to the in year savings to mitigate the financial pressure relating to Covid-19.
40. There is a forecast overspend in Human Resources of £99k resulting from a forecast shortfall in recharge income together with increased staffing expenditure required to support the increased workload including the agency reduction strategy.
41. The Organisational Development service are forecasting a £67k underspend which is mainly due to a salary budget underspends, however the service is also experiencing an income shortfall because of the service is unable to deliver face to face training.
42. Legal services are forecasting to be £0.200m overspent which is predominantly due to an increase in the number of children's social care cases and associated legal costs. These alongside forecast shortfall in recharges and difficulty in achieving structure savings form the basis of the £0.200m overspend.

43. Use of Capital Receipts:

44. The flexible use of capital receipts is forecast as planned and detailed in the 2020/21 Budget Report to fund the Procurement and Commissioning co-managed contract, which is forecast to cost £0.765m for 2020/21.

45. Further details of the Chief Executive department's outturn variations are provided in [Appendix C](#).

46. People ([Appendix D](#))

47. The department's outturn is a £0.3m overspend on a budget of £114.5m. The main variations are as follows:

48. Adult Social Care (ASC)

49. Adult Social Care services are forecasting an overspend of £0.5m across all services, which reflects significant improvement on the £3.2m overspend reported in 2019/20.

50. Key assumptions within the forecast are based on projected activity and year to year trends. However, with the continuation of the effects of Covid-19, use of NHSE funding for hospital discharge cases and increasing use of family and community support, additional activity and spend projections have been added to take account of an anticipated spike in demand and costs from September/October until more certainty around continued government funding through NHSE is in place. This has made trend analysis extremely challenging in year. Additional provider costs due to Covid-19, demographic and inflationary pressures mean the projected outturn, whilst containing an element of risk, may be subject to change in the run up to Winter.

51. The £0.5m forecast overspend is mainly focused in the Learning Disability Service, where continuing demographic pressures are being experienced, alongside increasingly complex cases.

52. Public Health

53. The forecast is a neutral position for Public Health services, though it should be noted that due to the better than forecast outturn position, £0.25m that was transferred to earmarked reserves will contribute to the Covid-19 pressures as part of the department's in year savings.

54. Education, Children's and Families

55. There are only a few General Fund services in Education and the cost of former employees on enhanced pension is forecast to be £0.1m underspend at the year end.

56. Children's and Families services are forecast to be £32k underspent, of which the £0.161m underspend is a result of £0.100m underspend in former unaccompanied asylum seeking children and vacancies within the services and £0.125m is predominately the cost of legal disbursements

incurred. This was identified in the 2019/20 outturn and will need to be included in the 2021/22 MTFP if it can not be contained within existing resources.

57. Whilst the forecast outturn is currently positive it should be noted that the number of referrals is currently lower than usual and once the Schools return this could increase which could then change the forecast to an overspend position.

58. Use of Capital Receipts:

59. The planned use of capital receipts included £45k to fund a pilot scheme for 1 year to evaluate the use of Virtual Reality to improve Social Worker practice and increase recruitment and retention of Foster Carers, this project was delayed as a result of the pandemic, is now being progressed again and forecast to require the £45k as planned.

60. Housing Related Support

61. For the first time in several years, the service is forecasting a neutral position. This is as a result of the significant savings programme that has delivered £8m of savings and the recognition in the MTFP that the pace of delivery of further savings could not match the expected targets, resulting in circa £0.3m being added to the budget in 2020/21.

62. Further details of People outturn variations are provided in [Appendix D](#).

63. Place ([Appendix E](#))

64. The Place department is reporting a forecast £88k underspend once the impact of Covid-19 and offering in year savings of £2.2m have been taken into account.

65. Favourable variances are reported in Traffic & Transportation services of £72k due to additional Traffic Order income, Parking Enforcement of £200k as a result of putting in place additional traffic enforcement and parking control measures, Parks Activities & Engagement of £73k due to underspends in salary costs and other operational expenditure plus forecasted improved income from allotments and Strategic Property Services which is forecasting a £232k underspends in the services salary budget.

66. Overspends are forecast in Passenger Transport Service and Culture services which are reporting a £0.120m and £0.500m respectively and these are continuations of previous year's budget pressures.

67. Use of Capital Receipts:

68. The planned use of capital receipts included £60k for the mobilisation costs associated with the implementation of the waste service changes, these have progressed despite the pandemic and the forecast cost is now £86k for 2020/21.

69. Further details are provided in [Appendix E](#).
70. **Resources ([Appendix F](#))**
71. The Resources Department is reporting a net variance of £57k after the application of capital receipts against a net budget of £37.649m. This overspend is after £0.400m of in year savings have been identified and excluding the impact of Covid-19, which is discussed later in the report.
72. The Knowledge & Insights Team and Libraries Services are forecasting a favourable variance due to vacant posts within each service.
73. Whilst an overspend on the 2020/21 budget is forecast in Customer Operations because contract costs relating to 2019/20 have been incurred in this financial year.
74. It should be noted that the pressure in the Court costs income are all reported against Covid-19 and that there was an underlying pressure pre Covid-19 which will be quantified for future reports and will need to be considered in the budget setting process for 2021/22.
75. **Use of Capital Receipts:**
76. The £0.460m reflects the part year impact from implementing the new IT structure, which will reduce the current pressure and is transformational in nature.
77. The forecast net cost of the Transformation Team is by its nature transformation project costs and are planned as described in the Budget Report 2020/21 to be funded by the flexible use of capital receipts.
78. Further details of Resources outturn variations are provided in Appendix F.
79. **Covid-19 Pressures ([Appendix G](#))**
80. **Chief Executive's: net Resources budget is £11.026m; the total estimated additional costs of £0.330m (3.0%)**
81. The impact in the Chief Executive's department continues to focus on the effect on the income and future income generation proposals in the 2020/21 budget. The likelihood of achieving budgeted levels of income and future delivery is low because of a reduction in demand being experienced across services.
82. **People: Adult Social Care (ASC) and Public Health ([Appendix D](#)) – net budget is £76.959m; the total estimated additional costs of £7.8m (10.1%)**
83. The impact on Adult Social Care (ASC) continues to be mainly related to additional cost. The current forecasted pressure is £7.8m. The most significant cost pressures are judged to be additional staffing required at

Bridgewood House to enable taking patients direct from hospital at £0.750m, additional payments to care providers for additional staffing and equipment plus increased care cost for those being discharged from hospital. i.e. rapid admission to residential and nursing home for clients who otherwise would have been diverted to community of £2.151m and £0.750m additional long term care purchasing costs as a result of the cancelation of routine operations e.g. hip, knee etc. Further costs are still expected to be incurred because of the need for additional staffing across all teams at £1.071m and the closure of both Learning Disabilities and Older People's day centres meaning that increased cost of individuals being cared for at home at £0.500m and an estimated £0.540m for Learning Disabilities placement breakdown. In addition, Covid-19 has also impacted on the departments income through delays in completing financial assessments, with the impact forecasted to be approximately £0.3m.

84. There are some expected additional costs in the Public Health services specifically the closure of Silver Point Clinic, which could drive additional costs for testing for STI's in out of borough clinics.
85. **People: Education – net budget is £5.076m; the total estimated additional costs are £0.150m (3.0%)**
86. The forecast pressure relates to the Government proposal to remove free travel for U18's. The £0.150m was an early assessment and is included in the latest return to the MHCLG. However, since then further analysis has been undertaken using the London Council's calculator tool which reflect that the Council incur charges of circa £0.900m for journeys and the administration of the assessment process dependent on the final decision made by the Government.
87. **People: Children's & Families – net budget is £42.591m; the total estimated additional costs of £3.539m (8.3%)**
88. The additional cost forecast is £3.539m in total, with the most significant costs being due to delays in court days impacting on the length of secure remand placements. This is estimated to cost £0.497m for six months. Care placements and support packages into homes to safeguard children particularly but not exclusively children with SEND and/or severe emotional and mental health needs e.g. could cost up to £0.250m to support 1 child to stay at home with 3 carers 24 hours a day at the most complex end of the scale or it could cost £25k. At an average the forecast is that this will cost an additional £0.900m and the increase in the numbers of children looked after where parents fall very ill could cost £1.150m based on an estimate of 20 children.
89. **Place ([Appendix E](#)) – net budget is £34.057m; the total estimated additional costs of £15.217m (44.7%)**
90. A 3 month rent holiday, covering the period 25th March 2020 to the 23rd June 2020 was agreed for all registered local based charities; community groups; sports clubs and social enterprises, all locally based small and medium sized retail, hospitality and light industrial businesses who occupy

Council owned buildings. The lost income from this was originally estimated to be £1.2 to £1.5m. However, as previously stated the Rent relief or support for any business or organisation beyond this will be on a case by case basis and the current forecast is £0.655m. The Government has provided short term security to tenants and as a result it is expected income to drop further, some of which may not be recoverable in this year.

91. There are several trading services across Place that have been impacted by a loss of demand for services and therefore experience a loss in income e.g. planning, scaffolding etc. The most substantial loss of income though has been experienced in the decline in Parking income because of there being less travel undertaken and less use of car parks throughout the lockdown period, this alone has created a £3.4m forecast loss of receipts.
92. The Mortality Planning Group was mobilised under the London Resilience Strategic Coordination Group and it expanded mortuary capacity across London. The initial estimate of this was around £10m-£12m for the whole of London where the cost of coroner and mortuary provision are allocated based on population size. The original estimated impact was a cost of circa £0.5m, however the actual cost has been received of £0.8m.
93. Operational services such as Waste, Street Cleaning and Parks have all had to incur additional expenditure during the pandemic, these were originally forecast to decline in the 1st quarter but this is expected to be September and a gradual removal of additional resources required by the end of 2020 with a total forecast cost of £1.9m. Alongside this a forecast increase in the amount of waste tonnages produced in the borough has increased the financial pressure by £0.8m though this is reported in the corporate section because the impact will be seen in the levy charges from the North London Waste Authority.
94. The net loss arising from the Temporary Accommodation service is still forecast to increase. An Emergency Housing protocol was introduced in line with Government guidance to take a broader responsibility towards meeting crisis, emergency housing needs, which created increased short term pressures, but this will not necessarily translate into a longer term statutory duty for housing beyond the pandemic. There is, however, an assumption of between 350-700 additional homes being required for the year.
95. There is also an impact on the services strategic plans to decrease the amount of Temporary Accommodation for the following reasons:
96. Reduced ability to move residents on into the private rented sector.
97. Restraint on actions to cease the Council's duty. There is a backlog of circa 600 cases where decisions are awaited. It is anticipated for 25% the Council may not have a duty. However, it would be inappropriate to issue these decisions at this time other by consensus with alternative more suitable accommodation to move to.

98. The budget for 2020/21 was predicated on certain initiatives such as Enfield Let, Capital Letters and growth in the HGL portfolio increasing the amount of Private Rented Sector (PRS) accommodation to avoid the need for Temporary Accommodation.
99. Total unbudgeted exposure based on attached assumptions for the above remains at £3-5m in addition to the agreed net budget. This is on the basis that the operating costs associated with a higher portfolio will be managed from the move-on team that will be redirected to this purpose.
100. The landscape on homelessness has shifted since the pandemic with the rise of the LHA rate to the 30% of the housing market making more private rented sector homes affordable and Boroughs having been aiming to accommodate vulnerable people in borough to ensure the provision of support services. Both these factors and the impact they may have on the Council's ability to prevent homelessness and therefore maintain the strategy of reducing the need for TA need to be kept under review over the coming months.
101. Additional investment into the Homelessness Service has been made through increased MHCLG grant. The service will aim to manage costs within the existing staffing budget. This is subject to understanding the impact of the ending of forbearance measures e.g. suspension of eviction notices and the impact on demand. The service will accelerate the introduction of parts of the new Housing Advisory service to work upstream to attempt to prevent and mitigate the costs arising from this situation.
102. The Council is incurring additional costs for rough sleepers which the Council is attempting to seek additional funding for via MHCLG:
 - i. Additional agency staff to cover for workers that may become ill or are self-isolating: 2 x Rough Sleeper Outreach Workers / Navigators this will cost £40k for 6 months.
 - ii. Self isolation accommodation is likely to be required all year rather than for the 3 weeks of agreed funding. 40 units of self contained accommodation for rough sleepers will be an additional cost of £325k for 6 months.
 - iii. Using Edmonton Travel Lodge as emergency accommodation at a cost of £0.570m
 - iv. Additional costs of deep cleaning, food for self isolating rough sleepers cost will be £20k for 3 months.
103. **Resources: net Resources budget is £37.649m; the total estimated additional costs of £5.873m (15.6%)**
104. The most significant impacts identified in Resources services relate to additional costs and these are an increase in the number of Discretionary Housing Payments which is estimated at £0.500m, reverting IT work packages to deal with the systems, operations, network/infrastructure programme etc. at a cost of £0.900m. There is an estimated loss of income across services in the department of £3.609m with the most significant being the collection of Housing Benefit overpayments, libraries, the schools catering service, music services and recovery of court costs.

The closure of the libraries will impact on the delivery of income generating projects that were agreed for the 2020/21 budget.

105. Corporate

106. A Community Resilience Hub has been established to make emergency payments for rents, provision of food and medical supplies. The forecast cost of these operations is £2m.

107. Personal Protective Equipment has been purchased for use across all Council services excluding Adult Social Care where this is recorded separately for the purposes of the MHCLG return.

108. The Bad Debt provisions for Sundry, Housing Benefit overpayments and Court costs are all reflected as corporate cost and are forecasted to be an additional £7.2m. The impact on the Council Tax and Business Rates Bad Debt Provisions is included in the Collection Fund impact below.

109. Collection Fund

110. The total impact on the Collection Fund is currently forecast to be £19.207m. This can be further broken down by:

	£m
Council Tax collection	11.042
Business Rates collection	5.564
Collection Fund Bad Debt Provisions	2.600
Total	19.206

111. The Government has recently announced that Local Authorities could run a Collection Fund deficit for the next 3 years, and this is reflected in the Council's forecasting and current gap. However, whilst this reduces the financial impact in 2020/21 it will have a detrimental impact on future years and increases the budget for 2021/22 by £6.4m as the deficit will need to be recovered.

112. Council's response to Covid-19 pressures

113. In response to the financial pressure, departments have sought in year savings totalling £6.269m and the detail of which is laid out in the "in Year Savings" report KD 5204, which was published on the 10th August 2020. It is also proposed to use the £3.0m contingency budget set for 2020/21 to mitigate the Covid-19 pressures. Therefore, this totals £9.269m for the Council's response as at quarter 1.

114. Another part of the Council's response is to conduct a mid year review of fees and charges which is currently ongoing.

115. Further details of Covid-19 variances are provided in [Appendix G.](#)

116. **Flexible Use of Capital Receipts** [\(Appendix H\)](#)

117. With effect from 2016/17 the Government provided a general capitalisation directive to all councils, giving them the option to utilise capital receipts for revenue purposes. These receipts can be used to finance projects that are designed to generate ongoing revenue savings in the delivery of public services, and/or transform service delivery to reduce costs or demand for services in future years for any of the public sector delivery partners. In the Provisional Local Government Financial Settlement of December 2017, the Government extended this flexibility for a further three financial years, from 2019/20 to 2021/22.
118. The Council is mindful of over reliance on, and the sustainability of, this one-off funding. In the medium to long term, alternative funding will need to be identified to fund any further projects, as capital receipts may not be available, and this flexibility will no longer be available after 2021/22. As set out in earmarked reserves below, it should be noted that the “Invest to Save” transformation reserve remains for future projects.
119. The impact of using capital receipts to fund revenue transformation projects is that these receipts are not available to fund the council’s capital programme and, therefore, increase the council’s borrowing requirements.
120. The Budget Report 2020/21 set out the plan for use of capital receipts this financial year. The forecast is broadly in line with the agreed plan and no new requirements have been identified in this quarter 1 report. The total forecasted call on capital receipts is £1.814m as described in [Appendix H](#).
121. **Achievement of Savings ([Appendix I](#) and [Appendix J](#))**
122. A risk-based approach to the monitoring of savings is undertaken as part of the monthly budget monitoring, where a score is given in relation the value of saving or income and the likelihood of delivery, these are then multiplied together, and the total score provides the following risk ratings:
- Blue - Saving/ income has been fully delivered
 - Green - Saving/ income is on target for delivery
 - Amber - Saving/ income is at risk of delivery
 - Red - Saving/ income is high risk or undeliverable
123. The savings include those that are new for 2020/21 plus the full year effect of previous decisions.
124. Of the £15.1m departmental savings, £3.7m is expected to be fully delivered at this stage. This consists of £0.8m which have been fully achieved and a further £2.9m which are on track for delivery.
125. However, £7.4m and £3.9m are amber or red risk status. These risk ratings are reflected in the forecast outturns for each department and predominantly relate to pressures and delays caused by the pandemic.
126. Further details for each department are summarised in the charts and tables in [Appendix I](#) and [Appendix J](#).

127. **Housing Revenue Account (HRA) (Appendix K)**

128. The current HRA forecast for quarter 1 is a balanced position, however, due to additional pressures as a result of Covid-19 the additional costs and loss of income are estimated to be £0.643m. This pressure will be maintained within the overall HRA budget.

129. **Communal Services**

130. Covid related spend in this area is circa £126k to date. It is estimated that the full year costs be £292k due to the following:

131. **Agency & Overtime**

132. Through April to July, 10 extra agency staff were added to the current 5 (5 ongoing agency within budget) agency staff within the service. Although agency numbers were high, the need for these were essential to maintaining the service.

133. The additional agency were used to backfill full time employees who were quarantining due to underlying health conditions as well as attending emergency requests.

134. Overtime had increased to ensure all communal spaces were cleaned to a safe standard through the peak of the pandemic. This has recently started to decrease as a result of the recent revision of rotations. This will decrease again in September due to overtime hours being reduced.

135. **Equipment and Supplies**

136. Vital spend to ensure the governments guidance on cleaning and hygiene is adhered to. Purchasing of new machines, chemicals and equipment meant the correct level of cleaning could take place in the communal areas.

137. **PPE**

138. Beginning of lock down PPE was at its highest market cost due to the national shortage. This spend is based on bulk purchasing to supply Housing and the wider council. This will be an ongoing spend however, will not be reduced to market prices coming down and other teams having access to purchasing PPE. As a caution, a large order will be placed to ensure PPE is available in the case of a second peak

139. **ASB Weekend Patrols**

140. In line with operation 'LAKENVELDER', the weekend patrols will likely continue until government advice changes on 'social distancing'. Since the commencement in July 2020, the weekend teams have been slightly reduced from the originally capacity.

141. **Dwellings Rent**

142. The estimated void rate for this year was 1%, data up to week 13 now shows that the average void rate over this period has increased to 1.53%. The table below shows the total rent loss per month for general needs and sheltered properties, these are now let:

Month	No. Properties Let	Rent loss in period £
May	5	9,140
June	34	20,555
July	34	32,477
still to be let	18	41,401
Total void loss Q1	91	103,574

143. The table shows the total rent loss to date of £104k.

144. **Community Halls**

145. There has been no bookings or usage of the community halls in quarter 1. The amount of £12.5k has been refunded for the bookings that did not go ahead during the quarter.

146. It is assumed that we will get back to income of £20k per month once the nurseries start from September 2020 onwards subject to Covid-19 restrictions on number of children/adults per hall.

147. Last year, our average income for this period was £31k per month. It is hard to predict whether we will reach that capacity with the winter approaching and possible 2nd wave of Covid-19 & government restriction on social gatherings.

148. At this point of time, we will assume that there will be a deficit of £247k from our current budget £374k for 2020-21.

149. **Day to day Service Charge and Major Work Income Collection**

150. **Service Charges**

151. A significant drop in service charge collection for quarter 1 has been anticipated. For the previous financial year, the service was collecting an average of £349k each month. Collection rates have remained very consistent even though all enforcement action has been suspended to date. This was not anticipated but is the likely result of the furlough schemes. Once this government support is removed, it is expected that there will be larger defaults. However, the outstanding balance keeps on going up at around £50k per month, for July the balance stood at £336,564.

Service Charge amount -	April £	May £	June £
Collected:	335,847	341,490	344,722
Outstanding Balance:	179,557	233,804	284,268
Invoiced:	395,226	395,738	395,186

152. **Major Works**

153. Major works collections have been decreasing in line with our predictions.

Major Works amount	April £	May £	June £
Collected:	242,098	156,263	109,289
Outstanding Balance:	4,366,212	4,214,406	4,124,163
Invoiced:	-26,515	-6,038	20,348

154. Collections activity was resumed from mid-July, all leaseholders have been sent a letter informing them thereof. The approach is still a very sensitive one with a lot of support and income management advice being offered.

155. **HRA**

156. **Repairs service**

157. As of the 1st of May, Enfield Repairs Direct (ERD) successfully took responsibility as the primary contractor for general building repairs across Council Housing. Whilst being restricted to only delivering essential repairs at the time, ERD have worked alongside its support contractors to ensure it was able to sustain a full essential repair service, delivering all emergency and urgent repairs required throughout the period and subsequent to restrictions being lifted, have and continued to work across the borough to address the backlog of non-essential repairs that have arisen during the period of lockdown.

158. In relation to savings post Covid-19 we have worked to identify revenue savings from the 2020-21 budget, these have included:

- i. The deferral of an £800K external house painting programme
- ii. A targeted reduction in void costs within the year delivering an anticipated £550K saving on the void budget
- iii. Deferred the recruitment of several posts in quarter 1 enabling an increase in the vacancy factor from 2.7% to 5%
- iv. Provisions for income from additional chargeable works that can be undertaken by Enfield Repairs Direct.

159. The above delivers a £1.7m saving in the HRA to date. We continue to work hard to identify and deliver additional 1 year savings however there has been a significant increase in demand for the repairs service since we have been able to schedule non-essential repairs again and this coupled with increased costs associated with PPE, materials and deferrals in the planned programme due to the impact of Covid-19 means we are not in a position to reforecast down the revenue spend further at this point in the year.

160. **Bad debt provision**

161. A review of the bad debt provision is currently being calculated, in line with a full review of all debt across the Council. A 25% Covid-19 impact was applied to the bad debt provision when setting the budget. Early indications based on the current level of arrears has seen a small increase in the arrears balance of 1.4% up to week 13. Once the full calculation is complete, we will be able to identify if the current provision and contribution are sufficient.

162. **Efficiency savings**

163. The HRA Business Plan has an efficiency target of £1.4m to be achieved in this financial year. The following table represents the savings and pressures forecast to ensure the efficiency saving is achieved:

Savings	£000's
Vacancy factor from 2.9% to 5%	(264)
Repairs - various	(1,700)
Garages - voids - removal from system - backdate void loss	tbc
Total	(1,964)
Pressures	
Community hub GF recharge	250
Civica costs - additional	tbc
Total	250
Covid-19 pressures	494
Savings	(1,221)

164. Further work is in progress to achieve the full target and incorporate the Covid-19 pressures that have been identified.

165. Further details of HRA variances are provided in [Appendix K](#).

166. **Dedicated Schools Grant (DSG) ([Appendix L](#))**

167. For 2020/21 Enfield received a total Dedicated Schools Grant allocation of £351.26m and the funding is allocated across four blocks; £267.87m for the Schools Block, £2.68m for the Central Schools Services Block, £25.80m for Early Years and £54.90m for the High Needs Block.

168. In 2019/20 there was a bought forward DSG surplus of £0.38m but due to ongoing High Needs pressures there was an in year overspend of £4.862m resulting in a cumulative outturn deficit of £4.482m which was bought forward to 2020/21. There continues to be cost pressures in supporting and providing suitable placements for SEN pupils but wherever possible pupils are placed in borough. There is a SEN expansion programme in place which continues to increase in borough provision through expansion of current provision and the development of additional units and satellite provisions. Over time this will enable more pupils to be placed in borough and reduce the number of pupils placed out of borough in costly independent provision.

169. The in-year forecast outturn position is a deficit of £2.534m. This is due to a net projected overspend in the High Needs Block. The main pressures in the High Needs Block relate to the development of additional in borough provision and the increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools.

170. Therefore, the cumulative forecast deficit at year end is £7.016m and will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation.
171. **Movements Since Reported Outturn**
172. The reported level of Reserves stated in the 2019/20 Revenue Outturn Report was £123.3m. Since that report further work was continuing in closing the accounts and producing the Draft Statement of Accounts and the level of Reserves following this work has increased to £129.5m. It should be noted this is the total for the General Fund, HRA and Schools related balances.
173. The most significant change related to the recategorization of CIL balances totalling £4.1m, which had previously been reflected as a liability but as they sit alongside S106 there is a statutory requirement to categorise them as reserves. A further £1.9m was identified through the continue review of the Balance Sheet and these have been added to the Balance Sheet Management Reserve.
174. **Earmarked Reserves (Appendix M)**
175. It is important to recognise that the reserves overall are limited, especially against a backdrop of challenging savings targets for 2021/22 and 2022/23. The importance of maintaining a tight control on spend, delivering on existing savings plans and recovering lost income positions due to Covid-19 cannot be understated.
176. The Risk reserve has significantly reduced over the past couple of years, very likely to be in deficit by end 2020/21. The current balance of the Risk reserve is currently £8.3m but with the current 2020/21 Covid19 shortfall is £7.6m (after applying the specific Covid-19 reserve to the £0.6m forecast overspend) and £1.6m of planned use reserves in 2020/21 budget, the forecast outturn for the Risk Reserve is a deficit of £0.4m
177. A review is underway to see if any of the £11.5m Service Specific and earmarked reserves can be transferred to replenish the risk reserve and offset the current forecast risk reserve deficit.
178. The General Fund Balances are forecast to be held at £13.950m (on a net budget of £231m, i.e. 6%; and borrowing of £1bn). The minimum level of unallocated reserve balances is a decision reserved for the Section 151 Officer, in order to ensure operational efficacy and sustainability of the Council's financial position. The appropriate level of General Fund balances will need to be reviewed of over the course of 2020/21 considering the new risks and uncertainty brought about by Covid-19.
179. The £13m Risk/Smoothing Reserves relating to Council Tax (£133m) /Business Rates (£90m) and Housing Benefits (£290m claim per year) are currently forecast to remain stable over the course of 2020/21.
180. The £26m of Capital and Minimum Revenue Provision reserves are committed for the next five years to smooth any increased budget requirement.

181. The chart in [Appendix N](#) demonstrates the risk associated with the level of reserves held. If the Council does not deliver savings, even under the best case scenario it will run into a deficit on its Reserves during 2022/23. This will be pushed back to 2023/24 if 50% of the savings required are delivered.

182. Medium Term Financial Impact

183. The Council remains in a financially challenging position and the estimated budget gap for 2021/22 is £25.016m.

184. The budget gap for 2021/22 as at when the budget was set in February was £13.265, however since then the additional pressure in the Council Tax Support scheme, an assumption of no Council Tax increase in 2021/22 and an initial view on pressures coming through the regular revenue monitoring as at May 2020, increases that gap to £18.613m. If a Council Tax deficit is run of £19.207m this will need to be replenished over the next three years at £6.402m per year, resulting in an overall gap of £25.016m as stated above.

185. Safeguarding Implications

186. Section to be completed

187. Public Health Implications

188. The Council moved swiftly to safeguard the health of its residents and staff during a period of threat unprecedented in living memory. As previously reported the financial implications of this have been harsh and have reached into every department in the Council. As the council is fundamental to the health of Enfield residents it needs to achieve financial balance.

189. This report notes the work that the Council is and has already undertaken and therefore in and of itself does not have public health implications. However, both the Office for Budget Responsibility (OBR) and the Institute for Financial Services (IFS) have both reported on the negative health effects of the 2008 financial crisis. In order to mitigate the effects of this current crisis the council will need to attain financial balance, consider what the 'new normal' might be and how this might be achieved whilst optimising resident's health.

190. Equalities Impact of the Proposal

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

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

193. **Environmental and Climate Change Considerations**

194. None in the context of this report.

195. **Risks that may arise if the proposed decision and related work is not taken**

196. None in the context of this report.

197. **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

198. The budget risks during 2020/21 will be managed through detailed revenue monitoring reports provided regularly to Cabinet. Departments will take action to minimise budget pressures and align departmental spend to budgets. Action plans have been drawn up to manage controllable pressures in 2020/21.

199. **Financial Implications**

200. Financial implications are implicit in the body of the report. The variances and risks identified through the closure of accounts will be considered in the financial monitoring process for 2020/21.

201. **Legal Implications**

202. The Council has duties within an existing legal framework to arrange for the proper administration of its financial affairs. The recommendations in this report will support the Council in meeting its statutory obligations.

203. **Workforce Implications**

204. None in the context of this report.

205. **Property Implications**

206. None in the context of this report.

207. **Other Implications**

208. None in the context of this report.

209. **Options Considered**

210. Not relevant in the context of this report.

211. **Conclusions**

212. The Council is facing the most significant financial challenge that it has faced and the response to the crisis as laid out in the report and the work undertaken in previous years to create a robust and sustainable budget has

at least put the Council in a strong position. The level of overspend at £10.6m when taken into consideration with the levels of reserves will need continual careful and prudent financial management to ensure the long term sustainability of the Council's finances.

213. However, what has become clear through this 1st quarter monitor is the impact of the progress the Council was making pre pandemic and the £0.6m overspend once Covid-19 is removed from the figures, clearly demonstrates the progress made.

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Appendices

[Appendix A: Financial Resilience Key Performance Indicators](#)

[Appendix B: Forecasted Financial Position as at Quarter 1](#)

[Appendix C: Chief Executive's Variances](#)

[Appendix D: People Variances](#)

[Appendix E: Place Variances](#)

[Appendix F: Resources Variances](#)

[Appendix G: Covid-19 Variances](#)

[Appendix H: Flexible Use of Capital Receipts](#)

[Appendix I: Achievement of Savings](#)

[Appendix J: Savings & Income Monitor](#)

[Appendix K: Housing Revenue Account Variances](#)

[Appendix L: Designated Schools' Grant Variances](#)

[Appendix M: Reserves and Balances](#)

[Appendix N: Reserves usage over 5 year MTFP](#)

Background Papers

The following documents have been relied on in the preparation of this report:

Revenue Outturn 2019/20 – KD5151

Initial Assessment Report of the Financial Impact of Covid-19 – KD







In year savings 2020/21 - KD 5204

Financial Resilience Key Performance Indicators

A summary overview of financial performance is outlined below in Table 4. This dashboard summary captures the key messages across the Council's main financial areas:

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

Table 3: Summary performance overview

Financial Indicator	Status	Key Highlights
Income & Expenditure Position – General Fund year end forecast variances		Year-end variances of £10.6m overspend in relation to General Fund net controllable expenditure. However, it should be noted that if the impact of Covid-19 and the Councils response is removed the Net Overspend is £0.6m.
Progress to Achieving Savings MTFP (current year)		Savings monitoring has identified a total of £3.9m considered a high risk rated/ undeliverable and a further £7.4m that are at risk of delivery. These are reflected in the reported overspend for quarter 1 2020/21.
Income & Expenditure Position – HRA		The HRA is projecting a £0.6m overspend, which is all related to the impact of the pandemic.
Income & Expenditure Position – DSG		The DSG forecast is a £2.5m overspend at year-end outturn against budget. Therefore, the cumulative deficit is forecast to be £7.0m and will be the first call on the 2021/22 grant allocation.
Cash Investments; Borrowing & Cash Flow		The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return.
Balance Sheet - General Fund balances year end projections		The outturn for General Fund balances will meet the Council's Medium Term Financial Plan target based on the use of uncommitted reserves to meet one-off overspends in 2020/21.

Appendix B**Forecasted Financial Position as at Quarter 1**

	£m	£m	Commentary
MHCLG Return June		64.282	
Funding			
Share of £3.2bn	(17.919)		Adult Social Care formula for first tranche and population for second
Share of £0.5bn	(3.357)		New Relative Needs Formula
Sales, Fees & Charges support (estimate)	(4.054)		Uncertainty here, 75p in the £ support for losses over 5% against budget. Commercial income excluded but we're only reporting £0.436m. RO form line includes housing rents, client contributions etc. £120.408m in total.
Emergency Assistance Grant – Food & Essential Supplies	(0.426)	(25.756)	Grant directed through DEFRA
Gap After Funding		38.526	
Contingency	(3.000)		
In year Savings (Total of Appendices B to F once finalised)	(6.269)		
		(9.269)	
Gap after Council Response		29.257	
Q1 Revenue Pressure	2.380		
Applying Flexible Use of Capital Receipts	(1.814)		
Q1 Net pressure		0.566	
Gap		29.823	
Funded by:			
Collection Fund Deficit		(19.207)	As per Government option
Gap		10.616	
Covid-19 Reserve		(3.000)	
Remaining shortfall		7.616	

Chief Executive	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
Human Resources The overspends relates to anticipated shortfall on recharge income together with increased staffing expenditure to support increased workload including the Agency reduction strategy.	1.215	0.091	0.000	0.091
Organisational Development There is an expected shortfall in income as the service is unable to deliver face to face training but this is offset by underspends in the services salary budget.	0.635	(0.067)	0.000	(0.067)
Legal Service The forecast overspend is predominantly due to an increase in the number of Children's Social care cases and associated legal costs.	2.287	0.200	0.000	0.200
Shareholder Strategy Procurement and Commissioning co-managed contract costs funded by capital flexibilities as planned.	0.000	0.765	(0.765)	0.000
Other variances	6.889	0.028	0.000	0.028
Chief Executive Total	11.026	1.017	(0.765)	0.252

[Return to Chief Executive Narrative](#)

People	Current Budget (£m)	Gross Forecast Variance (£m)	Flexible Use of Capital Receipts (£m)	Net Forecast Variance (£m)
Adult Social Care				
Strategy & Resources These services include, grants to voluntary organisations, service development Safeguarding Adults and Safeguarding Adults, deprivation of liberty safeguards (dols) as well as brokerage, contract monitoring and Safe & Connected. With an increasing number of dols year on year, there is risk costs may increase with more activity.	5.096	0.000	0.000	0.000
Mental Health The service is currently projecting a zero variance.	6.074	0.000	0.000	0.000
Learning Disabilities The service is projected an overspend position as a result of managing demand led services. Savings will continue to be made in year however, demand for services continues to rise as a result of demographics, particularly complex and very expensive transition cases.	23.923	0.465	0.000	0.465
Older People and Physical Disabilities (the Customer Pathway) The service is currently projecting a zero variance, however with the current situation discussed in the paragraph 53, there is a risk that demand will increase in both residential and community based services.	32.545	0.000	0.000	0.000
Regulated Services This service includes the day centres, wheel chair, and equipment service and the in house residential and nursing home. These services are currently projected a zero variance.	10.259	0.000	0.000	0.000
Other Minor variances	0.809	0.028	0.000	0.028

People	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
Additional legal costs incurred and Children's safeguarding.				
Adult Social Care Sub Total	78.706	0.493	0.000	0.493
Public Health Grant The Departmental forecast also includes the ring fenced Public Health Grant. The Public Health grant in 2020/21 is £17.29m, this reflects an increase in the grant of grant of £0.905m. The increase in funding includes amounts for the NHS Agenda for Change. Additional pension and pay increases for NHS staff is 9%. There is a risk that demand led sexual health services could result in additional pressures.	(4.456)	0.000	0.000	0.000
Public Health Sub Total		0.000	0.000	0.000
Housing Related Support The service is reporting a zero variance, after circa £8m of savings have been achieved in this area.	2.709	0.000	0.000	0.000
Housing Related Support Sub Total	2.709	0.000	0.000	0.000
Adult Social Care & Public Health	76.959	0.493	0.000	0.493
Education				
Enhanced Pension costs These are the cost of former employees on enhanced pension and forecasted variance is £0.121m.	2.016	(0.121)	0.000	(0.121)

People	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
Other variances	3.060	0.000	0.000	0.000
Education Sub Total	5.076	(0.121)	0.000	(0.121)
Children and Families				
Children In Need Minor overspends are reported in the service relating to long term sickness.	8.285	0.014	0.000	0.014
Looked After Children The £0.161m underspend is a result of £0.100m underspend in former unaccompanied asylum seeking children and vacancies within the services.	24.382	(0.161)	0.000	(0.161)
Young People & Community Safety The underspend is due to the Young Londoners Fund covering projects costs.	3.721	(0.046)	0.000	(0.046)
Joint Service for Disabled Children The overspend is due to an increased demand in overnight breaks, commissioning and Direct Payments.	2.701	0.036	0.000	0.036
Other Variances This is predominantly the cost of legal disbursements incurred. However, as per the Budget Report a pilot scheme for 1 year to evaluate the use of Virtual Reality to improve Social Worker practice and increase recruitment and retention of Foster Carers will be funded through the flexible use of capital receipts.	3.502	0.170	(0.045)	0.125
Children's and Families Services Sub Total	42.591	0.013	(0.045)	(0.032)

People	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
People Department Total	124.626	0.390	(0.045)	0.345

[Return to People Narrative](#)

Appendix E

Place	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
Traffic & Transportation The forecast variance is due to additional Traffic Order income.	0.179	(0.072)	0.000	(0.072)
Parking Enforcement The forecasted variance is a result of putting in place additional traffic enforcement and parking control measures.	2.320	(0.200)	0.000	(0.200)
Waste Services The overspend is due to the mobilisation costs of implementing waste service change.	8.386	0.143	(0.143)	0.000
Parks Activities & Engagement This is due to underspends in salary costs and other operational expenditure plus forecasted improved income from allotments.	(0.227)	(0.073)	0.000	(0.073)
Passenger Transport Service The £0.120m relates to the Brokerage Team and is the continuation of the historic pressure as reported in the 2019/20 outturn.	8.406	0.120	0.000	0.120
Strategic Property Services The £0.232m is from underspends in the services salary budget.	(1.351)	(0.232)	0.000	(0.232)
Sustainability Team Underspends due to vacant posts and operational budgets.	0.456	(0.065)	0.000	(0.065)

Place	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
Culture Services The overspend is continuation of previous year's budget pressure.	(0.095)	0.500	0.000	0.500
Other variances	3.263	(0.254)	0.000	(0.254)
Place Department Total	34.056	0.055	(0.143)	(0.088)

[Return to Place Narrative](#)

Resources	Current Budget	Gross Forecast Variance	Flexible Use of Capital Receipts	Net Forecast Variance
	(£m)	(£m)	(£m)	(£m)
IT The £0.460m reflects the part year impact from implementing the new IT structure, which will reduce the current pressure.	10.825	0.460	(0.460)	0.000
Knowledge & Insights Team The forecasted favourable variance is due to vacant posts in the team.	1.484	(0.091)	0.000	(0.091)
Customer Operations An overspend on the 2020/21 budget is forecast as contract costs relating to 2019/20 have been incurred in this financial year.	1.849	0.150	0.000	0.150
Libraries Vacant posts within the service are contributing towards the favourable variance forecast.	2.386	(0.102)	0.000	(0.102)
Transformation The forecast overspend is transformation project costs and are planned as described in the Budget Report 2020/21 to be funded by the Flexible use of capital receipts.	0.248	0.408	(0.408)	0.000
Other variance The flexible use of capital receipts will fund cost incurred in the Payments Programme as agreed in the Budget Report.	20.857	0.150	(0.050)	0.100
	37.649	0.975	(0.918)	0.057

Appendix G

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Chief Executive			
Loss of income in Legal services		0.100	
25% loss of income in Registrars services in the first quarter		0.144	
Schools Personnel service loss of income		0.009	
Design and Print service loss of income resulting from school closures and Council partners not placing orders during pandemic.		0.080	
People			
Adult Social Care			
Additional Social Workers/agency staff-MH	0.062		
Additional agency AMHP SWs	0.041		
Additional Social Workers/agency staff-OP/PD Social workers and OTs	0.285		
Additional Social Workers/agency staff-Enablement staff DTA	0.154		
Additional Social Workers/agency staff-LD	0.048		

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
IWE costs – Enablement staffing costs	0.420		
IWE costs – additional equipment from the stores i.e. beds/PPE, equipment to support more rapid hospital discharges. Also, the stores staff are now open for extended hours and providing a service at the weekend.	0.250		
20% additional staff at Bridgewood in preparation for taking patients direct from hospital.	0.750		
Safe and connected equipment and software	0.075		
Safe and connected and Brokerage- 7 FTE	0.115		
Increased costs of Enablement staff and Discharge to Assess staff in MH	0.061		
Expenditure on P-cards: food, supplies, care of pets, transport.	0.412		
Additional payments to providers, for additional staffing and equipment OP/PD plus increase care cost for those being discharged from hospital. i.e. rapid admission to residential and nursing home for clients who otherwise would have been diverted to community.	2.076		
Additional payments to providers, for additional staffing and equipment MH plus increase care cost for those being discharged from hospital. i.e. rapid admission to residential and nursing home for clients who otherwise would have been diverted to community.	0.075		
Older People – Closure of day centres and additional costs of providing individual care at home.	0.250		
One off payments to Social Care providers at £1,000 each for Personal Protective Equipment	0.250		

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Additional long term care purchasing costs as a result of cancelation of routine operations, hip, knee etc	0.750		
Double running of care costs where carers go are off sick-LD	0.283		
Learning Disability Service – closure of day centres and additional costs of providing individual care at home. School and college closures and increased costs to keep people safe	0.250		
Learning Disability Service – Placement breakdown	0.540		
Risk of rejected costs of Hospital Discharge Programme (ASC & CF)	0.548		
Additional respite to support family/carers in the community to prevent hospital admission/carer breakdown	0.045		
Employment support and counselling service expanded to cover the whole social care provider network	0.050		
Loss of income in Adult Social Care		0.362	
Public Health			
Closure of Silver point clinic, additional costs of out of borough STIs	0.050		
Additional use of the e-service for STIs	0.004		
Children's & Families			

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Impact on Secure remand placements as a result of the delay in court dates for long trials	0.497		
Care placements, support packages into homes to safeguard children particularly but not exclusively children with SEND and/or severe emotional and mental health needs e.g. it could cost up to £250k to support 1 child to stay at home with 3 carers 24 hours a day at the most complex end of the scale or it could cost 25k.	0.900		
Increase numbers of children to look after where parents are very ill. Estimate 20 children ranging in cost from 45k per year to 100k.	1.150		
Extra staffing and overtime	0.200		
24 hour support line for foster carers and providers to stabilise placements	0.012		
Increase numbers of agency staff	0.500		
Block booking placements	0.140		
PPE for Children's Services (including Leaving care)	0.020		
Other Children's related expenditure.	0.020		
Increased support for care leavers, increased allowances and cost of accommodation.	0.100		
Education			
Administration of U18s travel	0.150		

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Loss of service income		0.012	
Place			
Homelessness Demand & Price modelling (expenditure)	1.850		
44 emergency bed spaces for rough sleepers	0.350		
Homelessness Demand & Price modelling (savings)			1.800
Additional agency staff to cover for workers that may become ill or are self-isolating: 2 x Rough Sleeper Outreach Workers / Navigators this will cost £40k for 6 months.	0.030		
Additional costs of deep cleaning, food for self isolating rough sleepers cost will be £20k for 3 months	0.020		
Edmonton Travelodge	0.570		
In reach support officers	0.070		
Deposits/rent in advance for rough sleepers	0.052		
Additional staffing cover for refuse/street scene employees due to age of workforce.	0.897		
Fleet operatives Covid-19 cover and additional work	0.203		
Additional waste management/fleet hire/street cleaning in order to ensure that all waste is collected during Covid-19 crisis	0.021		

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Additional waste management fleet hire	0.283		
Additional street cleaning only	0.326		
Additional duties in Parks & Additional cemetery work	0.158		
Reopening Barrowell Green	0.054		
Mortuary and funerals (Haringey shared service)	0.063		
Delays to street lighting savings	0.050		
Additional cleaning, hand sanitizers and materials in council buildings	0.268		
Temporary building arrangements	0.007		
Economic Development (assisting local businesses)	0.070		
Temporary highway interventions to assist social distancing.	0.050		
Enforcement of Covid-19 restrictions in parks	0.102		
Development Management loss of income across Building control, planning fees		0.348	
Land charges loss of income		0.100	

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Loss of CIL income in strategic planning and design		0.050	
Highways service loss of income across advertising, skip licences, crossovers, suspension of scaffolding works and staff diverted to non fee earning work.		0.308	
The estimated pressure in Traffic & Transportation is due to the reduction of salary recharges to LIP funded schemes, but this has partially been offset through the expected income surplus from Road Traffic Orders. TFL have withdrawn the LIP allocations for 2020/21). But there is a partial recovery plan - i.e. T&T to work more on S106 funded schemes. Therefore, the reported variance is a conservative estimate and will be reviewed in the coming months to reflect changes in S106 or TFL allocations.		0.276	
Loss of income in from the boroughs Car parks and Pay & Display		0.617	
Loss of income from Parking Enforcement		2.820	
Loss of income across Regulatory Services including licensing, food hygiene courses and Pest Control services.		0.098	
An increase in income is forecast resulting from an increase in demand during the pandemic.		(0.185)	
Loss of income from commercial and schedule 2 waste services.		0.463	
Parks operations loss of income.		0.025	
Income loss across Parks activities and engagement which includes sports pitches and events held in parks.		0.292	
Estimated loss of income resulting from the contract with the Councils Leisure centre provider and the sports activity programme.		0.505	

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Loss of income from the provision of the Passenger Transport service.		0.100	
Loss of income across Strategic Property Services which includes commercial rents, filming income, staff car parking and youth services.		0.790	
Reduction in recharges to the Capital programme.		0.150	
Net loss of income in Culture services.		0.736	
Loss of meanwhile use income at Meridian Water.		0.507	
Resources			
Civica on Demand telephony working at home costs	0.044		
Civica on Demand Extra staff - Benefits	0.067		
Civica on Demand Extra Staff - Telephony	0.050		
Discretionary Housing Payments (DHP) - additional over government allocation	0.500		
Additional Resources: Debt Collection/Benefit Maximisation	0.250		
Converting to an out of hours service	0.115		
Estimated £0.900m, although some of this would have been to deliver projects that are delayed – but mainly that all plans now have to be changed to accommodate Covid-19.			0.900

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Additional Kit: Already purchased/purchasing – Keyboards/Mice (£40k), Jabras (£15k), Possibly wi-fi dongles (100 = £10k including usage – maybe more)	0.091		
Contingency cost: additional out of hours support, licence increases, capacity and security	0.121		
Staff time in Resources teams spent on Shielding	0.037		
Customer service overtime and backfill of posts through use of agency staff	0.089		
Net loss of income due to library closures		0.236	
Net loss of income in schools catering due to school closures		0.452	
Music service net loss of income		0.040	
Loss of income from Court cost		1.031	
Housing Benefit overpayment income collection		1.657	
Other Resources services loss of income e.g. recharges		0.192	
Corporate			
Share of increase mortuary and coroners' provision across London.	0.858		
Increased residual waste tonnages collected due to extra waste collections and it should be noted that extra Waste has been produced due to the pandemic and lockdown.	0.860		

Covid-19 Impact	Additional Expenditure (£m)	Loss of income (£m)	Impact on Savings (£m)
Community Resilience Hub	2.000		
Contingency for unknown costs	0.500		
Personal Protective Equipment across all Council services	0.200		
Communications with residents, banners, posters and guidance	0.025		
Collection Fund Bad Debt Provisions	2.600		
Bad Debt Provisions for Sundry, Housing Benefit overpayments and Court cost income	7.205		
Council Tax Collection		11.024	
Business Rate Collection		5.564	
Covid-19 Total	32.640	28.942	2.700

[Return to Covid-19 Narrative](#)

Use of Capital Receipts in 2020/21

Appendix H

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
People		
Children's & Families	0.045	Pilot scheme for 1 year to evaluate the use of Virtual Reality to improve Social Worker practice and increase recruitment and retention of Foster Carers.
Chief Executive		
Procurement and Commissioning co-managed service contract	0.765	Procurement services/roles across the Council were brought together to form the Procurement & Commissioning Hub as part of the Enfield 2017 transformation programme. The Procurement & Commissioning Hub is made up of Enfield employees and the Council's co-manage partner EY. A focus of the work carried out by the hub is on contract and commissioning reviews, innovative procurement and programme management of MTFP savings.
Resources		
Exchequer Services	0.050	Revenue costs associated with the implementation of PayPoint which forms part of the Payments Programme and the options considered for transforming the Counter Service and face to face payment options.
IT	0.460	The service is continuing to implement changes to the infrastructure contracts aimed at achieving significant cost reductions and transforming how services are delivered.
Transformation	0.408	The Transformation Service manages a diverse Portfolio of Programmes, designing, planning and managing activity on behalf of Directors across the council, hiring and managing specialist IT and

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		<p>other resources, as required for each individual project. This includes delivery of new operating models, structures, processes and culture driven by user needs and enabled by technology. Capital receipts are used to support the funding of the following programmes: Payments, Children’s Transformation, Build the Change, Customer Experience.</p>
Place		
<p>Mobilisation costs associated with the implementation of waste service changes</p>	<p>0.086</p>	<p>The changes being implemented will revise the waste and recycling collection system for kerbside properties with a wheeled bin. The changes are:</p> <ul style="list-style-type: none"> • To collect refuse every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for dry recycling) • To collect dry recycling every fortnight rather than weekly (collections from the property will be made on the alternative week to collections for refuse) • To provide a new service of a weekly separate food waste collection • To introduce a £65 per year charge to collect garden waste from households that opt • into the scheme (additional bins per property will be charged at £65 per year) • recruitment of 2 additional Recycling Officers • recruitment of 2 additional Enforcement Officers

2020/21 Cost of Transformation Initiatives	£m	Planned Savings and Demand Reductions
		<ul style="list-style-type: none"> • To invest £500k in Street Cleaning Services. <p>The total net savings over the 5-year business plan will be £7.5m from Waste Services, where the financial savings from the agreed option was significantly higher when compared to any other proposal or the current collection system, it conforms with the Mayor's Environment Strategy by providing separate food waste collections and has a projected step change in recycling to 49%.</p>
Total to be funded from the Flexible Use of Capital Receipts 2020/21	1.814	

[Return to Capital Receipts Narrative](#)

Appendix I

Achievement of Savings and Income in MTFP

Savings by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0	(0.157)	(3.291)	(0.200)	0	(3.648)
New 2020/21	(0.300)	(1.842)	(2.465)	(2.409)	(2.250)	(9.266)
Savings Total	(0.300)	(1.999)	(5.756)	(2.609)	(2.250)	(12.914)

Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0	0	0.444	0	(0.075)	0.369
New 2020/21	(0.100)	(0.410)	(1.899)	(0.230)	0	(2.639)
Income Total	(0.100)	(0.410)	(1.455)	(0.230)	(0.075)	(2.270)

Total Savings & Income by Department	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
FYE	0	(0.157)	(2.847)	(0.200)	(0.075)	(3.279)
New 2020/21	(0.400)	(2.252)	(4.364)	(2.639)	(2.250)	(11.905)
Total	(0.400)	(2.409)	(7.211)	(2.839)	(2.325)	(15.184)

Total Savings & Income by Department by Risk Status	CEx	People	Place	Resources	Corporate	Grand Total
	£m	£m	£m	£m	£m	£m
Blue	0	(0.107)	(0.737)	0	0	(0.844)
Green	(0.150)	(0.732)	(1.358)	(0.354)	(0.325)	(2.919)
Amber	(0.250)	(1.570)	(3.027)	(0.585)	(2.000)	(7.432)
Red	0	0	(2.089)	(1.900)	0	(3.989)
Total	(0.400)	(2.409)	(7.211)	(2.839)	(2.325)	(15.184)

[Return to Achievement of Savings Narrative](#)

Savings & Income Monitor

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
CEX	CEX	New 2020/21	Savings	Improve our registration offer to local residents	1.5	0
CEX	CEX	New 2020/21	Savings	Reduce printing	3.0	(50)
CEX	CEX	New 2020/21	Income	Review of recharges	3.0	(100)
CEX	CEX	New 2020/21	Savings	Organisational Review Saving	5.0	(250)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Corporate	Corporate	New 2020/21	Income	Review HRA recharges, MRP policy and capitalisations and application of grants	0.0	0
Corporate	Corporate	FYE	Income	Tax base Growth	1.5	(75)
Corporate	Corporate	New 2020/21	Savings	Obtain rebates by using Purchase Cards for energy bills and matrix invoicing	1.5	(100)
Corporate	Corporate	New 2020/21	Savings	Tail spend savings. Supplier manages spend for the council. Savings achieved through economies	2.5	(150)
Corporate	Corporate	New 2020/21	Savings	Take system credits as a one-off saving, then assume £500k each year ongoing saving	5.0	(2,000)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
People	ASC	FYE	Savings	Reardon Court - Extra Care	1.5	0
People	ASC	New 2020/21	Savings	Increased use of Assistive Technology and support through the VCS	1.5	(100)
People	ASC	New 2020/21	Savings	Reduction in print costs	1.5	(25)
People	ASC	FYE	Savings	Reduction in management as a result of service re-modelling	2.5	(157)
People	ASC	New 2020/21	Savings	Reduced costs of care through early intervention	2.5	(110)
People	ASC	New 2020/21	Savings	Maximisation of IWE resource for day services	3.0	(90)
People	ASC	New 2020/21	Savings	More efficient processing of DoLs and care of Pets	3.0	(40)
People	ASC	New 2020/21	Savings	Review of residential placements to secure appropriate supported living	5.0	(200)
People	ASC	New 2020/21	Income	Increased income through fees and charges for chargeable Adult Social Care Services	7.0	(320)
People	C&F	New 2020/21	Savings	Reduction in business support (vacant post)	0.0	(39)
People	C&F	New 2020/21	Savings	Block booking semi-independent accommodation	3.0	(60)
People	C&F	New 2020/21	Savings	Reducing placement cost	5.0	(140)
People	C&F	New 2020/21	Savings	Reduction in early retirement pension budget	0.0	(58)
People	C&F	New 2020/21	Savings	Reduction in reparation due to Police contribution	0.0	(10)
People	Education	New 2020/21	Income	DSG Funding and capital recharges	1.5	(90)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
People	PH	New 2020/21	Savings	PH Restructure 1FTE in PH Commissioning Team (part of 970k in MTFP)	3.0	(60)
People	PH	New 2020/21	Savings	Reducing Out of borough Sexual Health spend (part of 970k in MTFP)	4.5	(100)
People	PH	Previous Years	Savings	Public Health Restructure	5.0	0
People	PH	New 2020/21	Savings	Review of commissioning contracts 0-19 Contract (part of 970k in MTFP)	7.0	(810)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Place	All	FYE	Savings	Management actions to contain pressure	0.0	(379)
Place	All	FYE	Income	Increase income across R&E	0.0	(250)
Place	All	FYE	Savings	Organisational Review Savings	0.0	(198)
Place	Env & Ops	FYE	Income	Additional T&T income from recharges to capital	0.0	0
Place	Meridian	FYE	Income	Meridian Water Meanwhile Use income	0.0	1,190

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Place	Env & Ops	New 2020/21	Savings	Vehicle Fleet Replacement – through borrowing instead of leasing	0.0	(1,200)
Place	Env & Ops	New 2020/21	Savings	In house Parks/Cemeteries contracts efficiency	0.0	(50)
Place	Property	FYE	Savings	Energy Saving Initiatives	0.0	150
Place	Env & Ops	FYE	Savings	Stop School Crossing Patrols	1.5	(34)
Place	Planning	New 2020/21	Income	Increase in fee income from Design Review Panel	1.5	(50)
Place	Property	New 2020/21	Income	Genotin Road Car Park Redevelopment	1.5	93
Place	Property	New 2020/21	Savings	Montagu Industrial Estate Redevelopment	1.5	0
Place	Property	New 2020/21	Savings	FM Contracts and resourcing (Security contract saving)	1.5	(78)
Place	Property	New 2020/21	Savings	lease termination of 59 Church Street retail shop	1.5	(40)
Place	Property	New 2020/21	Income	Reardon Court Development Rental Income	1.5	0
Place	Property	New 2020/21	Savings	Terminate Triangle House Lease	1.5	0
Place	Property	New 2020/21	Savings	Close John Wilkes House (sale to HRA?)	1.5	(20)
Place	Property	New 2020/21	Savings	Insource Cleaning Contract ongoing efficiencies	1.5	0
Place	Property	New 2020/21	Income	Sub-stations rent reviews	1.5	0
Place	Property	New 2020/21	Savings	Lease vacant space at Centre 14, Claverings	1.5	(20)
Place	Env & Ops	New 2020/21	Income	Traffic order income	1.5	(160)
Place	Meridian	New 2020/21	Income	MW retail income (MW Non Residential Rental Income)	1.5	0
Place	Env & Ops	New 2020/21	Savings	Additional LED streetlight savings	1.5	0
Place	All	New 2020/21	Income	Inflation uplift on external clients and receipts income	1.5	0
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iv): 1% increase on the TA rent roll	1.5	(20)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Place	Env & Ops	New 2020/21	Income	Commercialisation of the Fleet Workshop	1.5	(50)
Place	Meridian	New 2020/21	Income	Staff capitalisation to MW, due to increased staffing levels to meet the revised MW scope	1.5	(70)
Place	Property	New 2020/21	Savings	Vacating St Andrews Court	2.5	158
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (i): TA void loss	2.5	(180)
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iii): Additional Decants	2.5	(200)
Place	Planning	New 2020/21	Income	CIL and S106 Admin Fee Income to Strategic Planning and Design Team	3.0	(50)
Place	Planning	New 2020/21	Income	Fee income from Urban Design / Heritage / Planning consultancy services	3.0	(50)
Place	Planning	New 2020/21	Income	Building Control Plan Drawing Service	3.0	0
Place	Property	New 2020/21	Savings	Close Alan Pullinger Centre	3.0	(50)
Place	Env & Ops	New 2020/21	Income	Crematorium Development	3.0	0
Place	Env & Ops	New 2020/21	Income	Scaffolding Income	3.0	(50)
Place	Property	New 2020/21	Income	Reprofiled Holly Hill Bunding Income	3.5	(487)
Place	Planning	FYE	Income	Building Control Income	4.5	(50)
Place	Property	FYE	Income	Market Rentals for Council Properties	4.5	(50)
Place	Env & Ops	FYE	Savings	Waste Savings	5.0	(1,800)
Place	Env & Ops	FYE	Savings	LED Street Lighting	5.0	(250)
Place	Property	New 2020/21	Income	Claverings: close Ark, rent it out	5.0	128

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (ii): TA Repairs & Maintenance	5.0	(250)
Place	Env & Ops	FYE	Income	Cemeteries Mausoleum and Vaulted graves sales - Southgate Cemetery	7.0	(390)
Place	Env & Ops	FYE	Income	Edmonton Cemetery Expansion - sales of mausolea and vaulted graves	7.0	(6)
Place	Env & Ops	New 2020/21	Income	Southgate Cemetery Cemeteries Mausoleum and Vaulted graves sales	7.0	156
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (v): High value debt cases	7.0	(350)
Place	Property	Previous Years	Income	Leisure services	7.0	0
Place	Env & Ops	New 2020/21	Savings	Parking Contract Renewal	7.5	(165)
Place	Housing	New 2020/21	Savings	Homelessness Service Review MTFP £1.0m (iv): Flexible Housing phased over 2 years	7.5	0
Place	Meridian	New 2020/21	Income	MW Meanwhile use income	10.0	(1,309)
Place	Housing	FYE	Savings	Temporary Accommodation - Future Years	10.5	(780)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
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Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Resources	Finance	New 2020/21	Savings	Update of financial systems. Alternative to SAP & BPC.	1.5	0
Resources	Finance	New 2020/21	Income	Review of staff capitalisation across the finance team	1.5	0
Resources	Finance	New 2020/21	Income	Payroll Service expansion to schools	1.5	0
Resources	Finance	New 2020/21	Savings	Staff savings from implementation of a vendor payment portal	1.5	0
Resources	Finance	New 2020/21	Savings	Single view of the customer debt	1.5	0
Resources	Finance	New 2020/21	Savings	Greater automation to reduce staff resources in administering DWP notifications	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Customer Service Centre demand reduction and channel shift	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Reducing costs associated with data storage	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Reducing cost of maintaining staff laptops and devices.	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Application Rationalisation - ongoing reduction of other applications	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Rationalisation of telephony contracts	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Automation of routine processes including the exploration of Artificial Intelligence	1.5	0
Resources	Customer Exp	New 2020/21	Savings	Reduction in the usage of the interpreting contract	1.5	0
Resources	Finance	FYE	Savings	Payments Programme - new system allowing efficiencies in Exchequer	2.5	(200)
Resources	Customer Exp	New 2020/21	Savings	Review of out of hours contracting arrangements; early exit termination fees apply.	3.0	(14)

Department	Directorate	FYE/New 2020/21	Savings or Income	Title and Short Description	Risk Score	Budget Impact 2020-21 £'000
Resources	All	New 2020/21	Savings	Sustainable council: reduction in printing across the council by 15%	3.0	(50)
Resources	Customer Exp	New 2020/21	Income	Community Libraries sundry income	3.0	(25)
Resources	Customer Exp	New 2020/21	Income	Community libraries. Wireless self service printing to generate income	3.0	(25)
Resources	Customer Exp	New 2020/21	Income	Investment in a sensory room for use by individuals, companies and schools	3.0	(20)
Resources	Customer Exp	New 2020/21	Income	Makerspaces. Equipping community rooms to support crafting and other skill development	3.0	(20)
Resources	Finance	New 2020/21	Savings	Automation of processes and the use of online forms to facilitate savings within the financial assessments and income & debt teams	4.5	(20)
Resources	All	New 2020/21	Savings	Organisational Review Saving	5.0	(225)
Resources	Customer Exp	New 2020/21	Savings	Re-procurement of bulk printing and postage contract	5.0	(200)
Resources	Customer Exp	New 2020/21	Income	Digital support to the UK immigration and visa verification service.	5.0	(140)
Resources	Commercial	New 2020/21	Savings	Procurement saving resulting from replacing our digital customer platform	10.5	(600)
sources	Customer Exp	New 2020/21	Savings	New arrangements for hosting ICT applications and mobile phone contract reductions	15.0	(1,300)

[Return to Achievement of Savings Narrative](#)

Housing Revenue Account (HRA)	Current Budget	Forecast Outturn	Variance inc Covid-19	Variance Exc. Covid-19
	(£m)	(£m)	(£m)	(£m)
Supervision and Management (General) *Housing Development & Estate Renewals *Director Housing Management *Tenancy and Estate Management *Income Collection *Re-Housing *Home Ownership & RTB's *Communications	14.266	14.588	0.292	0.000
Supervision and Management (Special) *Grounds Maintenance *Energy *Communal Services *Sheltered Housing *Concierge & CCTV	7.595	7.595	0.000	0.000
Repairs Admin *Housing Prof Services *Technical Services	1.529	1.529	0.000	0.000
Repairs Base: Responsive & Planned	12.848	12.848	0.000	0.000

Housing Revenue Account (HRA)	Current Budget	Forecast Outturn	Variance inc Covid-19	Variance Exc. Covid-19
	(£m)	(£m)	(£m)	(£m)
Rates - Council Tax on Estate Renewals	0.630	0.630	0.000	0.000
Rates - Business Rates & Council Tax	0.092	0.092	0.000	0.000
HRA Surplus (to fund Capital)	3.609	3.609	0.000	0.000
Bad Debt Provision	0.710	0.710	0.000	0.000
Capital Financing	24.592	24.592	0.000	0.000
Rents Dwellings	(57.846)	(57.742)	0.104	0.000
Rents Non Dwellings (Shops/Garages/Community Halls)	(3.126)	(2.879)	0.247	0.000
Interest on HRA Balances + RTB mortgages	(0.324)	(0.324)	0.000	0.000
Corporate & Democratic Core	0.367	0.367	0.000	0.000
Leaseholders Service Charges	(4.942)	(4.942)	0.000	0.000
HRA Total	0.000	0.643	0.643	0.000

[Return to HRA Narrative](#)

Dedicated Schools Grant	Forecast Variance (£m)
<p>High Needs Block</p> <p>The main pressures relate to the development of additional in borough provision and the increase of the number of pupils with Education, Health and Care plans (EHCPs) in mainstream schools which are partly offset in favourable changes in the Out of borough placements.</p>	2.534
DSG Total	2.534

[Return to DSG Narrative](#)

Appendix M

Reserves	31 March 2020 (Outturn Report) £m's	Change to Statement of Accounts £m's	31 March 2020 £m's	Forecast Transfers 2020/21 £m's	Forecast Balance 31 March 2021 £m's
General Fund					
Risk Reserve	(8.304)	0.000	(8.304)	8.750	0.446
Covid-19 Reserve	(3.000)	0.000	(3.000)	3.000	0.000
Balance Sheet Management	(2.270)	(1.930)	(4.200)	0.000	(4.200)
Collection Fund Equalisation EM reserve	(10.543)	0.000	(10.543)	0.000	(10.543)
Housing Benefit Smoothing Reserve	(2.638)	0.000	(2.638)	0.000	(2.638)
North London Waste Authority Reserve	(1.349)	0.000	(1.349)	0.800	(0.549)
Medium Term Financial Planning	(14.530)	0.000	(14.530)	0.800	(13.730)
Smoothing Reserves					
Salix Fund	(0.726)	0.000	(0.726)	0.400	(0.326)
MRP Equalisation	(17.742)	2.404	(15.338)	0.000	(15.338)
Interest Rate Fluctuations	(8.190)	0.000	(8.190)	0.000	(8.190)
Capital Financing Reserves	(26.658)	2.404	(24.254)	0.400	(23.854)
Service Specific Reserves	(11.781)	(2.775)	(14.556)	3.038	(11.518)
Property	(2.125)	0.000	(2.125)	0.363	(1.762)
Covid-19 Grant	(8.521)	0.000	(8.521)	8.521	0.000
Other Grant Reserves	(5.573)	(4.184)	(9.757)	(1.810)	(11.567)
Grants & Other Contributions	(14.094)	(4.184)	(18.278)	6.711	(11.567)
General Fund Usable Reserves Sub Total	(82.762)	(6.485)	(89.247)	24.496	(66.185)
Insurance	(7.021)	0.000	(7.021)	0.000	(7.021)
General Fund Balance	(13.950)	0.000	(13.950)	0.000	(13.950)
Total General Fund Reserves and Balances	(103.733)	(6.485)	(110.218)	24.496	(87.156)

Reserves	31 March 2020 (Outturn Report) £m's	Change to Statement of Accounts £m's	31 March 2020 £m's	Forecast Transfers 2020/21 £m's	Forecast Balance 31 March 2021 £m's
HRA					
HRA Repairs Fund	(22.320)	0.323	(21.997)	0.000	(21.997)
HRA Insurance	(0.324)	0.000	(0.324)	0.000	(0.324)
Total HRA Reserves	(22.644)	0.323	(22.321)	0.000	(22.321)
HRA Balance	(4.623)	0.000	(4.623)	0.000	(4.623)
Total HRA Reserves and Balances	(27.267)	0.323	(26.944)	0.000	(26.944)
Schools					0.000
Schools' Balance	3.193	0.000	3.193	0.000	3.193
Dedicated Schools' Grant	4.482	0.000	4.482	2.534	7.016
Total Schools' Reserves and Balances	7.675	0.000	7.675	2.534	10.209

[Return to Reserves Narrative](#)

Chart 2: Reserves Usage over 5 year MTFP



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London Borough of Enfield**Meeting Date : Cabinet 16th September 2020**

Subject: Capital Programme Monitor First Quarter (June) 2020**Cabinet Member: Councillor Maguire****Key Decision: 5199**

Purpose of Report

1. The purpose of this report is to inform Members on the current position (as at the end of June 2020) of the Council's 10 Year Capital Programme 2020/21 to 2029/30, considering the latest information available for all capital schemes including the funding arrangements.
2. The report shows that the 2020/21 forecast year end expenditure for the approved programme is projected to be £336m: £188m General Fund, £119m HRA and £29m Enfield Companies.
3. The report sets out the estimated capital spending plans for 2020/21 to 2029/30 including the proposed arrangements for funding and confirms that the revenue capital financing costs for the programme are provided for in the budget.
4. In February 2020, Council approved the 2020/21 Capital Budget and noted the 2020/21-2029/30 10 Year Programme (KD5026). This included approval for the HRA 10 Year Capital Programme of £1,173m.
5. The 2020/21 Capital budgets includes new programmes, which were approved as part of the budget setting process. These new programmes were described as 'Requested Additions'.
6. Each 'Requested Addition' is subject to a separate individual report, which grants the approval to spend the budget envelope approved by Council. Table 3 paragraph 39, details those projects which have obtained the relevant approval to spend and are included in the approved Capital Programme.
7. Appendix B lists the projects where individual approvals are still required.

Proposal(s)

8. It is recommended that Cabinet notes the inclusion of the following capital programmes and updated grant funding, in the Council's 10 Year Capital Programme, which have been granted approval to spend:
 - Education (KD5082) (School Condition Allocations Grant)
 - Alley Gating (KD5103)
 - Corporate Condition Programme (KD5004)
 - Corporate Property Investment Programme (KD5006)

- Flood Alleviation (KD5103)
 - Highways & Street Scene (KD5103)
 - Housing Adaptations & Assistance (Disabled Facilities Grant)
 - Montagu Industrial Estate (KD4876)
 - Traffic and Transportation (Transport for London & Department for Transport Grants)
 - Vehicle Replacement Programme (KD5057)
 - Housing Gateway Ltd (KD5099)
 - Housing Revenue Account (KD4969)
9. The above capital schemes are itemised in Table 3 'Approved Requested Additions', paragraph 39.
10. Appendix A details the revised 10 Year Capital Programme including all programmes with approval to spend. The total budget is £1,746m.
11. Appendix B details requested additions, that are subject to further approval.
12. Appendix C details the total revised 10 Year Capital Programme. The total budget is £2,286m.

Relevance to the Council's Plan

13. The overarching aim of the Council's Capital Programme is to provide a framework within which the Council's investment plans can be delivered. These plans are informed by the Council's strategic objectives as detailed in the Enfield Corporate Plan 2018 to 2022. The objectives are to:
- Deliver good homes in well-connected neighbourhoods
 - Sustain strong and healthy communities
 - Build our local economy to create a thriving place
14. The Corporate plan also identifies 3 guiding principles, which underpin these objectives; they will govern how the Council communicates with residents, works with residents and works as efficiently as possible, including increasing resident access to digital services and transactions.

Background

15. The Council's Capital Programme is regularly reviewed, and monitoring reports are submitted to Cabinet on a quarterly basis. The Council continually strives to maximise external grants and contributions and attract new income streams to fund projects wherever possible and minimise the need to borrow.
16. This is the first report on the Capital Strategy (2020/21) and 10 Year Capital Programme (2020/21 to 2029/30). The report is at the end of the first quarter.

Impact of COVID19

17. The main impact of COVID19 on the Capital Programme is reduced spend in the first 3 months of the financial year. However, this is a period where, traditionally spend is low as a number of programmes are in the mobilisation phase and certain programmes have not started, for example a number of school's programmes traditionally start during the summer holidays.
18. Prior to the quarter one monitor, it was estimated that at least 25% of the current year budget would be reprofiled into 2021/22. The actual reprofiling represents 32% across the total programme, General Fund 37% & HRA 22%. This compares to 28% reprofiling for 2019/2020 quarter one, all of which related to the General Fund.
19. In general departments are optimistic and anticipate that as lockdown is relaxed spend will pick up. Project specific impacts are captured in more detail in the body of the report including reprofiling due to COVID19.
20. A separate review of the Capital Programme is underway to ascertain if there are any programmes which can be delayed to future financial years. The main driver is to reduce the revenue budget requirement in the current financial year. The current forecast of the cost of COVID19 is £64m; reducing or reprofiling capital spend will contribute to the in-year COVID19 financial pressures by reducing the call on revenue budgets to fund loan and interest payments.

Main Considerations for the Council

21. The total Capital Programme, detailing all programmes with the relevant approval to spend is detailed in Appendix A. It shows the revised 10 Year position inclusive of carry-forwards from 2019/20.
22. The capital budget for the current financial year is summarised in Table 1 below and provides the latest position reflecting updated programme expenditure profiles as advised by programme managers.

TABLE 1

Capital Programme with Spending Approval	2020/21 Revised Budget	Reprofilin g	Approved Requested Additions	Reduct- ions	2020/21 Forecast	Actuals	Spend
	£'000	£'000	£'000	£'000	£'000	£'000	%
Resources	6,437	(172)	0	0	6,266	119	2%
People	34,025	(287)	4,587	0	38,324	438	1%
Place	43,254	(16,256)	27,287	(1,276)	53,028	4,124	8%
Place-Meridian Water	137,637	(47,016)	0	0	90,621	12,199	13%
Chief Executive	57	0	0	0	57	0	0%
General Fund	221,410	(63,731)	31,873	(1,276)	188,277	16,880	9%
Energetik	19,726	(12,784)	0	0	6,942	1,500	22%
Housing Gateway Ltd	46,716	(30,216)	5,000	0	21,500	0	0%
Total General Fund	287,852	(106,711)	36,873	(1,276)	216,739	18,380	8%
Place-HRA	154,616	(35,333)	0	0	119,283	5,141	4%
Total Capital Programme	442,468	(142,063)	36,873	(1,276)	336,002	23,521	7%

2020/21 Revised Budget

23. The total 2020/21 Revised Budget above, is the original 2020/21 budget (excluding any requested additions) of £413.092m, as reported in the 2020/21 Strategy Report (KD5026) and the carry forward of £29,376m, as reported in 2019/20 Outturn Report (KD5149).
24. Carry-forwards represent a change in the timing of the delivery of the of programmes.

Reprofiling

25. Reprofiling of budgets are changes regarding the forecast timing of expenditure from the approved programme, between financial years, with no reported increase or decrease in budget requirement.
26. At quarter one, £142m is to be reprofiled from 2020/21 to future years, this represents 32% of the revised budget, £107m (37%) General Fund, £35m (22%) HRA.
27. Table 2 below analyses the budget reprofiling, with explanations below the table for the significant items.

TABLE 2

Budget Reprofiling to Approved Programmes	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Funding Source
IT Investment	(91)	91	0	0	0	<i>Borrowing</i>
Libraries - Access Centres	(81)	81	0	0	0	<i>Borrowing</i>
RESOURCES	(172)	172	0	0	0	
Mental Health and Wellbeing	(2,500)	2,500	0	0	0	<i>Grant (BCF)</i>
Schools' Capital Programme	2,213	(2,213)	0	0	0	<i>Grant (ESFA)</i>
PEOPLE	(287)	287	0	0	0	
Alleygating	(20)	20	0	0	0	<i>Borrowing</i>
Electric Quarter	(4,923)	4,923	0	0	0	<i>Borrowing</i>
Meridian Water	(47,016)	47,016	0	0	0	<i>Borrowing</i>
Montagu Industrial Estate	(8,647)	8,647	0	0	0	<i>Borrowing</i>
Town Centre Regeneration	(2,166)	2,166	0	0	0	<i>Borrowing</i>
Vehicle Replacement Programme	(500)	500	0	0	0	<i>Borrowing</i>
PLACE	(63,272)	63,272	0	0	0	
Energetik	(12,784)	(552)	11,864	1,472	0	<i>Borrowing</i>
Housing Gateway Ltd	(30,216)	30,216	0	0	0	<i>Borrowing</i>
COMPANIES	(43,000)	29,664	11,864	1,472	0	
Place - HRA	(35,333)	18,998	6,859	101	9,375	<i>Various</i>
HRA	(35,333)	18,998	6,859	101	9,375	
TOTAL Budget Reprofiling	(142,063)	112,392	18,723	1,573	9,375	

28. Mental Health and Wellbeing (£2.500m): A report will be presented to Cabinet in October 2020 and be considered in the context of the Build for Change project. The project is estimated to start in 2021/22 as new working locations are required for staff, some who are customer facing, whilst the new building is being

constructed. A Mental Health Wellbeing Hub in Enfield will serve the community and deliver services in innovative ways.

29. Schools' Capital Programme (+£2.213m): The budget has been brought forward from future years to reflect the requirements set out in Updated School Condition and Fire Safety Programme 2020/21 to 2021/22 Report (KD5082). The report outlines a proposed programme for the year which has been formulated to address the most urgent conditioning works. Projects have been prioritised for inclusion in the Programme based mainly on technical information from condition surveys.
30. Electric Quarter (£4.923m): The budget is being reprofiled following an examination of all outstanding compulsory purchase order (CPO) claims. However, the specification for the library fit-out and surplus space are yet to be finalised and formally costed, therefore there may be further reprofiling next quarter.
31. Meridian Water (£47.016m): This relates mainly to the reprofiling of £45.7m Housing Infrastructure Fund (HIF) in accordance with the spending profile, which was not available when the budget was originally profiled. £2m relates to waste mound clearance work, which is not expected to be procured until next year. £0.700m is also being accelerated from, the future years master planning budget, as the work is expected to be completed in the current year.
32. Montagu Industrial Estate (£8.647m): Evidence to date suggests that potential claimants will wait for the Council's resolution to grant a Compulsory Purchase Order (CPO) and then confirmation of the CPO Order, before engaging in meaningful dialogue on either acquisition by agreement or settlement through the CPO code. Although offers have been made, a significant number have declined or not yet accepted; negotiations are ongoing. There is a possibility of further slippage as the CPOs may not be confirmed until the end March 2021.
33. Town Centre Regeneration (£2.166m): The total budget is being reviewed and presently attributed to two main schemes: The Liveable Neighbourhoods programme in Enfield Town and the Good Growth Fund in Angel Edmonton. These are at the very early stages, hence the reprofiling.
34. Vehicle Replacement Programme (£0.500m): Reprofiled to 2021/22 due to vehicles not being available. The replacement program for small vans, where diesel vans will be replaced by electric variants. However, the new electric models (which were anticipated being release this year) will not be available for purchase until June 2021.
35. Energetik (£12.784m): The loan drawdowns have been reprofiled to ensure the construction of required infrastructure aligns with the completion of Meridian One, Meridian Two and the Housing infrastructure works.
36. Housing Gateway Ltd (£30.216m): HGL had anticipated purchasing 100 properties in 2020/21 pre-COVID19. Lockdown has delayed potential purchases until September 2020 at the earliest, therefore the company has adjusted its loan drawdown forecasts to reflect the adjustment of its acquisition strategy. The current forecast assumes the purchase of 50 properties in 2020/21.

Approved Requested Additions

37. These are programmes within the approved 10 Year Capital Programme budget envelope), which, are still subject to further approval, to spend the budget envelope.
38. Appendix B details the Requested Additions, where further approval has not been requested.
39. Table 3 below lists the programmes which have now obtained the required approval and can commence spending.

TABLE 3

Approved Requested Additions	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 - 2029/30 £'000	Total £'000	Funding Sources (Approval Report)
Education	4,587						4,587	Grant(TBC)
PEOPLE	4,587	0	0	0	0	0	4,587	
Alley Gating	80	0	0	0	0	0	80	Borrowing (KD5103)
Corporate Condition Programme	2,500	0	0	0	0	0	2,500	Borrowing (KD5004)
Corporate Property Investment Programme	5,910	11,584	0	0	0	0	17,494	Borrowing (KD5006)
Flood Alleviation	130	0	0	0	0	0	130	Borrowing (KD5103) & Grants (EA)
Highways & Street Scene	7,205	0	0	0	0	0	7,205	Borrowing (KD5103)
Housing Adaptations & Assistance (DFG)	2,200	0	0	0	0	0	2,200	Grants - (Better Care Fund: DFG)
Montagu Industrial Estate	3,536	1,925	20,291	7,427	180	0	33,360	Borrowing (KD4876)
Traffic and Transportation	2,826	0	0	0	0	0	2,826	Grants (TfL and DfT)
Vehicle Replacement Programme	2,900	0	0	0	0	0	2,900	Borrowing (KD5057)
PLACE	27,287	13,509	20,291	7,427	180	0	68,694	
Housing Gateway Ltd	5,000	0	0	0	0	0	5,000	Borrowing (KD5099)
COMPANIES	5,000	0	0	0	0	0	5,000	
Place - HRA	0	0	0	0	0	436,651	436,651	Various (KD4969)
TOTAL	36,873	13,509	20,291	7,427	180	436,651	514,932	

Reductions

40. £1,276m removed from the overall Capital Programme since the 2020/21 Strategy Report (KD5026).
41. Table 4 below details those budgets which have been removed from the existing approved capital programme.

TABLE 4

Reductions to the Approved Capital Programme	2020/21 £'000	Total Reduction £'000
Vehicle Replacement Programme	(1,276)	(1,276)
PLACE	(1,276)	(1,276)

42. Historically the Vehicle Replacement Programme (VRP) was funded through revenue contributions to a reserve fund. KD5057 approved a change of treatment to fund VRP through borrowing. The original revenue funded budget is therefore being removed from the Capital Programme and being replaced by the addition of a £2.9m capital budget.
43. Table 5 shows the adjustment to the Capital Programme following changes to Requested Additions.

TABLE 5

Reductions to the Budget Envelope (Requested Additions)	2020/21 £'000	2021/22 £'000	Total Reduction £'000
Town Centre Regeneration	(1,000)	(1,000)	(2,000)
Montagu Industrial Estate	(3,032)	0	(3,032)
PLACE	(4,032)	(1,000)	(5,032)

44. The approved 10 Year Capital Programme included a requested addition of £2m to match fund the Liveable Neighbourhoods projects in Enfield Town and Angel Edmonton. A subsequent review of the existing approved Town Centre Regeneration budget showed that the match funding requirement can be funded from existing approved budgets. The requested addition is therefore not required and has been removed.
45. The requested addition for Montagu in the Strategy Report was £36.392m, but the individual approval for the programme (KD4876) authorised £33.360m. The difference of £3.032m has been removed from the overall Capital Programme.

2020/21 Forecast and Expected Outcomes

46. The 2020/21 revised Capital Programme budget (i.e. forecast) is £336m, as detailed in Table 1 above. Appendix A provides a breakdown by programme and department. The following paragraphs describe expected outcomes for the significant programmes.

Resources

47. IT Investment (£6.016m): This budget is currently allocated across a total of 23 projects delivered by Transformation, ICT and Knowledge & Insights teams.
48. £2.1m is assigned to the Customer Platform Replacement (CRM) project which will provide IT software & hardware to create and manage cases for Enfield residents. The Infrastructure Programme forecasts to spend £0.975m for implementing the Mobile Phone contract and completing the installation of networks and moving away from the data centre.
49. Other IT Investment projects include £0.303m - Build the Change (New Device Rollout); £0.180m - Payments Programme phase 2 (PayPoint/ replacing cashiers & kiosks, e-billing, direct debit & VAT compliance); £0.120m - Libraries Management System; £0.1363m – Liquid Logic and Synergy (Children’s & Schools’ Transformation); £0.055m - Build the Change (SharePoint); £0.044m - Bulk Mail and Transactional Printing; £0.033m - Corporate Intelligence; and £0.032m – Commercial Service Microsite.
50. The balance of approximately £2m is currently unallocated. A review of organisational ICT priorities is underway, following which this will be allocated.
51. Libraries-Access Centre (£0.250m): This project has been developed into a wider Community Hub project concept, which will explore and develop opportunities to promote the LBE prevention and intervention agenda; with a view to harnessing the diversity of resources and assets currently deployed towards tackling, financial hardship, homelessness, mental and public health, deprivation, social housing, education and other allied socio-economic challenges faced by residents. The project has been split into 2 main phases.
52. Phase-1: Re-opening two main Libraries, with Customer Service provision (Access centres) co-locating within the Libraries, as a response to the COVID19, and easing of lockdown.
53. Phase-2: Develop and implement the Community Hub concept that builds on the foundation of Access Centres, with the main objectives to:
 - a. Resolve issues early by connecting and streamlining services;
 - b. Reduce demand for services by empowering residents to self-service;
 - c. Respond to the needs of vulnerable customers and customers with complex service needs, using a range of light touch to ongoing casework methods;
 - d. Build individual and community resilience by providing activities, support, advice, information and guidance on a wide range of topics.

People

54. Reardon Court Extra Care Housing (£7.224m): The project is to deliver a 91-bed extra care facility. A project report is scheduled to be presented to Council in September, which will include an update on the forecast outputs and timescales.
55. Schools Capital Programme (£31.100m): This programme is continually reviewed on a project-by-project basis . The strategy of expansion of school places for SEND children include the following: ongoing expansion of West Lea Special School, Winchmore 6th Form and Autistic Unit and continuing with the programme to rebuild Fern House and Waverley at Honilands.

56. The key maintenance projects involve roofing, heating and domestic hot water systems in various schools including Oakthorpe, as well as fire alarm and protection services at various schools. The forecast spend also includes professional fees and retention amounts.

Place

57. Southgate Cemetery (£0.799m): This project will deliver 363 chambers and 24 mausolea (as well as the drainage scheme) for the whole site (i.e. including phase-1 of 95 burial chambers and 24 mausolea). Work is progressing and currently its anticipated that works will be completed within the current financial year.
58. Flood Alleviation (£1.280m): £0.792m is estimated for works on Turkey Brook, £0.168m on Haselbury Neighbourhood, £0.150m on Enfield Chase, £0.150m on Four Hills Public Realm and £0.020m spend on Enfield Town Alleviation. Works on these projects will reduce the risk of flooding to homes in the borough, enhance underutilised green spaces and improve the public realm. These include construction of rain gardens, and other features to reduce surface water runoff, wildflower swales, creation of 60 hectares of woodland and a path linking Trent Park and Hilly Fields.
59. LED Street Lighting (£5.137m): This project will replace the borough's street lights with LED units. The installation programme was held up for approximately 2 months due to COVID19, but the contractor has now re-commenced installation. The programme completion is still due before the end of this financial year. Project outputs achieve significant reductions in electricity consumption with associated reductions in revenue costs and carbon emissions as set out in the Climate Action Plan recently agreed by Cabinet. Completion of installations due by December 2020.
60. Highways & Street Scene (£7.037m): £4.376m relates to estimated works on carriageways, £1.257m on Footways and £0.848m on structures, bridges and watercourses. Various other works on parks and streetscene, including works on trees, street nameplates etc. Contractors will be carrying out planned works to carriageways and footways as identified by inspectors throughout the year. There will also be the removal of deteriorating tree stock and the replacement with young healthy trees. This work is seasonal and will be carried out between November and February. All of these works will improve carriageways, footways and the general streetscene within the borough.
61. Tennis Courts Works at Broomfield Park (£0.514m): This involves the refurbishment of the courts at Broomfield Park. Approval from the planning committee was granted on the 7th of July, with a start date of August 2020. Highways are currently in discussions with contractors.
62. Vehicle Replacement Programme (£2.400m): This will allow for the continuation of the fleet replacement program, as well as the additional requirements, should the proposal to return the contract back in-house be agreed.
63. Traffic and Transportation (£3.506m) – This is an indicative budget and work is ongoing with the service to update this. Discussions are ongoing with TfL to agree

revised budget allocations and deliverables. A full update will be provided in the Q2 Report.

64. Meridian Water (£90.621m) .The following milestones are forecast to be delivered in 2020/21:
- Delivery of a revised masterplan incorporating the Council's vision and strategies for Meridian Water;
 - Purchasing the land required to deliver the non-rail strategic infrastructure funded by the Housing Infrastructure Fund (HIF) grant;
 - Completing the planning and design for the rail and non-rail strategic infrastructure funded by the HIF grant;
 - Relocation of the gas Pressure Reduction Station (PRS) on Willoughby Lane to enable development of Meridian One and future development of Phase 4;
 - Delivery of the meanwhile strategy for Meridian Water to maximise revenue income and place-making;
 - Delivery of the Building BLoQs meanwhile scheme;
 - Complete purchase of London affordable rent units at Meridian One from Vistry and;
 - The delivering of an employment strategy for Meridian Water and a Skills Academy.
65. Corporate Condition Programme (£3.269m): The programme will deliver works on various sites including St Andrew's Court, Church St. Recreation, Edmonton Cemetery Chapel and others. Works on Civic Centre are estimated to be circa £1.4m and £0.382m for Beech Barn Farm.
66. Corporate Property Investment Programme-CPIP (£7.168m): The programme specifically aims to support the delivery of the Council's Strategic Asset Management Plan (SAMP) in the management of operational and commercial investment buildings. Expected outputs for CPIP include the start of improvements to General Fund residential properties, rural farms and park assets.
67. CPIP works have commenced on the renovation of the Enfield Highway Library Building which will enable the relocation of the Independent Learning Disabilities Services (ILDS) from St Andrew's Court, resulting in a better working environment, improved service delivery and savings on rental expenditure.
68. CPIP will also be focussed on the Civic Centre; expectations for 2020/21 include the toilet refurbishment for B-Block and alteration works to the Civic Reception area. There will be data gathering and feasibility costs for further developments at the Civic Centre, including proposals for the Civic Centre Business Hub.
69. Electric Quarter (£1.830m): This will deliver the fit-out of the library and surplus space. There may be extra costs for the decentralised energy network which is currently being investigated.
70. Genotin Road -Metaswitch (£10.472m): The fit-out works are being finalised and due to complete in December 2020. Metaswitch (now owned by Microsoft) will be in occupation in January 2021.

71. Montagu Industrial Estate (£6.000m): Key outputs to be delivered include obtaining CPO resolution and phase-1 planning approval. Offers to acquire property interests will be made to all freeholders and leaseholders by December.
72. Town Centre Regeneration (£0.500m): Forecast outcomes for 2020/21 includes completing the landscape architect brief for the Liveable Neighbourhoods scheme in Enfield Town and early design work for the Good Growth Fund in Angel Edmonton.
73. Housing Adaptations & Assistance -Disabled Facilities Grant (£2.200m): quarter one has seen 38 approved cases waiting for works to start/complete, with a further 45 cases being processed. Works have resumed back on sites and we expect this to ramp up over the next few weeks. Social Service have a backlog of work waiting to assess and process. An influx of referrals is expected in late summer/early autumn.
74. Energetik (£6.942m): The forecast outputs include a Ponders End Heat Network (PEHN) extension from Alma to Electric Quarter, setting up of a construction site, sewer diversions and commencing build of the Energy Centre at EcoPark, as well as Meridian Water heat network pipe installation.
75. Housing Gateway Ltd (£21.500m): HGL continues to assist Enfield residents through providing a further avenue to obtain suitable housing. It also helps to reduce the time that service users may spend in temporary accommodation. HGL is on target to acquire 50 properties in 2020/21.
76. Refer to paragraph 93 onwards for the HRA expected outcomes.

Actuals

77. The actual spend as at Q1 was £26.5m (including accrued recharges of circa £3m).
78. The actuals at quarter one also includes outstanding accruals estimated at £2.01m, of which £1.23m, relates to the LED Conversion scheme in Highways.

Financing the Capital Programme

79. Table 6 sets out the current financing position for the 2020/21 to 2029/30 Capital Programme.
80. Overall Financing

TABLE 6

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26- 2029/30	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
External Sources- Grants & Contributions	38,380	42,454	41,182	7,698	180	0	132,753
LBE Resources-Reserves & Capital Receipts	1,860	2,660	0	688	0	0	5,208

Borrowing	176,479	248,904	2,078	513	0	0	425,115
Total General Fund	216,719	293,998	43,260	8,899	180	0	563,076
External Sources- Grants & Contributions	14,004	14,450	49,048	6,460	9,464	80,900	174,326
LBE Resources- Reserves & Capital Receipts	21,688	48,912	50,606	72,633	81,696	197,751	473,286
Borrowing	83,591	82,998	101,360	94,101	15,376	158,000	535,426
Total HRA	119,283	146,360	201,014	173,194	106,536	436,651	1,183,038
Total Programme	336,002	440,378	244,274	182,093	106,716	436,651	1,746,114

81. Financing: Capital Grants

TABLE 7

Department	2020/21	Funding Sources
	£'000	
PEOPLE		
Extra Care Housing: Reardon Court	1,000	Greater London Authority (GLA)
Schools' Future Programme	24,010	Education and Skills Funding Agency (ESFA)
Total PEOPLE	25,010	
PLACE		
Flood Alleviation	792	GLA, Thames21 and Environment Agency
Tennis Courts Works	514	Environment Agency (EA)
Meridian Water	9,864	Housing Infrastructure Fund
Housing Adaptations (DFG)	2,200	Disabled Facilities Grant (BCF)
Total PLACE	13,370	
Total GENERAL FUND	38,379	
Housing Revenue Account:		
Development Programme	14,004	Greater London Authority
Total HRA	14,004	
Total Capital Grants	52,384	

82. Table 8 summaries the current S.106 and Community Infrastructure Levy (CIL) receipts and other external contributions as at Q1 2020/21.

TABLE 8

	S106 Balance as at Q1 (£'000)	CIL Balance as at Q1 (£'000)
Opening Balance 2020/21	4,460	4,184
In-Year Receipts 2020/21	136	259
Allocated – Revenue	(27)	0
Allocated – Capital	0	0
TOTAL s106 Balance	4,570	4,443

83. Much of our planned s106 spending will be focused on small-scale improvement works to directly mitigate the impact of development. This includes:

- supporting supply chains, apprenticeships and local employment opportunities (through the Build Enfield programme)
- improvements to cycle lanes and routes
- highway and streetscape improvement schemes as part of the healthy streets' agenda

- school expansion schemes that will serve borough-wide needs including the specialist provision.

84. CIL spending is decided on an annual basis. Spending is allocated to support infrastructure projects that are in line with the priorities set out the capital programme. An update will be provided in the Q2 report.

HRA Capital Programme

85. Table 9 below summarises the HRA 10 Year Capital Programme.

TABLE 9

HRA APPROVED CAPITAL PROGRAMME	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26-2029/30	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset-Led Works	5,607	15,096	3,000	0	0	0	23,703
Demand-Led Works	2,365	2,350	2,550	2,350	0	0	9,615
Fire-Led Projects	10,189	26,750	9,186	4,200	0	0	50,325
Stock-Condition-Led Works	18,468	18,274	29,649	28,957	14,539	71,195	181,082
Development Programme	51,368	65,454	149,538	133,435	89,943	363,831	853,569
Dev. Prog.: Bury Street	6,822	9,071	2,876	778	0	0	19,546
Dev. Prog.: Electric Quarter	5,668	6,683	0	0	0	0	12,351
Estate Regeneration	4,035	1,861	32	0	0	0	5,928
Estate Regen.: Alma Towers	10,771	456	3,730	3,159	1,777	1,515	21,407
Estate Regen.: Ladderswood	189	160	250	110	110	110	929
Estate Regen.: New Avenue	3,405	205	205	205	166	0	4,186
Estate Regen.: Small Sites 1	398	0	0	0	0	0	398
Total HRA	119,283	146,360	201,014	173,194	106,536	436,651	1,183,039

HRA Budget Reprofileing

86. Table 10 analyses the HRA budget reprofileing, with explanations below the table for the significant items.

TABLE 10

HRA Budget Reprofileing	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Asset Led Works	(8,072)	13,996	3,000	0	0	8,924
Demand Led Works	0	27	227	27	(3,323)	(3,042)
Fire Led Projects	(3,832)	16,934	(1,063)	(250)	0	11,789
Stock Condition Led Works	(9,323)	(10,259)	615	324	3,323	(15,320)
Development Programme	(1,360)	(7,074)	(817)	(2,540)	8,471	(3,320)
Development Prog.: Bury Street	(12,746)	9,071	2,876	778	0	(22)
Estate Regeneration	0	(139)	32	0	0	(107)
Estate Regeneration: Alma Towers	0	(3,623)	1,791	1,812	627	607
Estate Regeneration: Ladderswood	0	160	250	110	110	630
Estate Regeneration: New Avenue	0	(960)	(50)	(160)	167	(139)
Total HRA Reprofileing	(35,333)	18,997	6,859	101	9,375	0

Asset Led Works

87. A revised planning application was submitted for the external works in Upper Edmonton, which has delayed the start date. The budget has been re-profiled to reflect this.
88. The Cambridge Road West project has experienced delays in the tendering process due to COVID19 factors. The tender period was extended to reflect amendments to the quality questions and bidders were experiencing difficulties in completing site surveys for their submissions. The project is due to start on site before the end of the financial year and the budget has been re-profiled to reflect this.

Fire Led Projects

89. The procurement duration has been extended to make provision for changes to scope of works, these works will be within recommended standards.

Stock Condition Led Works

90. The boroughwide decent homes programme was due to start in 2019/20, however, due to the detailed procurement process required to ensure service and contract delivery, these projects have been delayed. The programme including, electrical works, heating and insulation works, replacement kitchen and bathrooms, did not commence until the end of the financial year. Term contracts have now been procured to deliver a three-year programme of decency led works, however COVID19 restrictions have meant that these works have experienced further delays.

Development Programme

91. The 2020/21 pipeline included Upton and Raynham and Bullsmoor Lane but, due to COVID19 related delays and other scheme development issues, the expected start on site has been delayed and the budget re-profiled.
92. The Bury Street West development has seen delays of 12 weeks due to COVID19 restrictions. There has also been a delay in the applications for payment, the budget has been reprofiled to reflect the latest payment plan.

HRA Capital Programme: Expected Outcomes for 2020/21

Council Housing Investment Programme

93. In line with the Better Council Homes programme, investment in the Council's housing stock is a priority to bring it up to the Decent Homes Standard, address building safety risks and to reduce the need for responsive repairs. This has resulted in programmes that fundamentally aim to tackle the aging infrastructure in the stock and address at a root cause level the persistent problems such as leaks and lift failures.
94. Major and Minor Works have now been reclassified into: Demand-Led Works, Stock-Condition Works, Asset & Fire-Led projects, to reflect their scope and purpose.

Asset-Led Works

95. This year's programme, is focused on replacing external elements of the building fabric that have reached the end of their functional life, ensuring homes are weather tight and free from damp before winter.
96. Programmes include the replacement of flats roofs; rainwater goods; external brickwork and concrete repairs; replacement windows and doors and the redecoration of timber elements, to protect them from deterioration and extend their life span.
97. Works will benefit circa 600 homes across three Estates: Enfield North, Cambridge Road West and Upper Edmonton.
98. A standalone project is being undertaken at Churchbury Road to address structural and latent defects in the wall construction and window installation . This scheme will also incorporate improvements to the thermal performance (Standard Assessment Performance (SAP) ratings) and fire integrity, as a result of the opening of the wall structure.
99. The aged communal boiler plant at Pruden Close Sheltered block, is being replaced with a new ground source heat pump (GSHP) in line with the Councils Carbon reduction strategy, which will also deliver more efficient, reliable and cost-effective heating and hot water for residents.

Demand-Led Works

100. A new term contractor has been engaged to enable the delivery of in-flat aids and adaptations works, although access to undertake works, has been impacted by COVID19. Delivery is being monitored and the programme re-prioritised where we are unable to access homes.
101. £500k has been allocated to address failing water infrastructure at the four Exeter Road blocks, enabling the Council to bring forward the replacement of water supply and waste pipework, to mitigate the impact of re-occurring leaks on residents, benefitting 340 households.
102. In addition, at the request of residents, a budget of £20k has been allocated to the Exeter Road blocks to seal the existing internal bin chutes and make external bin storage provision to address noise and foul odours.
103. The above works will be delivered via the planned building safety programme, currently being scoped, with works due to commence on site in January.
104. We are currently awaiting the results of a stock wide structural survey programme, to allocate this year's structural remediation budget.
105. A proportion of the annual environmental improvements budget has been allocated to several schemes nominated by colleagues across the housing department, to address a variety of concerns raised by residents regarding:
 - Potholes in vehicle routes
 - Resurfacing of roads and pedestrian pathways
 - Paving replacement
 - Provision of external bin stores

106. Survey works are currently underway across several estates, including Joyce and Snells, Oswalds & Newdales and others, to identify priority works that need to be undertaken.

Fire-Led Projects

107. Walbrook House - As one of our High-Rise pilots, the scheme will encompass a full deep retrofit of the block, encompassing cladding and thermal improvements; replacement windows; new heating source; lateral main upgrades and active and passive fire safety system improvements.
108. The building will be the first of our high-rise residential buildings to achieve our EPC B target and be carbon neutral, delivering warmer, safer and more cost-efficient homes to 123 households.
109. Design team appointments have now been made up to RIBA stage 3 and a number of preliminary enabling work packages are currently being tendered.
110. Several meetings have taken place with Energetik to explore connecting the block to the heating network, as a cost and time effective alternative to the installation of a Ground Source Heat Pumps. A full options appraisal is awaited.
111. In order to speed up delivery and ensure the block is re-clad in the shortest possible timescales and mitigate potential health impacts to residents as we enter the winter months, a Rule 16 exemption has been secured.
112. Bliss & Purcell Houses: External works to re-clad the blocks were successfully delivered last year, this second package of works, looks to improve internal active and passive systems; replace aged expired water supply and waste services and improve building security. Works are due to commence on site next month.
113. Planned lift replacement works will be delivered in accordance with residents' preferences.
114. Channel Islands (4 blocks – 200 homes): As above, this package of works looks to replace the age expired water and service infrastructure, whilst upgrading existing active and passive fire precautions. Tenders have been returned and the project is at pre-award stage.
115. Brittany House (Sheltered scheme – 89 homes): Brittany as the Council's tallest sheltered scheme is being retrofitted with sprinklers to ensure the safety of residents, in line with current best practice. A number of internal active and passive fire safety works are also being completed.
116. The project has been delayed, as residents are still being shielded in line with Government advice. The package has now gone to tender, and we expect to commence on site (subject to Government guidance re shielding) in the new year.
117. Building Safety Works packages (five packages – 1,000 homes): This year sees the start of our main programme of building safety works across our high-rise residential buildings, to ensure that we meet our existing and future statutory duties under the forthcoming Building Safety Bill and residents are safe in their homes.

118. Works at 20 tower blocks, which equates to 1,000 homes has been prioritised within this year's programme;
- Jackson & Swinson Houses
 - Gainsborough, Bonnington & Constable Houses
 - Brookbank House
 - Shropshire, Cheshire, Hereford & Leicester Houses
 - Scott & Bridport Houses
 - Kettering & Exeter Roadblocks (8no)
119. Whilst the extent of works varies from block to block, all blocks will receive; new third party certified flat entrance fire doors sets; new communal certified fire doors; fire compartmentation improvements; in-flat detection, signage and decorations. Two blocks will also have small scale cladding remediation undertaken in line with Government guidance, whilst others will have life expired window and spandrel replacements.
120. Whilst we have included the retrofitting of sprinklers in scope of the work packages, progression of this element will be subject to central government funding being made available.
121. The above work packages are currently at technical design stage and we expect works to be on site in the new year.
122. A small budget has also been made available to address works at Cormorant, Curlew and Shepcot Houses', pre-demolition. These works are being procured separately.
123. A borough wide flat fire door replacement programme has now been procured and launches next month. It will deliver replacement fire doors across circa 8,000 homes over the next three years, ensuring that residents benefit from the highest level of fire safety, but also enhanced security. Leasehold owners will have the opportunity to buy into the programme and attain a new fire door set, at below market rate. The Council is also waiving landlord alterations costs and building control charges, for those leaseholders who wish to purchase a door via this programme.
124. A programme of compartmentation and communal fire door replacements is also being delivered by our building safety team, across the mid and low-rise stock.

Stock-Condition-Led Works

125. External flat and house programmes: These are similar in scope to the asset led programme detailed above, four programmes of works totalling circa £3.4m are currently being procured to address the condition of external fabric to mid-rise flat blocks and houses, including replacement and repair to roofs; rainwater goods; external wall repairs and window replacements. This programme will assist in reducing damp, cold and water ingress and improving thermal performance across the stock. The programme will deliver:
- New roofs - 735 homes
 - New Windows - 506 homes
 - New external doors - 1029 homes.

126. Domestic heating programme (1,250 homes): In 2020/21 £1.4m will be invested in replacing central heating boilers to 1250 homes which have reached the end of their life, with new energy efficient boilers, improving performance and delivering more efficient and cost effective, heating and hot water for residents.
127. Kitchen bathroom and electrical upgrade works (3,700 homes): As of the 31st March 2020, we had identified via the last year stock condition survey, that 3306 homes were identified as non-decent. As such we have awarded two new term contracts to deliver a programme of decency led works over a three-year term, which will deliver improvements to all those homes whilst also addressing additional homes, where we believe improvements will become due over the term of the contract.
128. Additional homes may be added to this programme where identified, during the course of our ongoing stock condition survey programme.
129. Brimsdown modular bathroom scheme (207 homes): this year's programme incorporates the replacement of modular bathroom units to 207 homes, to replace age expired extensions, installed to provide internal bathrooms in the 1970s. The modular units will provide a modern and well insulated bathroom, reducing cold damp and mould and improving decency standards across the housing stock. New energy efficient boilers will also be fitted, improving overall energy performance and reducing heating bills for residents.
130. Specialised housing: warden call systems and communal AFD upgrades. As part of an enabling package, ahead of planned works in future years to enhance fire safety, this year we will be replacing the warden call systems and communal fire alarm systems across 9 schemes, to replace life expired hardware and enable digital data transfer. The project is currently at pre-tender stage, awaiting confirmation that the ARC upgrade has been completed.
131. Lift replacement programmes (7 blocks): a programme of lift replacements will be delivered this year to replace lifts which have now reached their end of life and address increasing service outages, which are have a detrimental impact on residents. Lifts will be replaced at:
 - Burgundy; Normandy & Picardy houses
 - Dover House
 - Walmer House
 - Jackson & Swinson Houses
132. Dry riser installations (12 blocks): works to retrofit dry riser installations at 12 high rise blocks, has been completed.
133. Communal boiler replacement (Buckfast House & Chaddlewood): tender documents to replace the communal boiler plant at the above two sheltered schemes are currently being finalised, we expect works to commence on site in September.
134. Water tank replacement works delivery has been delayed due to COVID19, as the contractor shut down. The M&E team have taken the opportunity to review the project scope, with a view to converting homes to mains fed water and removing stored water. The impact of this change in approach, has not as yet

been quantified, but it is likely to result in an underspend, as we remove units from scope.

Development Programme

135. The 10-Year Development Programme is targeted to deliver approximately 3,500 new affordable homes by 2029/30 funded through a mix of GLA grant, Right to Buy (RTB) receipts, HRA borrowing and cross subsidy from sales. The programme aims to bring forward a number of Council owned sites to develop housing and generate a long-term revenue stream to support the provision of wider Council services included in the HRA 30-year Business Plan. Although a variety of tenures will be created, the focus will be on Council homes for residents on the waiting list. To increase pace of delivery, the Council is exploring construction of modular homes which will help to meet GLA targets and bring in rental income earlier.
136. In 2019/20, starts on site were achieved on 5 sites (Electric Quarter, Bury Street West, Gatward Green, Newstead House and Maldon Road) and 50% of the GLA grant allocation for the sites was claimed.
137. The investment this year will deliver:
 - Accelerated feasibility design for 5 Council owned sites and facilitate the delivery of good quality homes which are well designed, aligned to resident needs.
 - Demolition of Newstead House for the construction of new homes.
 - Construction of homes at Bury Street West, Gatward Green and Maldon Car park. The completed homes will create an additional revenue stream over the 30-year business plan, primarily from rents.
 - Acquisition of newbuild units at Electric Quarter which will deliver £17.6m in rental income over the 30-year business plan.
 - Bringing Beck House, at Upton and Raynham, into 100% Council ownership, thereby reducing cost of third-party temporary accommodation, reducing anti-social behaviour and preparing the site for demolition and redevelopment.
138. In addition to the projects which have started on site, the 10-Year Development Programme includes, rooftop conversions and future estate regeneration , opportunities to bring vacant land back into use, including improvements to public realm.
139. The direct delivery schemes attract grant of £100k for every new build rented unit which offsets the cost of borrowing £250k/unit.
140. A review of the development programme is underway in response to the impact of COVID19 (such as programme delays and increased build cost due to labour and supply chain insecurities). Other potential impacts are a downturn in sales projections due to forecasted contractions in market demand, uncertainty about future funding from both the GLA and MHCLG, proposed changes to planning policy and pressures on the capital programme budget.
141. Achieving start on site for the 2020/21 GLA programme possesses significant challenges and conversations are underway with the GLA to mitigate against the risk of losing grant funding.

142. The 2020/21 pipeline included Upton and Raynham and Bullsmoor Lane but, due to COVID19 related delays and other scheme development issues, the expected start for these sites have been re-profiled into the 2021/22.

Development Programme: Bury Street West

143. Bury Street West development will deliver 50 new homes of which 25 will be affordable. Start on site was achieved on 13 March 2020 and 50% of the GLA grant has been claimed.
144. The contractor, Hill Partnership Ltd, was able to complete tree felling before downing tools during the lockdown. They have returned to site and are observing safe operational practices, which has meant a reduction in capacity and resulted in approximately 12 weeks programme slippage, but they are adjusting the programme to achieve delivery of the first tranche of units as scheduled.
145. Due to delays in application for payment, the budget has been reprofiled to reflect the latest payment plan.

Development Programme: Electric Quarter

146. Electric Quarter is a 167 unit scheme being delivered by Lovell in Ponders End. The Council entered into an agreement to acquire 75 of the homes for social tenants and key workers, bringing the level of affordable homes on the scheme to over 47%. 50% of the GLA funding for the purchase has been claimed and 11 homes have been completed and let to Enfield tenants.
147. Lovell downed tools during the lockdown and have returned to site at 75% of their previous capacity. This has resulted in slippage of about 2 months, which they are working towards recovering. No variations are projected.

Estate Regeneration

148. The estate regeneration programme includes the Alma Estate, New Avenue and Ladderswood. These schemes are investing in large scale phased regeneration projects which are delivering much needed affordable housing and unlocking new homes for low cost home ownership for Enfield residents. As a result of COVID19, sites stalled for a period of three months during the lockdown from March to June. Additionally, in line with social distancing, the capacity on site has reduced by 30% in most cases, which will impact on construction activity. This is being closely monitored and forecasting will continue to reflect changes to spend if pace does slow down on site.
149. The changes to building regulations, specifically requirements for sprinklers, will increase build costs. We are requiring developers to deliver compliant homes, but this is likely to be a point of negotiation. Currently there are discussions underway to increase the number of units across the projects, which are subject to planning and will, if approved, fall into the new regulatory requirements. Over the 30-year business plan, the estate regeneration schemes will deliver rental income for the Council and help to rebalance the age/investment profile of the stock.
150. The investment this year will deliver:
- 177 newbuild completions, of which 78 will be Council owned rented homes, 46 shared ownership and 53 open market sale homes.

- 583 starts on site
- New community centres
- New Youth centre
- New Commercial units and revenue stream for the Council
- New Nursery
- Open space play area for families
- Construction jobs with over 30% local labour workforce
- Activity sustaining local high street economy
- 36 new homes adapted to meet the enduring needs of tenants
- Private sector investment

Alma

151. The investment will unlock 340 starts on sites (all tenures) and enable vacant possession of existing commercial units and leaseholder buybacks. Demolition of two of the three remaining towers (Cormorant and Merlin) has commenced to maintain construction while the intensification planning strategy is progressed. A new Youth Centre will be delivered by the end of the year for estate residents. A new energy centre is planned to complete this year, which supports the wider corporate priorities to increase future capacity for Ponders End and income for Energetik. Fit Out is due to commence on a new medical centre and construction set to start on a new community centre, to replace the existing facility and unlock the site for residential redevelopment.
152. The main risk on Alma relates to the need to secure a successful planning application that meets housing needs and our financial requirements. The housing mix and phasing are to be negotiated with the CPOK which will need to be resolved by the end of quarter two to maintain progress on site. If not resolved satisfactorily in line with the Development Agreement(DA) expectations in the HRA, there may be financial implications for the business plan. Although values have improved, the overage forecasts in the HRA are unsecured, as the income is linked to market sales. An assessment of the DA obligations and likelihood of a return in the current market has been undertaken and will continue to be monitored.

Ladderswood

153. The scheme will deliver a new Community centre (to be owned and managed by One Housing Group) and 6 new commercial units (with income going to LBE) this year alongside the hotel and 135 residential units of which 21 were affordable (owned by One Housing Group) that completed in Q4 last year. Works are scheduled to commence on site for Phase 4 in February 2021, but the LLP have indicated there may be delays whilst they amend design work in response to the latest fire regulations. The residents will be decanted into the new build properties owned by One Housing Group, which offer a better quality of accommodation. Due to changes to the GLA grant offer, the optimised scheme (which would have intensified the scheme from 517 homes to c.1000 homes) is no longer being progressed as a viable option.
154. The main risk relates to the planning timetable for the commercial units. The Council has applied liquidated damages as the units should have been ready last year for occupation. In terms of income, the business plan assumes £22m in 2022/23, but this will need to be re-profiled to reflect the latest estimates. Negotiations with the developer are seeking to de-risk any income loss and

maintain construction as per the current phasing. At present there is a planning requirement to offer the units at their current use class (light industrial) for 12 months before an application can be made for a change of use (to retail), the units have now been marketed for 6 months so there is a remaining six month period to go. However, this may be reduced in response to the impact of COVID19 and/or the recently announced changes to national planning policy.

New Avenue

155. The project is on track to deliver 78 affordable housing completions this year, which will enable all remaining 57 tenants and leaseholders to be re-housed in newbuild accommodation in Phase 1. The housing offer is a like-for-like replacement but better designed to meet the needs of the residents. 18 units have been adapted at additional cost to the scheme, to improve the quality of living for the residents. These adaptations range from minor adaptations to through-floor lifts and wet rooms. The remaining 21 units on Phase 1 will provide additional affordable housing for those in housing need. By accelerating the affordable housing in Phase 1, the decant will unlock Phase 2 and 3 for development. Currently a S73 application is being developed.
156. The main risks on New Avenue are viability which may impact on the projected income for the project. Due to significant site wide infrastructure and flood attenuation, Phase 1 has resulted in increased costs and borrowing for Countryside Properties UK (CPUK). Over the project lifetime, the HRA is forecasting income of £14.5m in receipts, based on land receipts and leaseholder buyback reimbursements from the Developer. The Council is working with CPUK to achieve our commercial and housing requirements whilst ensuring delivery and forecast receipts are as planned. We are currently reviewing the use and phasing of GLA grant on this scheme which may require reprofiling of capital budgets.
157. Small Sites – The development of this project is complete; the remaining budget will cover the retention payment and any outstanding project costs.

Social Value

158. Year to date contracts awarded in the first quarter will deliver the following social value outcomes:
 - 4 Apprenticeships
 - 12 school placement/ work experience placements, with 4 targeted at BME and disabled school leavers
 - DIY skills workshops (2 per year) for residents
 - 2 greening projects
 - A commitment that 40% of all contract labour will be from Enfield residents
 - A 3-tonne reduction in carbon generated from the council
 - 100% recyclable waste target
 - Resident energy awareness programme to address energy consumption and fuel poverty.

Joyce and Snell's Estates

159. The ballot was postponed from June 2020 due to COVID19. Work is underway to develop a viable masterplan that reflects the needs of the existing residents and future housing requirements. The current spend profile relates to the cost of design development, financial modelling and the ballot. Critical to the viability is

the housing offer being made via the Landlord Offer, as this forms the basis of the Council's financial requirement in the HRA.

160. The main risk is if the ballot is unsuccessful then the costs incurred to date will revert to revenue, which will increase pressures on core services.

Risks

161. New and emerging legislation around the Building Safety, Decency standards and the Climate Action agenda, are placing significant financial pressures on the Housing Revenue Account and it is acknowledged that the Council will need to explore external funding and continue to lobby Central Government, for additional financial support, to enable it to deliver this strategy.

Development Programme

162. The main risks relate to planning timescales and cost of development. In the current climate, the contractor market is likely to amend pricing to include the risk of reduced supply and material chains which will impact on the Council's ability to deliver within hurdle rates. Based on tender prices for the schemes on site and initial feasibility for sites in this year's programme, increasing the unit build cost to £350k (including professional services for design development) will de-risk the programme in the next two years.
163. Also, the ability to extend the HRA Business Plan to 35 or 40 years would enable schemes to perform better without impacting on delivery and risking grant into the schemes. The current 10-year development strategy will be reprofiled to accelerate housing sites with minimal site constraints, identify a package of sites for disposal and increase private for sale homes to cross-subsidise homes. For sites which present affordability challenges to the business plan, the Council will explore joint ventures with Registered providers and contractors to ensure the most value is created from the direct delivery schemes.
164. Small Sites Risk – reviewing current tenure mix of units with a view to changing shared equity units to London affordable rent (LAR). This will lead to loss of initial capital receipts, but the Business Plan will benefit from the long-term rental income.
165. These potential changes will be modelled as scenarios, by Finance in the next Business plan refresh.
166. The overall programme risk is the availability of grant for future years which is likely to have a stringent set of restrictions. In the short term, it is important to develop processes and a flexible approach to planning and hurdle rates to maintain grant levels currently allocated for this financial year. Current grant conditions require the Council to deliver by 19 March 2020, which if achieved will put us in a good position for any new funding.
167. However, if the Council is unable to deliver its full Building Council Homes for Londoners programme, the assumptions for HRA capital and income will need further review. The GLA has recognised that the level of grant is insufficient to provide the necessary subsidy to ensure delivery in the light of the pressures we and other Councils face. It is lobbying Government for increased funding to

increase the scale of the programme and to address the cost/subsidy pressures. This is key to the long-term success of our Development programme.

Public Health Implications

168. Through investment in capital building and maintenance; the Council influences the built environment within Enfield significantly. The built environment in turn influences how residents interact with their environment; for example, during active travel or accessing facilities. Ensuring that our capital buildings are maintained, fit for purpose, and wellbeing considerations are taken in terms of their use, how they promote residents' wellbeing is key to contributing positively towards the public's health. Additionally, ensuring that all buildings have minimal environmental impact also contributes towards enhancing resident's wellbeing.

Environmental and Climate Change Considerations

169. Environmental and climate changes implications are referenced as relevant in the body of the report.

Financial Implications

170. Financial implications are implicit in the report.

Legal Implications

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

Property Implications

172. Property implications are implicit in the report.

APPENDIX A – 10-YEAR CAPITAL PROGRAMME (projects with approval to spend).

Approved Capital Programme	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCES											
Digital Data & Technology											
IT Investment	6,016	91	0	0	0	0	0	0	0	0	6,106
Total Digital Data & Technology	6,016	91	0	0	0	0	0	0	0	0	6,106
Customer Experience & Change											
Libraries - Access Centres	250	81	0	0	0	0	0	0	0	0	331
Total Customer Experience & Change	250	81	0	0	0	0	0	0	0	0	331
Total RESOURCES	6,266	172	0	0	0	0	0	0	0	0	6,437
PEOPLE											
Adult Social Care											
Extra Care Housing: Reardon Court	7,224	12,420	6,515	0	0	0	0	0	0	0	26,159
Mental Health and Wellbeing Centre	0	2,500	0	0	0	0	0	0	0	0	2,500
Total Adult Social Care	7,224	14,920	6,515	0	0	0	0	0	0	0	28,659
Children & Family Services											
Extensions to Foster Carers' Homes	0	0	0	0	0	0	0	0	0	0	0
Total Children & Family Services	0	0	0	0	0	0	0	0	0	0	0
Education											
School Expansions	1,382	0	0	0	0	0	0	0	0	0	1,382
Schools Maintenance	1,291	0	0	0	0	0	0	0	0	0	1,291
Schools' Future Programme	28,427	7,765	2,578	0	0	0	0	0	0	0	38,770
Total Education	31,100	7,765	2,578	0	0	0	0	0	0	0	41,443
Strategic Commissioning											
Community Safety	0	0	0	0	0	0	0	0	0	0	0
Total Strategic Commissioning	0	0	0	0	0	0	0	0	0	0	0
Total PEOPLE	38,324	22,684	9,093	0	0	0	0	0	0	0	70,102
PLACE											
Environment & Operations											
Alley Gating	81	20	0	0	0	0	0	0	0	0	101
Edmonton Cemetery	374	0	0	0	0	0	0	0	0	0	374
Southgate Cemetery	799	0	0	0	0	0	0	0	0	0	799
Crematorium (New Development)	0	0	0	0	0	0	0	0	0	0	0
Highways:											
Flood Alleviation	1,280	0	0	0	0	0	0	0	0	0	1,280
LED Street Lighting	5,137	0	0	0	0	0	0	0	0	0	5,137
Highways & Street Scene	7,037	0	0	0	0	0	0	0	0	0	7,037
Public Realm Services:											
Changes to Waste & Recycling Collections	376	0	0	0	0	0	0	0	0	0	376
Workshops for External Commercialisation	0	0	0	0	0	0	0	0	0	0	0
Growth of Trade Waste Service	0	0	0	0	0	0	0	0	0	0	0
Tennis Courts Works at Broomfield Park	514	0	0	0	0	0	0	0	0	0	514
Vehicle Replacement Programme	2,400	500	0	0	0	0	0	0	0	0	2,900
Traffic & Transportation:											
Dft: Healthy Streets	100	0	0	0	0	0	0	0	0	0	100
Highways England: Healthy Streets	75	0	0	0	0	0	0	0	0	0	75
TfL: Extra Investment	268	0	0	0	0	0	0	0	0	0	268
TfL: Healthy Streets: LIP	178	0	0	0	0	0	0	0	0	0	178
TfL: Healthy Streets: Liveable Neighbourhoods	200	0	0	0	0	0	0	0	0	0	200
TfL: Healthy Streets: Mini Holland	90	0	0	0	0	0	0	0	0	0	90
TfL: Healthy Streets: Streetspace	1,990	0	0	0	0	0	0	0	0	0	1,990
TFL: Traffic and Transport: LIP	605	0	0	0	0	0	0	0	0	0	605
Total Environment & Operations	21,502	520	0	0	0	0	0	0	0	0	22,022
Meridian Water											
Meridian Water	90,621	196,483	0	0	0	0	0	0	0	0	287,104
Total Meridian Water	90,621	196,483	0	0	0	0	0	0	0	0	287,104
Property & Economy											
Broomfield House	28	0	0	0	0	0	0	0	0	0	28
Corporate Condition Programme	3,269	0	0	0	0	0	0	0	0	0	3,269
Corporate Property Investment Programme	7,168	11,584	0	0	0	0	0	0	0	0	18,752
Edmonton Cemetery Chapel Conversion	0	0	0	0	0	0	0	0	0	0	0
Electric Quarter	1,830	4,923	0	0	0	0	0	0	0	0	6,753
Forty Hall	38	0	0	0	0	0	0	0	0	0	38
Genotin Road (Metaswitch)	10,472	0	0	0	0	0	0	0	0	0	10,472
Montagu Industrial Estate	6,000	10,572	20,291	7,427	180	0	0	0	0	0	44,470
Town Centre Regeneration	500	4,166	2,011	0	0	0	0	0	0	0	6,677
Vacant Property Review	0	0	0	0	0	0	0	0	0	0	0
Total Property & Economy	29,306	31,245	22,302	7,427	180	0	0	0	0	0	90,460
Assessment Services											
Housing Adaptations & Assistance (DFG)	2,200	0	0	0	0	0	0	0	0	0	2,200
Total Assessment Services	2,200	0	0	0	0	0	0	0	0	0	2,200
Total PLACE exc. HRA	143,630	228,248	22,302	7,427	180	0	0	0	0	0	401,787
Chief Executive (CEX)											
Gentlemen's Row	57	0	0	0	0	0	0	0	0	0	57
Total GENERAL FUND exc. COMPANIES	188,277	251,104	31,396	7,427	180	0	0	0	0	0	478,383
Chief Executive (CEX)											
Companies:											
Energetik	6,942	12,698	11,864	1,472	0	0	0	0	0	0	32,976
Housing Gateway Ltd	21,500	30,216	0	0	0	0	0	0	0	0	51,716
Total COMPANIES	28,442	42,914	11,864	1,472	0	0	0	0	0	0	84,692
Total Chief Executive (CEX)	28,499	42,914	11,864	1,472	0	0	0	0	0	0	84,749
Total GENERAL FUND inc. COMPANIES	216,719	294,018	43,260	8,899	180	0	0	0	0	0	563,075
Housing Revenue Account:											
Asset-Led Works	5,607	15,096	3,000	0	0	0	0	0	0	0	23,703
Demand-Led Works	2,365	2,350	2,550	2,350	0	0	0	0	0	0	9,615
Development Programme	63,858	81,208	152,413	134,213	89,943	175,941	90,830	42,708	54,208	144	885,467
Estate Regeneration	18,797	2,682	4,216	3,474	2,053	1,177	448	0	0	0	32,847
Fire-Led Projects	12,814	30,225	13,661	8,275	0	0	0	0	0	0	64,975
Stock-Condition-Led Works	15,843	14,799	25,174	24,882	14,539	14,539	14,539	14,539	14,539	13,039	166,432
Total HRA	119,283	146,360	201,014	173,194	106,536	191,657	105,817	57,247	68,747	13,183	1,183,038
Total PLACE inc. HRA	262,913	374,608	223,317	180,621	106,716	191,657	105,817	57,247	68,747	13,183	1,584,825
APPROVED CAPITAL PROGRAMME	336,002	440,378	244,274	182,093	106,716	191,657	105,817	57,247	68,747	13,183	1,746,114

APPENDIX B – REQUESTED ADDITIONS (subject to individual approvals).

Requested Additions in 10Years Capital Programme (Strategy Report)	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCES											
Digital Data & Technology											
IT Investment	3,200	6,790	1,500	2,700	3,200	800	4,700	200	0	0	23,090
Total Digital Data & Technology	3,200	6,790	1,500	2,700	3,200	800	4,700	200	0	0	23,090
Total RESOURCES	3,200	6,790	1,500	2,700	3,200	800	4,700	200	0	0	23,090
PEOPLE											
Children & Family Services											
Extensions to Foster Carers' Homes	105	315	210	210	210	210	210	210	210	0	1,890
Total Children & Family Services	105	315	210	210	210	210	210	210	210	0	1,890
Education											
School Expansions	0	0	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	21,000
Schools Maintenance	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000
Total Education	0	0	0	8,000	8,000	8,000	8,000	8,000	8,000	8,000	56,000
Strategic Commissioning											
Community Safety	300	300	300	150	150	150	150	150	150	150	1,950
Total Strategic Commissioning	300	300	300	150	150	150	150	150	150	150	1,950
Total PEOPLE	405	615	510	8,360	8,360	8,360	8,360	8,360	8,360	8,150	59,840
PLACE											
Environment & Operations											
Alley Gating	0	80	80	80	80	80	80	80	80	80	720
Edmonton Cemetery	450	0	0	0	0	0	0	0	0	0	450
Crematorium (New Development)	0	7,650	2,450	0	0	0	0	0	0	0	10,100
Highways:											
Flood Alleviation	0	250	250	250	250	250	250	250	250	0	2,000
Highways & Street Scene	0	7,973	7,311	7,667	9,040	8,432	8,844	9,276	10,730	200	69,471
Public Realm Services:											
Workshops for External Commercialisation	0	250	250	0	0	0	0	0	0	0	500
Growth of Trade Waste Service	0	250	250	250	250	0	0	0	0	0	1,000
Vehicle Replacement Programme	0	2,541	2,054	1,913	1,862	7,746	1,806	881	2,600	1,465	22,867
Traffic & Transportation:											
TFL: Healthy Streets	3,600	3,150	10,400	6,750	3,650	0	0	0	0	0	27,550
TFL: Local Implementation Plans	2,584	2,584	2,584	2,584	0	0	0	0	0	0	10,336
Total Environment & Operations	6,634	24,727	25,629	19,494	15,132	16,508	10,979	10,487	13,659	1,745	144,994
Meridian Water											
Meridian Water	0	0	63,534	26,672	25,826	28,942	37,196	35,667	26,688	0	244,525
Total Meridian Water	0	0	63,534	26,672	25,826	28,942	37,196	35,667	26,688	0	244,525
Property & Economy											
Corporate Condition Programme	0	2,650	2,809	2,978	3,156	3,346	3,546	3,759	3,985	0	26,228
Corporate Property Investment Programme	0	0	11,257	3,957	2,500	3,553	2,500	0	0	0	23,767
Town Centre Regeneration	0	0	0	0	0	0	0	0	0	0	0
Vacant Property Review	200	200	200	200	200	0	0	0	0	0	1,000
Total Property & Economy	200	2,850	14,266	7,135	5,856	6,899	6,046	3,759	3,985	0	50,995
Assessment Services											
Housing Adaptations & Assistance (DFG)	0	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	0	16,008
Total Assessment Services	0	2,001	2,001	2,001	2,001	2,001	2,001	2,001	2,001	0	16,008
Total PLACE	6,834	29,578	105,430	55,301	48,815	54,350	56,222	51,914	46,333	1,745	456,522
Total (GF) REQUESTED ADDITIONS	10,439	36,983	107,440	66,361	60,375	63,510	69,282	60,474	54,693	9,895	539,452

Report Author:

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Date of report 7 September 2020

Appendices

As above

Background Papers

None

London Borough of Enfield**Cabinet****Meeting Date** **16 September 2020**

Subject: **Approval of the Private Rented Sector Housing Enforcement Policy****Cabinet Member:** **Cllr George Savva**
Executive Director: **Sarah Cary****Key Decision:** **KD5144**

Purpose of Report

1. This report seeks the approval of the Enforcement Policy for enforcement in the private rented sector, which is supplemental to the Enfield Enforcement Policy approved in 2016.
2. The Private Rented Sector Housing Enforcement Policy details how the Council will regulate housing standards in private rented sector in the borough and sets out the Council's staged approach to dealing with non-compliance and breaches of housing legislation and other public health legislation.
3. In exercising the Council's statutory obligations under the Housing Act 2004, The Housing and Planning Act 2016 and other associated public health legislation, the Housing Enforcement Policy is intended to provide guidance on the principles and processes that will be expected to be applied by officers to secure effective compliance and improvement in housing conditions in the private rented sector, in particular to promote consistency and transparency on the use of the Council's enforcement powers.
4. The Private Rented Sector Housing Enforcement Policy will also support robust enforcement of the additional and selective licensing schemes approved by Cabinet on 22 January 2020.

Proposal(s)

5. To approve the Private Rented Sector Housing Enforcement Policy at Appendix 1, which details the principles and processes to regulate and improve housing standards in the private rented sector in the borough.
6. To delegate to the Executive Director of Place and in consultation with the Lead Cabinet Member for Licensing and Regulatory Services to make any

minor amendments to the Private Rented Sector Housing Enforcement Policy.

Reason for Proposal(s)

7. It is considered best practice to have an agreed and published Private Rented Sector Housing Enforcement Policy, which has regard to the Regulator's Code, and also encompasses the latest legislation on licensing and sanctions against non-compliant landlords and property agents.

Relevance to the Council Plan

8. The Private Rented Sector Housing Enforcement Policy contributes to the Council Plan as follows:

- **Good homes in well-connected neighbourhoods:**

9. One of the Council's key promises in the Council plan is "Delivering initiatives to improve standards in the private rented sector and tackle rogue landlords." The Private Rented Sector Housing Enforcement Policy will significantly contribute to improving standards in the private rented sector and tackling rogue landlords, making Enfield a place that does not tolerate non-compliant or rogue landlords.

10. Tackling rogue landlords will improve the neighbourhood as a whole and will help to encourage investment in regeneration and housing in the borough. This will enable the Council to deliver on its aim of, "Working with the public and private sector to deliver decent, safe housing that meets residents' needs."

- **Safe, healthy and confident communities:**

11. A poorly managed rented sector, with badly maintained properties, not only encourages a faster turnover of tenants but often distracts from the look and feel of neighbourhoods. This can put off residents of all tenures from remaining in the borough and destabilises the community.

12. A robust Private Rented Sector Housing Enforcement Policy supports the health and wellbeing of residents by addressing poor housing conditions. This supports the Council Plan's aim to "Build measures into all our strategies and projects that will help improve public health and people's wellbeing."

13. Other objectives of the Private Rented Sector Housing Enforcement Policy in Enfield is to reduce property-related ASB. This is consistent with Enfield's Council plan pledge of "Working with partners to make Enfield a safer place by tackling all types of crime and anti-social behaviour; and protecting the local and urban environment."

- **An economy that works for everyone:**

14. A robust Private Rented Sector Housing Enforcement Policy will support the work of enforcement officers to provide an improved standard of housing within the private rented sector. Poor property conditions are borne by the most vulnerable and economically disadvantaged in the community so, by improving housing conditions through enforcement, the Council can deliver on its pledge to “work on reducing inequalities to make Enfield a place for people to enjoy from childhood to old age.”
15. An improvement in property conditions also has an inevitable positive effect on the street scene and will help to ensure “our high streets and town centres thrive and attract people to live, work and visit.”

Background

16. Local authorities are required by the Regulator’s Code to publish a clear set of service standards, including their enforcement policy, explaining how they respond to non-compliance. On 20 January 2016, Cabinet approved an Enforcement Policy covering a number of service areas, including the Private Rented Sector Housing.
17. This Private Rented Sector Housing Enforcement Policy should be read in conjunction with the Enforcement Policy, which sets out the general parameters of enforcement. It also follows the principles laid down in the Code for Crown Prosecutors, Enforcement Concordat and the Regulators Code.
18. The Private Rented Sector Housing Enforcement Policy sets out the Council’s approach to ensuring that all private rented accommodation is well managed, properly maintained and safe and habitable and its tackling of non-compliance by landlords and agents using a wide range of enforcement powers. The policy also covers the enforcement of private rented properties that should be licensed and have not licensed.
19. The Private Rented Sector Housing Enforcement Policy gives transparency to the Council’s enforcement activities in this area, and acts as a guide to officers, landlords, letting and managing agents on the informal and formal actions that the Council may take to achieve compliance to safeguard housing standards in the private rented sector.

Main Considerations for the Council

20. There is a potential risk in not taking enforcement action in accordance with the Private Rented Sector Housing Enforcement Policy. Where it is considered necessary to deviate from the approach in the Policy, this will only be done where it is justifiable, proportionate and the reasons are outside the scope of the policy. In addition, officers will receive necessary training and will be guided by procedures that will be regularly reviewed and updated. This risk is further mitigated by taking expert legal advice upon any decisions to be taken.

Safeguarding Implications

21. Housing inspection and enforcement officers are trained and aware of potential safeguarding concerns for both children and adults. During the normal course of their duties they inspect the living conditions of occupants in private rented housing and sometimes identify issues for concerns such as attendance of children at school, and the physical and mental health of both adults and children. Where officers identify safeguarding concerns during inspections, visits and enforcement these are referred to the appropriate safeguarding hub. As a result of the additional HMO licensing scheme to be introduced from September 2020, the number of inspections undertaken will increase and so will the opportunity for officers to identify safeguarding concerns for intervention.

Public Health Implications

22. An improvement in the living conditions of the most vulnerable and deprived in the borough is one of the aims of introducing the licensing schemes. This must be backed by a robust Private Rented Sector Housing Enforcement Policy. Enforcement to improve housing conditions and management will help reduce the factors that make deprivation worse. As a result, the enforcement policy contributes to an improvement in the health outcomes of private tenants.

23. A co-ordinated approach with other Council strategies and agencies is needed to tackle housing standards, deprivation, homelessness, empty properties and antisocial behaviour in the private rented sector.

Equalities Impact of the Proposal

24. The EQIA is attached. The Private Rented Sector Housing Enforcement Policy aims to ensure consistent and appropriate enforcement action is taken, particularly where landlords and letting and managing agents blatantly flout their legal obligations and put their tenants at risk.

25. The Policy reinforces the Enfield Enforcement Policy adopted by the Council in 2016 and provides a clear and transparent framework for tackling poor compliance and criminal landlords operating in the private rented sector.

26. The positive impacts of enforcing poor housing conditions will also benefit compliant landlords; residents and communities and will not be adversely affected on the basis of their protected characteristics, for example age, gender, and ethnicity. The positive impacts will directly benefit tenants in the private rented sector.

27. Robust enforcement of the proposed licensing schemes help those that are most vulnerable by ensuring that poor and dangerous property standards are brought into compliance.

Environmental and Climate Change Considerations

28. These are the considerations:

Consideration	Impact of Proposals
Adaptation and resilience	This policy does not deal with matters which directly impact on climate change adaptation and resilience.
Energy consumption	The policy covers enforcement of minimum energy efficiency ratings (minimum of 'E') in privately rented properties. It is illegal to rent out properties that are EPC rated lower than this (rated 'F' or 'G') so by enforcing this energy consumption should be reduced in private rented housing (approximately 6.3% of all privately rented stock are rated 'F' or 'G').
Carbon emissions and offsets	Delivery of the policy should not in itself lead to any increase in emissions and no offsets are proposed.
Environmental	Delivery of the policy should have positive environmental impacts in respect of the street scene and quality of life for residents.
Procurement	No additional procurement of goods or services is proposed.

Risks that may arise if the proposed decision and related work is not taken

29. If the Private Rented Sector Housing Enforcement Policy is not approved there is a risk that it might be challenged that good practice guidance about having a policy is not being followed and might lead to unnecessary legal challenge/argument in any legal proceedings.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

30. There are no risks in approving this enforcement policy. It is good practice to have an enforcement policy providing the framework in which to make enforcement decisions.

31. There is a risk of not taking enforcement action in accordance with the Private Rented Sector Housing Enforcement Policy. Where it is considered necessary to deviate from the approach in the Policy, it will only be done where it is justifiable, proportionate and the reasons are outside of the scope of the Policy. In addition, officers will receive necessary training and will be

guided by procedures that will be regularly reviewed and updated. This risk is further mitigated by taking expert legal advice upon any decisions to be taken.

Financial Implications

32. This report seeks the approval of the Private Rented Sector Housing Enforcement Policy. The Policy outlines the options for enforcement notices, financial penalties and prosecutions. Where the legislation allows, the Council seeks to recover the full cost of undertaking enforcement action via these enforcement sanctions.
33. The fees and charges related to this policy are outlined in the Council's annual fees and charges report (see table below). The charges are reviewed annually to ensure full cost recovery, and charges will reflect current rates at the time of notice service.
34. A demand for payment will be served at the time of service of the notice to which it relates. Once a demand for payment becomes operative, the sum recoverable by the Council is, until recovered, a charge on the premises concerned and is a local land charge.

2020/21 Approved Fees & Charges	
Description of Fees & Charges	Fees & Charges
Hazard Awareness Notice (if a subsequent notice is required)	£195.90
Improvement Notice	£391.70
Prohibition Order	£391.70
Emergency Prohibition Order	£391.70
Emergency Remedial Action	£391.70
Demolition Order	£391.70
Review of a suspended Improvement Notice	£224.50
Review of a suspended Prohibition Order	£224.50
Charge for any subsequent notice served at the same time for the same property	£168.40

35. The Private Rented Sector Housing Enforcement Policy will be implemented within the existing Housing Enforcement Team's staffing resources. There are no additional costs due to the proposal in this report.

Legal Implications

36. The Council has a statutory duty as a Local Housing Authority to enforce relevant Housing Legislation. The Housing and Planning Act 2016 introduced a new financial penalty regime which took effect from 6 April 2017. This enables the Council to impose a civil penalty up to £30,000.

37. The legal basis for these powers is contained in section 126 and Schedule 9 of the Housing and Planning Act 2016, which allows financial penalties to be given as an alternative to prosecution.
38. Statutory guidance issued in April 2017 gives guidance for local authorities when exercising their functions in respect of civil penalties. The guidance provides that local authorities will be able to impose a civil penalty as an alternative to prosecution for certain offences.
39. The Council cannot issue civil penalties or rent repayment orders without a Private Rented Sector Housing Enforcement Policy in place which will limit the Council's powers to improve housing conditions. This Private Rented Sector Housing Enforcement Policy (Appendix 1) sets out a framework in which officers will operate when considering the most appropriate course of enforcement action against landlords, letting and managing agents for breaches of housing offences and non-compliance, including the use of informal and formal action.
40. The powers introduced by the Housing and Planning Act 2016 are intended to provide a significant incentive to landlords to comply with their legal obligations. The use of enforcement powers should mean that landlords comply more quickly and/or proactively in order to avoid financial and other penalties, which should result in fewer private tenants being exposed to housing conditions that have an adverse health impact.

Workforce Implications

41. The Private Rented Sector Housing Enforcement Policy will be followed by existing officers as a framework to carry out their enforcement activities and will support the broadening of their housing enforcement capability.
42. To support the introduction of the proposed additional and selective Licensing schemes, additional staff resources will be required to enable the effective delivery of the schemes and associated enforcement. These officers will also be experienced, trained and qualified housing professionals to deliver the schemes and enforcement service in accordance with the Private Rented Sector Housing Enforcement Policy.

Property Implications

43. There are no property implications.

Other Implications

44. None.

Options Considered

45. There are no viable alternative options. To not have a specific Private Rented Sector Housing Enforcement Policy in place could potentially lead to an inconsistent approach in the exercising of the Council's enforcement duties and approach to enforcement decisions which could leave the Council open to legal challenge.

Conclusions

46. Approval of the private rented sector enforcement policy sets out the Council's staged approach to dealing with non-compliance and breaches of housing legislation in privately rented property. Local authorities are required by the Regulator's Code to publish a clear set of service standards, including their enforcement policy, explaining how they respond to non-compliance. This private rented sector housing enforcement policy should be read in conjunction with the Enforcement Policy approved by Cabinet on 20 January 2016 which follows the principles laid down in the Code for Crown Prosecutors, Enforcement Concordat and the Regulators Code.

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Date of report 11 May 2020

Appendices

Appendix 1: Private Rented Sector Housing Enforcement Policy

Background Papers

The following documents have been relied on in the preparation of this report:

None.

Equality Impact Assessment

Introduction

The purpose of an Equality Impact Assessment (EQIA) is to help Enfield Council make sure it does not discriminate against service users, residents and staff, and that we promote equality, where possible. Completing the assessment is a way to make sure everyone involved in a decision or activity thinks carefully about the likely impact of their work and that we take appropriate action in response to this analysis.

The EQIA provides a way to systematically assess and record the likely equality impact of an activity, policy, strategy, budget change or any other decision.

The assessment helps us to focus on the impact on people who share one of the different nine protected characteristics as defined by the Equality Act 2010 and the impact on people of as well on people who are disadvantaged due to socio-economic factors. The assessment involves anticipating the consequences of the activity or decision on different groups of people and making sure that:

- unlawful discrimination is eliminated
- opportunities for advancing equal opportunities are maximised
- opportunities for fostering good relations are maximised.

The EQIA is carried out by completing this form. To complete it you will need to:

- use local or national research which relates to how the activity/ policy/ strategy/ budget change or decision being made may impact on different people in different ways based on their protected characteristic or socio-economic status;
- where possible, analyse any equality data we have on the people in Enfield who will be affected eg equality data on service users and/or equality data on the Enfield population;
- refer to the engagement and/ or consultation you have carried out with stakeholders, including the community and/or voluntary and community sector groups, and consider what this engagement showed us about the likely impact of the activity/ policy/ strategy/ budget change or decision on different groups.

The results of the EQIA should be used to inform the proposal/ recommended decision, leading to changes being made as a result of the assessment where required. Any ongoing/ future mitigating actions required should set out in the action plan at the end of the form.

The completed EQIA should be included as an appendix to relevant EMT/ Delegated Authority/ Cabinet/ Council reports regarding the service activity/ policy/ strategy/ budget change/ decision. Decision-makers should be confident that a robust EQIA has taken place, that any necessary mitigating action has been taken and that there are robust arrangements in place to ensure any necessary ongoing actions are delivered.

Section 1 – Equality Analysis Details

Title of service activity / policy/ strategy/ budget change/ decision that you are assessing	Private Rented Sector Housing Enforcement Policy
Team/ Department	Regulatory Services / Place
Lead officer(s) name(s) and contact details	Martin Rattigan Martin.rattigan@enfield.gov.uk
Project sponsor	Sue McDaid
Date of EQIA completion	23 July 2020

Section 2 – Summary of Proposal

Please give a brief summary of the proposed service change / policy/ strategy/ budget change/project plan/ key decision

Please summarise briefly:

What is the proposed decision or change?

What are the reasons for the decision or change?

What outcomes are you hoping to achieve from this change?

Who will be impacted by the project or change - staff, service users, or the wider community?

Local authorities are required by the Regulator's Code to publish a clear enforcement policy, explaining how they respond to non-compliance. Having a private rented sector enforcement policy sets out the Council's staged approach to dealing with non-compliance and breaches of housing legislation in the privately rented property sector and is in line with Enfield Enforcement Policy approved in 2016.

The purpose of this policy is to give guidance to officers and outline the Council's approach to housing enforcement in relation to private rented housing. The policy outlines the extent to which the Council will intervene to make use of the powers in Parts 1 to 4 of the Housing Act 2004 (The Act), (and Housing Act 1985 where applicable).

The policy also sets out what owners, landlords, their agents and tenants of private rented sector properties can expect from officers. This policy is consistent with the aims and objectives of the Council's Plan 2018-2022: Creating a lifetime of opportunities in Enfield and Enfield's Housing and Growth Strategy 2020 – 2030: 'More and Better Homes for Enfield'.

All investigations and enforcement action will be conducted having regard to this Housing Enforcement Policy and the Council's overarching Enforcement Policy, and statutory guidance. The Council wants to work with responsible landlords to help them to raise housing standards, reduce the factors that make deprivation worse and deal with anti-social behaviour in their properties. The Council expects landlords to have a good understanding of the housing standards and management issues that should be met in privately rented accommodation. It is the Council's preference that landlords are first given the opportunity, wherever possible, to investigate any reported problems at their properties. The Council expects responsible owners to undertake necessary repairs and improvements without the need for the Council to instigate formal action.

Officers will seek compliance with legislation through a combination of informal and formal actions, but these are not prescriptive and will be subject to the individual circumstances presenting at the time. This will be a staged approach with formal action being the last or only option. In some cases, formal action is prescribed by legislation and consideration must also be given to any statutory guidance. When a formal enforcement option is taken the Act requires a formal statement of reasons to be given saying why that option was chosen. Where possible the Council will seek the views of the landlord or owner and current occupier before deciding on which enforcement option to take.

The intended outcome is to ensure there is a provision of good quality, healthy housing and to prioritise action to those homes which present the greatest risks to Health and Safety. In addition to ensure that Houses in Multiple Occupation are safe and well managed, and all relevant Management Regulations are adhered to.

Section 3 – Equality Analysis

This section asks you to consider the potential differential impact of the proposed decision or change on different protected characteristics, and what mitigating actions should be taken to avoid or counteract any negative impact.

According to the Equality Act 2010, protected characteristics are aspects of a person's identity that make them who they are. The law defines 9 protected characteristics:

1. Age
2. Disability
3. Gender reassignment.
4. Marriage and civil partnership.
5. Pregnancy and maternity.
6. Race
7. Religion or belief.
8. Sex
9. Sexual orientation.

At Enfield Council, we also consider socio-economic status as an additional characteristic.

“Differential impact” means that people of a particular protected characteristic (eg people of a particular age, people with a disability, people of a particular gender, or people from a particular race and religion) will be significantly more affected by the change than other groups. Please consider both potential positive and negative impacts, and, where possible, provide evidence to explain why this group might be particularly affected. If there is no differential impact for that group, briefly explain why this is not applicable.

Please consider how the proposed change will affect staff, service users or members of the wider community who share one of the following protected characteristics.

Age

This can refer to people of a specific age e.g. 18-year olds, or age range e.g. 0-18 year olds.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people of a specific age or age group (e.g. older or younger people)?

Please provide evidence to explain why this group may be particularly affected.

The improvement of Housing Standards in the Private Sector in line with the Enforcement Policy should impact positively on all age groups, the elderly and the families with young children who may be more vulnerable to hazards under the Housing Health and Safety Rating System (HHSRS). Families with children account for a third of the increase in private rented sector households in the past decade. According to official HMRC statistics, as of 31st August 2013, 24.9% of all dependent children under the age of 20 in Enfield are in low-income families. The definition of 'low income' in this case is receiving 60% or less of median income. Of children aged under 16, this proportion rises to 25.5%, or 21,135 children. Of these, the majority are in families where the adults are receiving Income Support, Job Seekers Allowance or Child Tax Credit only. Enforcement of the HHSRS standards is designed to protect vulnerable groups, which can be generally applied to the 0-5's and over 60 years of age. A landlord who has limited income may be relying on a property let for say retirement income purposes and any improvements sought in the property could impact negatively on their savings. Any further monetary sanction could have a negative impact on their earnings. However, this is not an excuse for non-compliance with the relevant legislation by putting people's lives at risk.

Mitigating actions to be taken

In the event of hardship, the Council may carry out works in default for failing to comply with a Notice and place a charge on the property to be recouped when the property is transferred to someone else or sold. Where a monetary sanction is imposed, and there is demonstrable financial hardship we will consider payment of any penalties in instalments.

Disability

A person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on the person's ability to carry out normal day-day activities.

This could include:

Physical impairment, hearing impairment, visual impairment, learning difficulties, long-standing illness or health condition, mental illness, substance abuse or other impairments.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people with disabilities?

Please provide evidence to explain why this group may be particularly affected.

Any enforcement action taken should have a positive impact for residents who may be vulnerable as a result of a physical impairment, hearing impairment, visual impairment, learning difficulties, long-standing illness or health condition, mental illness, substance abuse or other impairments through the improvement of Housing Standards in line with the enforcement policy where required. Some anticipated indirect improvements to health through improved accommodation conditions such as a reduction in overcrowding and seeking minimum standards of health and safety by compliance with the Housing, Health and Safety Rating Scheme (HHSRS), should be gained if enforcement action is necessary. Any course of action taken should have positive impacts on people's health outcomes by tackling excess cold, dampness and other factors which cause detriment to quality of life.

Enforcement action by the Council resulting in the withdrawal of a licence after it was issued could have a negative impact if the licensee (landlord) is no longer considered a 'fit and proper' person. When granting a licence, the council must consider whether the landlord is a 'fit and proper' person (Section 89 Housing Act 2004). One of the considerations relates to convictions relating to drugs.

Mitigating actions to be taken

The Council recognises that each case is unique and will be considered on its own merits when seeking compliance and taking any enforcement action in accordance with the policy.

Where the Council seeks to use enforcement action to revoke a licence, the landlord has the right to appeal against this decision under the Act.

Gender Reassignment

This refers to people who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex by changing physiological or other attributes of sex.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on transgender people?

Please provide evidence to explain why this group may be particularly affected.

The enforcement policy will be applied proportionally to all with neutral impact on this protected characteristic.

Mitigating actions to be taken

None considered necessary.

Marriage and Civil Partnership

Marriage and civil partnerships are different ways of legally recognising relationships. The formation of a civil partnership must remain secular, where-as a marriage can be conducted through either religious or civil ceremonies. In the U.K both marriages and civil partnerships can be same sex or mixed sex. Civil partners must be treated the same as married couples on a wide range of legal matters.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people in a marriage or civil partnership?

Please provide evidence to explain why this group may be particularly affected

The enforcement policy will be applied proportionally to all with neutral impact on this protected characteristic.

Mitigating actions to be taken

None considered necessary.

Pregnancy and maternity

Pregnancy refers to the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on pregnancy and maternity?

Please provide evidence to explain why this group may be particularly affected

Any enforcement action will be proportional and where improvements are sought in living conditions, lack of privacy and security, these should have a positive impact on pregnancy and maternity.

Mitigating actions to be taken

None considered necessary.

Race

This refers to a group of people defined by their race, colour, and nationality (including citizenship), ethnic or national origins.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people of a certain race?

Please provide evidence to explain why this group may be particularly affected

Enforcement if necessary, will apply to all private sector properties irrespective of the demographics of the property owner.

Mitigating actions to be taken

We will signpost persons to sources of translation if there are language difficulties as needed.

Religion and belief

Religion refers to a person's faith (e.g. Buddhism, Islam, Christianity, Judaism, Sikhism, Hinduism). Belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who follow a religion or belief, including lack of belief?

Please provide evidence to explain why this group may be particularly affected.

The enforcement policy will be applied proportionally to all with neutral impact on this protected characteristic. Enforcement is based on housing standards and not religion or beliefs.

Mitigating actions to be taken

No action considered necessary.

Sex

Sex refers to whether you are a man or woman.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on men or women?

Please provide evidence to explain why this group may be particularly affected.

No impact foreseen.

Mitigating actions to be taken

No action considered necessary.

Sexual Orientation

This refers to whether a person is sexually attracted to people of the same sex or a different sex to themselves. Please consider the impact on people who identify as heterosexual, bisexual, gay, lesbian, non-binary or asexual.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people with a particular sexual orientation?

Please provide evidence to explain why this group may be particularly affected.

The Gay, Lesbian, and Transgender (LGBT) landlord community population in Enfield may choose not to disclose their sexual orientation so it is always difficult to get accurate figures. As any enforcement is based on legislation and applied proportionally. Any enforcement action is likely to benefit tenants who suffer homophobic crime and incidents.

Mitigating actions to be taken

No action required necessary.

Socio-economic deprivation

This refers to people who are disadvantaged due to socio-economic factors e.g. unemployment, low income, low academic qualifications or living in a deprived area, social housing or unstable housing.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who are socio-economically disadvantaged?

Please provide evidence to explain why this group may be particularly affected.

There are high concentrations of private rented properties within the most deprived wards in the borough. There should be a positive impact by improving the local environment, housing conditions and tenant behaviour through the enforcement using this policy. Enforcement action may be higher in these areas, which would have a negative impact on landlords. Some landlords may leave the private rented market. This could result in evictions and homelessness which could have an

adverse effect on some groups with protected characteristics.

Mitigating actions to be taken.

Promotion of benefits to landlords through an advice and information service aimed at improving the properties offered for rent. It should also benefit landlords through reputational improvements to their profession within the borough and improved property conditions and reductions in ASB will help to increase their property investment.

There is some protection for assured shorthold tenants in that a Section 21 Notice (of seeking possession of the property) cannot be used by the landlord where a property is subject to licensing but has not been licensed. We will work closely with the homelessness reduction team to ensure that tenants are assisted and protected if at risk of redundancy.

Section 4 – Monitoring and Review

How do you intend to monitor and review the effects of this proposal?

Who will be responsible for assessing the effects of this proposal?

The Enforcement policy will be reviewed in 5 years' time or sooner if needed.

Any enforcement action will have regard to the policy and any change in legislation or case law may require us to change the policy during this period. The Head of Service, Tina Fasi, will have an overview of all formal action taken and will be responsible for assessing the effects of the policy and its outcome.

It is not possible to collect the equality profile of each enforcement action.

We will monitor outcomes for residents by recording the number of enforcement actions and the outcomes.

Section 5 – Action Plan for Mitigating Actions.

Identified Issue	Action Required	Lead officer	Timescale/By When	Costs	Review Date/Comments
Lack of resources by the landlord to comply with the action required.	Works in default procedure	Martin Rattigan	By 31/8/20	N/A	Drafted 24/8/2020
Right to appeal enforcement action taken	Appeal process in the legislation	Tina Fasi	31/8/20	N/A	Completed, notice procedure in place and appeal notes are send with the notices.
Data on effectiveness of any enforcement action.	We will monitor outcomes for residents by recording the number of enforcement actions and the outcomes.	Tina Fasi	Yearly reports	N/A	Data collection for statutory returns.

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Regulatory Services

Private Rented Sector Housing Enforcement Policy

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Appendix 1

1. Introduction

- 1.1 The purpose of this policy is to give guidance to officers and outline the Council's approach to housing enforcement in relation to private rented housing. The policy outlines the extent to which the Council will intervene to make use of the powers in Parts 1 to 4 of the Housing Act 2004 (The Act), and Housing Act 1985 where applicable.
- 1.2 Duties fall under four main headings as follows:
- Undertaking inspections/audits and providing guidance to ensure that residential accommodation meets minimum legal standards. Taking formal action as necessary to secure compliance with statutory requirements
 - The administration and enforcement of the mandatory licensing of HMO accommodation.
 - The administration and enforcement of the additional licensing of HMO accommodation
 - The administration and enforcement of the selective licensing of other privately rented homes
- 1.3 This policy document sets out what owners, landlords, their agents and tenants of private rented sector properties can expect from officers when dealing with non-compliance. This policy is consistent with the aims and objectives of the Council Plan 2018-2022: Creating a lifetime of opportunities in Enfield and Enfield's Housing and Growth Strategy 2020 – 2030: 'More and Better Homes for Enfield'.
- 1.4 All investigations and enforcement action will be conducted having regard to this Private Sector Housing Enforcement Policy and the Enfield's overarching Enforcement Policy, and statutory guidance.

2. Scope

- 2.1 The range of enforcement matters dealt by the Council in this policy area is such that there may well be occasions when there is a need to work with other agencies, for example the London Fire Authority or the Health and Safety Executive, by carrying out joint inspections.
- 2.2 In determining the most appropriate form of investigation and enforcement action, officers will have regard, so far as they are aware, to any potential or existing action of other Council services or outside agencies.
- 2.3 Where matters are identified by or reported to our officers that are the enforcement responsibility of another council service or external agency, persons involved will, so far as is reasonably practicable, be informed that the matter will be referred to the appropriate service or agency.

Appendix 1

3. The regulations and legislation under which the Council acts

There are a number of Acts and associated Regulations under which the Council must exercise its duties in relation to enforcement in the private rented sector. These include (not exhaustive):

- The Housing Act 1985
- The Housing Act 2004
- The Environmental Protection Act 1990
- The Public Health Act 1936
- The Local Government [Miscellaneous Provisions] Act 1976 and 1982
- The Housing and Planning Act 2016
- Smoke and Carbon Monoxide Alarm (England) Regs 2015
- Tenants Fees Act 2019
- The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

3.1 The Housing Act 2004 (The Act)

The principle legislation used by the Private Rented Property Licensing Team is the Housing Act 2004. This policy outlines the extent to which the Council will intervene making use of the powers in Parts 1 to 4 of the Housing Act 2004, and Housing Act 1985 where applicable.

3.2 Housing Health and Safety Rating System (HHSRS)

The Housing Act 2004 together with Regulations made under it, prescribes HHSRS as the means by which the Council assesses housing conditions and decides on action to deal with poor housing. It is a risk assessment system looking at the effect of housing conditions on the health of occupiers, in which 29 potential hazards are assessed and scored for their severity. The scores for each hazard are ranked in bands. Hazards falling into bands A to C are most serious and are classed as category 1 hazards. Less serious hazards fall into bands D to J and are classed a category 2 hazards. The Council is under a duty to take the most appropriate action in respect of a category 1 hazard but has discretion to exercise power in relation to a category 2 hazard.

The score is based on the risk to the potential occupant who is in the age group most vulnerable to that hazard. However, in determining what action to take, the Council will not only take account of the score, but also whether the Council has a duty or discretion to act. We will also consider such matters as the views of occupiers; track record of the owner; the risk to the current and likely future occupiers and regular visitors; the presence of other significant hazards in the property; and the risk of social exclusion of vulnerable groups of people from the private rented sector.

A notice may be served on the landlord requiring works to be carried out to reduce or eliminate hazards. Once the notice becomes operative failure to comply with the notice without reasonable excuse is an offence and the Council can carry out works in default and/or prosecute.

Appendix 1

3.3 Private Rented Property Licensing

On 22 January 2020, Enfield Cabinet approved the implementation of two licensing schemes; a borough wide Additional Licensing Scheme to become operational on 1 September 2020, and Selective Licensing in 14 wards, alongside the mandatory HMO licensing scheme for Houses in Multiple Occupation (HMOs). These licensing schemes require a landlord to obtain a licence to rent their property. The Council must decide whether to grant or refuse a licence to the proposed licence holder based on a number of criteria. The licence period is for a maximum of 5 years.

Subject to a 'fit and proper' person test, the Council will normally grant a licence that has a 'full-term' duration of up to 5 years. However, where the Council identifies concerns relating to either the property to be licensed, for example a breach of planning regulations, or with the licence holder or manager, (but not such that the 'Fit and Proper' Person test is failed outright), then a shorter licence term may be granted dependent upon the circumstances and nature of concerns as to why a 'full-term' should not be granted.

3.3.1 Fit and Proper Person Test

In order to secure a property licence, the licence holder [and manager if different] will be assessed against 'Fit and Proper Person' criteria. In granting a licence, the Council must be satisfied that the licence holder, any separate manager of the address and any person associated with them or formerly associated with them* are fit and proper persons. Each case will be considered on its own merits and any mitigating factors considered. The Council will adopt a common-sense approach, exercising its discretion reasonably and proportionately.

A person will generally be considered fit and proper if the Council is satisfied that:

- they have no unspent convictions relating to offences involving fraud, dishonesty, violence or drugs, or sexual offences
- they have no unspent convictions relating to unlawful discrimination on grounds of sex, race, or disability
- they have no unspent convictions relating to housing or landlord and tenant law
- they have no unspent convictions for breaches of planning, compulsory purchase, environmental protection or other legislation enforced by local authorities
- they have not been refused an HMO licence, been convicted of breaching the conditions of a licence, or have acted otherwise than in accordance with the approved code of practice under section 233 of the Act within the last five years
- they have not been in control of a property subject to an HMO Control Order, an Interim Management Order (IMO) or Final Management Order (FMO) or had work in default carried out by a local authority.

*If a person associated or formerly associated with the applicant or any manager, has been subject to any of the items stated above, the Council will only take these issues into account if they are relevant to the applicant or manager being a fit and proper person to manage the house.

3.3.2 Mandatory HMO Licensing

An HMO is a building or part of a building occupied by more than one household as their only or main residence, where they share basic amenities such as a kitchen or bathroom.

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Examples of HMOs include houses containing bedsits, hostels, and shared houses, including student houses. A full definition is given under Section 254 and Schedule 14 of The Act.

HMOs with five or more occupiers who form two or more households and share at least one amenity require a mandatory HMO licence. HMOs owned by Registered Social Landlords (RSLs), the Police, Health Authorities and certain other organisations are exempt, as are certain compliant buildings properly converted into flats.

Licences will be granted where the house is suitable for occupation as an HMO (or it can be made suitable), the management arrangements are satisfactory, and the licensee and manager are fit and proper persons. The applicant must be the most appropriate person to hold the licence. An inspection is carried out before the issue of a licence.

3.3.3 Additional HMO Licensing

The Council has designated the whole of the borough as an additional licensing area. The scheme comes into force on 1 September 2020 and expires on 31 August 2025. Under the scheme, HMOs houses occupied by three or four persons forming two or more households, sharing one or more basic amenities such as a WC or kitchen, but which fall outside the scope of mandatory HMO licensing and other exemptions, will be required to hold an additional HMO licence in order to be legally let. The Additional HMO Licensing scheme was introduced to improve property standards and management of HMOs and to combat anti-social behaviour.

3.3.4 Selective Licensing

The Council has designated 14 wards as a Selective Licensing area and awaits the Secretary of States' decision on this application for selective licensing. If approved, the selective licensing scheme will be in force for 5 years and will apply to privately rented homes in the 14 wards which are occupied by a single family household or by no more than two unrelated people, are required to have a property licence to operate. The Selective Licensing scheme was introduced to improve property standards, help to eradicate some of the factors which make deprivation worse and combat anti-social behaviour.

Properties in the following wards are subject to the proposed Selective Licensing scheme: Bowes, Chase, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton.

Certain properties are exempt from licensing under the selective licensing scheme. This includes, for example, property owned by Registered Social Landlords and Council managed tenancies such as some temporary accommodation.

3.3.5 Temporary Exemption Notice (TEN)

The Council may serve a Temporary Exemption Notice (TEN) where a landlord is, or shortly will be, taking steps to make a rented property non-licensable e.g. through sale of the property or change of rental type. A TEN can only be granted for a maximum period of three months. A second three-month TEN can be served in exceptional circumstances.

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3.3.6 Authorisation of Officers and Power of Entry

All Housing and Licensing Officers are authorised under delegated powers to exercise statutory powers and duties. All investigations will be carried out in accordance with the requirements of the:

- Human Rights Act 1998
- Regulation of Investigatory Powers Act 2000
- Police and Criminal Evidence Act 1984
- Criminal Procedure and Investigations Act 1996

Entry to a property is usually required to enable Housing and Licensing Officers to carry out their statutory functions. We will normally make an appointment to visit in the first instance and will give 24 hours' notice to the occupants and owners of our intention to enter properties to inspect them.

If officers fail to gain access to a property, they may exercise a right of entry under s.239 of the Housing Act 2004. Powers of entry will allow an officer, at any reasonable time, to enter a property to carry out an inspection and gather evidence, take someone with them, take appropriate equipment or materials and take any measurements, photographs, recordings and samples as necessary. In some cases, powers of entry will be used to carry out works.

Housing and Licensing Officers will exercise their statutory powers to gain entry without giving prior notice to investigate non-compliance with housing related law or to carry out a statutory duty where it is necessary to do so. Reasons for the use of these powers include:

- Protection of the health and safety of any person or to protect the environment without avoidable delay;
- Prevent the obstruction of officers where this is anticipated;
- To determine if a property is an unlicensed Mandatory HMO or does not have an Additional or Selective licence.

Housing and Licensing Officers will apply to the Magistrates Court for a Warrant to enter premises if entry has been consistently refused or refusal is reasonably anticipated.

3.3.7 Diversity and equal opportunities

The Council is committed to equality of access to its services and aims to treat all people with dignity and respect. Enforcement decisions will be fair, impartial and objective and will not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those within our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

The Council's Valuing Diversity and Equal Opportunities policy refers in more detail to this commitment and is available on request.

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4 Approach to enforcement

4.1 The Council's approach to enforcement

The Council wants to work with responsible landlords to help them to raise housing standards, reduce the factors that make deprivation worse and deal with anti-social behaviour in their properties. The Council expects landlords to have a good understanding of the housing standards and management issues that should be met in privately rented accommodation. It is the Council's preference that landlords are first given the opportunity, wherever possible, to investigate any reported problems at their properties. The Council expects responsible owners to undertake necessary repairs and improvements without the need for the Council to instigate formal action.

However, where appropriate and necessary, the Council will instigate robust enforcement action against landlords who fail to comply with their legal requirements. The Council's Private Rented Sector Housing Enforcement Policy gives clear guidance on the approach to be taken when considering a response to any investigation. Officers will seek compliance with legislation through a combination of informal and formal actions, but these are not prescriptive and will be subject to the individual circumstances presenting at the time. In some cases, formal action is prescribed by legislation and consideration must also be given to any statutory guidance.

4.2 Most appropriate course of action

The Housing Act 2004 provides for a range of enforcement options to address hazards. When considering the most appropriate course of action in relation to the hazard the Council will have regard to the statutory enforcement guidance. This may initially involve informal action in cases that warrant this approach, but otherwise formal action will be taken. Where there is a category 1 hazard the Council is under a statutory duty to take the most appropriate enforcement action available as this is where the risk to health and/or safety is high. If a category 2 hazard is identified, where the risk to health and/or safety is not so significant, the Council has discretion whether to exercise this power.

When a formal enforcement option is taken the Act requires a formal statement of reasons to be given saying why that particular option was chosen. Where possible the Council will seek the views of the landlord or owner and current occupier before deciding on which enforcement option to take.

4.3 Tenure

In considering the most appropriate course of action, the Council will have regard to the extent of control that an occupier has over works required to the dwelling. The Housing Health Safety Rating System (HHSRS) provisions of The Act apply to all housing whether in owner-occupation, privately rented or social housing and it is usually the owner's responsibility to carry out works to reduce or eliminate hazards. Action can be taken against an owner-occupier but as owner-occupiers have control over any hazards in the home and tenants in the main do not, most enforcement action will involve requiring a private landlord or more rarely a Registered Social Landlord (Housing Association) to carry out works.

Where we have identified hazards and the Registered Social Landlords (RSL) have a programme of works to make their stock decent, the officer will take into account the programme when determining the most appropriate course of action and will liaise with the

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RSL over any works necessary to deal with category 1 and 2 hazards in advance of the planned improvements. In particular, with the Space and Crowding hazard, account will be taken of the availability of suitable alternative accommodation and the priority given to the allocation of alternative accommodation for tenants living in overcrowded conditions which are the subject of a category 1 or high category 2 hazard.

With owner occupiers, in most cases they will not be required to carry out works to their home, and informal action or a Hazard Awareness Notice is likely to be the most appropriate action.

4.4 Situations where the Council will not act

There may be situations where a service may not be provided in full by the Council. This could be:

- Where the tenant unreasonably refuses access for the works to be carried out;
- Where the tenant, in the opinion of the Council, clearly caused damage to the property they are complaining about and there are no other issues with disrepair
- Where there is found to be no justification for the complaint on visiting the property.

In these situations, the Council will ensure both the complainant and landlord are made fully aware of the decisions taken.

5 Staged Approach to Enforcement

5.1 Stage 1: Informal action

Advice and guidance may be given to assist individuals, existing and prospective businesses and other organisations to comply with their legal obligations. This will be achieved by providing both information and the opportunity for face-to-face contact to discuss and help resolve potential problems.

Informal letters can be used to reinforce advice and guidance where minor defects or breaches of the law may have been discovered but it was not thought appropriate to take formal action or there is no legislative requirement to serve a formal notice. This may be where the consequences of non-compliance will not impose a significant risk to health and safety, or where there is confidence that informal action will achieve compliance.

Generally taken instead of or prior to formal action; the decision to take an informal action rests with the investigating officer. Where category 1 or 2 hazards, within hazard band range of A to F, are identified a minimum response will be the service of a Hazard Awareness notice (see below).

5.1.1 Inspections

In cases where officers visit an address, whether this is a result of a landlord's failure to adequately resolve a highlighted issue or as part of an audit or other investigation, written or verbal advice may be deemed sufficient should the inspection highlight only minor deficiencies.

If the Council has been informed of a hazard, or suspects that a hazard exists, it must inspect the property.

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As full an inspection as is reasonably possible will be carried out to establish the nature and extent of hazards in a property, and an accurate record will be kept of the inspection. In accordance with section 239 of The Act at least twenty-four hours' notice must be given to owners (if known) and occupiers (if any) of our intent to inspect the premises.

5.1.2 28 day letter requiring action

We endeavour to work with landlords and their tenants to encourage that they resolve disputes informally and without the need for Council intervention. When we receive a complaint from a tenant, we will assess the nature of the disrepairs. If it appears that there is a category 1 hazard, we will commence an investigation. Where there appears to be less serious hazards, we ask that the landlord, if they have not already done so, liaises with their tenant to resolve the matters informally within 28 days. If after this time the matter remains unresolved, we will arrange a formal inspection. We will also supply a copy of the Communities and Local Government guide "Repairs – a guide for landlords and tenants".

If the tenant is associated to a Registered Social Provider (RSL), the tenant must have exhausted the RSLs formal complaints process before action is taken by the Council, unless the disrepair is deemed an emergency.

5.1.3 Hazard Awareness Notice

A Hazard Awareness Notice gives notification that a hazard exists and draws attention to the need of remedial action. It is normally used for less serious category 2 hazards but may also be used for more serious category 1 hazards where remedial action is not practicable or where informal advice is being acted upon. The notice does not have to be acted upon and consequently there is no provision for appeal. However, service of the notice can be escalated to formal action should an unacceptable hazard remain.

5.2 Stage 2: Formal action

Formal action will be taken when a landlord is failing to comply with housing or other health and environmental legislation. In relation to Part 1 offences under the Housing Act 2004, this will be in the form of a statutory notice and will normally require that necessary remedial action be taken at a specified property by the owner within a specified time period.

Where practicable, decisions to serve enforcement notices will be taken by the authorised officer. If it is necessary to serve a notice under The Act, a reasonable charge will be made to recover administrative and other expenses incurred.

5.2.1 Serving of a Statutory Notice or Order

Notices/ Orders are statutory (legal) notices and will generally be served where:

- there are serious threats to the health and safety of occupants
- there is a significant failure or a record of persistent breaches of statutory requirements
- there is a lack of confidence that the recipient will respond to an informal approach
- informal action has failed to achieve a satisfactory resolution.

The Notice / Order will explain:

- what is wrong (the deficiencies)
- what is required to put things right and when remedial works are to start

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- the timescale in which to put things right
- what will happen if the notice is not complied with
- the appeal period and the address of the relevant Residential Property Tribunal that would hear the appeal
- the reasons for choosing that course of action.

The Act determines what must be included in each notice.

5.2.2 Hazard Awareness Notice

Hazard Awareness Notices may be served to notify owner occupiers or the person on whom it is served of the existence of category 1 and /or category 2 hazards at the property. This is for example, where the hazard has been identified but the circumstances are not necessarily serious enough to require an improvement notice or prohibition order. It might also be applicable where:

- It is judged appropriate to draw a landlord's attention to the need for remedial action
- To notify a landlord about a hazard as part of a measured enforcement response.
- An occupant has expressed a particular view that this course is desirable (e.g. a private tenant who is concerned that service of an Improvement Notice will affect renewal of their shorthold tenancy; or a tenant who because of ill-health, might not be able to tolerate works).

In all cases where the decision to serve a Hazard Awareness Notice has been determined by occupancy, the Council will review the notice at regular intervals to ensure that any change of occupancy does not put a more vulnerable occupant at risk.

This notice is not registered as a local land charge and has no appeal procedure.

5.2.3 Improvement notice

Where the council determines an Improvement Notice is appropriate action for category 1 and/or category 2 hazards, it will require remedial works to be carried out within a specified time that will either remove the hazard entirely or will significantly reduce its effect so it ceases to be a category 1 hazard. . If the Council determines that the hazard can only be reduced to a Category 2 hazard rather than removed, it will require works to be carried out as far as is reasonably practical to reduce the likelihood of harm.

Failure to comply with the requirements of an Improvement Notice is a criminal offence for which the recipient of the Notice can be prosecuted, or a financial penalty issued. The Council may also carry out the works themselves if reasonable progress is not made and recover reasonable costs incurred.

This notice is registered as a local land charge and an appeal can be made to a residential property tribunal within 21 days from the day of service of the notice if a landlord does not agree with the Notice.

5.2.4 Suspended Improvement Notice

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The Council has the power to suspend action taken under Part 1 of The Act in situations where it has the power or duty to take enforcement action through the service of an Improvement Notice. An improvement notice can be suspended where it is reasonable to do so, and enforcement action can be safely postponed until a specified event or time.

The following are situations in which it may be appropriate to suspend an Improvement Notice:

- The need to obtain planning permission (or other appropriate consent) that is required before repairs and/or improvements can be undertaken
- Works which cannot properly be undertaken whilst the premises are occupied, and which can be deferred until such time as the premises falls vacant or temporary alternative accommodation can be provided
- Personal circumstances of the occupants, such as temporary ill-health and works can be deferred

When deciding whether it is appropriate to suspend an Improvement Notice the Council will have regard to:

- The level of risk presented by the hazard(s)
- The turnover of tenants at the property
- The response or otherwise of the landlord or owner
- Any other relevant circumstances (e.g. whether the vulnerable age group is present)

5.2.5 Prohibition Order

A Prohibition Order may be required to impose restrictions on the use of the whole or part of the property and /or who can use the property. This may be used where category 1 and /or 2 hazards are found and conditions present a risk but remedial action is unreasonable or impractical, for example, to reduce overcrowding, or where there is inadequate natural lighting or there is no protected means of escape in case of fire from a top floor room. .

Failure to comply with the requirements of a Prohibition Order is a criminal offence for which the recipient of the notice can be prosecuted. The Council may also carry out the works themselves if reasonable progress is not made and recover reasonable costs incurred.

This notice is registered as a local land charge and an appeal against a Prohibition Order can be made to a residential property tribunal within the period of 28 days beginning with the date specified in the notice as the date on which it was made.

5.2.6 Suspended Prohibition Order

The Council has the power to suspend a prohibition order where it is reasonable to do so, and it can be justified.

Suspended Prohibition Orders will be reviewed after a maximum of 1 year.

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5.2.7 Demolition order

Section 46 of The Act, and Part 9 of the Housing Act 1985. A demolition order can only be used in response to category 1 hazards. This course of action will only be taken where a Neighbourhood Renewal Assessment has been carried out which determines that this is the most appropriate action. They are not appropriate for listed buildings, and the Council would take into account the availability of suitable accommodation for rehousing the occupants, the demand for and sustainability of the accommodation if the hazard was remedied, prospective use of the cleared site, and the impact on the neighbourhood.

The Council must be satisfied that a category 1 or category 2 hazard exists in a dwelling or HMO which is not a flat, and a management order is not in force, or in the case of a building containing one or more flats, where the Council is satisfied that a category 1 exists in one or more of the flats contained in the building or in any common parts of the building and the circumstances of the case are circumstances specified or described in an order made by the Secretary of State.

5.2.8 Clearance Area

Section 47 of The Act, and Part 9 the Housing Act 1985

A Clearance Area may be declared when the Council is satisfied that the residential buildings in an area are dangerous or harmful to the health or safety of the inhabitants of the area as a result of their bad arrangement or the narrowness or bad arrangement of the street and that the other buildings (if any) in the area are dangerous or harmful to the health or safety of the inhabitants of the area.

This may be declared when the Council is satisfied that each of the residential buildings in the area contains a category 1 or category 2 hazard and that the other buildings (if any) in the area are dangerous or harmful to the health or safety of the inhabitants of the area and the circumstances of the case are circumstances specified or described in an order made by the Secretary of State.

This course of action will only be taken where a Neighbourhood Renewal Assessment has been carried out and this determines that this is the most appropriate action, having regard to a range of considerations including the degree of concentration of dwellings containing serious and intractable hazards in the area, the proportion of sound premises which will also need to be cleared, and the presence of listed buildings.

5.2.9 Emergency remedial action

The Council has discretion to take emergency enforcement action where there are hazards which present an imminent risk of serious harm to occupiers or any other residential premises and no management order is in force under Chapter 1 or 2 of Part 4 of The Act. This is likely where the Council considers it is immediately necessary to remove the imminent risk of serious harm; there is no confidence in the integrity of any offer made by the owner, landlord or agent to immediately address the hazard, and the imminent risk of serious harm can be adequately addressed through remedial action to negate the need to use an Emergency Prohibition Order. This includes the power to force entry to a property if there is a category 1 hazard.

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If this action is taken, notice will be given to the occupier prior to the action being taken and formal notice will be served on the owner within seven days of taking the emergency remedial action, detailing the premises, the hazard, the deficiency, the nature of the remedial action, the date action was taken, and include information on rights of appeal.

5.2.10 Emergency Prohibition Order

This gives the Council power to immediately prohibit, by order, the use of all or part of a premises where there is imminent risk of serious harm. This is likely where the imminent risk of serious harm cannot be adequately addressed through the use of emergency remedial action for whatever reason. Where this action is taken the Council will, if necessary, take all reasonable steps to help the occupants find other accommodation when the tenants are not able to make their own arrangements.

5.2.11 Licencing Enforcement Actions

The operation of licensing schemes in the borough places a number of obligations on landlords, including the need to:

- Ensure that relevant properties are licensed
- Carry out necessary safety checks and provide relevant documentation when necessary
- Comply with a set of licence conditions, including the need to deal with any anti-social behaviour at their rented property and to keep the property in a reasonable state or repair

Failure to meet one or more of the licensing requirements will be individually assessed but may result in one, or a combination of two or more, enforcement outcomes including:

- A written warning or simple caution
- The service of formal notices
- Refusal or revocation of a licence and/or the granting of a shorter licence period through a consequent failure to meet fit and proper person criteria
- The imposition of a civil penalty
- Prosecution
- Rent Repayment Order

Refuse or revoke a licence

Where there is a failure of a licence holder or manager to meet the Fit and Proper test, a licence application will be refused (unless an appropriate alternative licence holder or manager is identified) and any existing licence revoked (unless the failure relates to the property manager and an appropriate alternative manager is identified).

Issuing a licence of shorter duration

Where the Council identifies concerns relating to either the property to be licensed (for example a breach of planning regulations) or to the licence holder/manager (but not such that the Fit and Proper Person test is failed outright) then a shorter licence term may be granted dependent upon the circumstances and nature of concerns as to why a 'full-term' should not be granted.

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5.3 Stage 3: Formal action following non-compliance

Where there is a failure to comply with a formal notice without reasonable excuse, or reasonable progress is not being made within the specified timescale, or there is a significant breach of statutory requirements.

Enforcement will normally progress from stage 1 (advice and guidance) to stage 2 (formal enforcement) except where emergency action is required.

The following formal actions will be considered:

5.3.1 Formal Warning

Formal Warnings are generally given with a timescale for compliance prior to prosecution or carrying out works in default.

5.3.2 Simple Caution

A simple caution may be considered for less serious breaches of formal notices and statutory requirements. Simple Cautions will be kept on file for three years. A Caution will only be issued if there is sufficient evidence of guilt, the offender is over eighteen years old, the offender admits the offence, and consents to the Caution. If the offender refuses to accept a Simple Caution, a prosecution will normally be pursued.

5.3.3 Works in Default

The enforcement options for non-compliance with formal notices or breach of licence conditions include the carrying out of works specified in the notice. Works in Default are carried out where specified work has not been carried out in compliance with a notice. The Council may use its powers to carry out the work in the owner's default, reclaiming the costs. In some cases, it may also be in the public interest to prosecute.

Charges for works in default - Carrying out works by agreement

The Act provides the option for a person on whom an improvement or prohibition notice has been served, on agreement, to request the Council to carry out the remedial work. This Council will consider any such written request on an individual basis.

Any undertaking by this Council would be dependent on full consensus that all the costs of the Council's contractor and the administrative costs would be met by the person on whom the Notice was served.

Charges for works in default - Carrying out works without agreement

Enfield Council may exercise its right to carry out works in default without agreement from the person on whom the notice is served. This is to safeguard and protect tenants who may be living in substandard accommodation, where prolonged exposure to a category 1 hazard may be prejudicial to their health.

Any case where there is an immediate danger to a tenant would be dealt with by either using a Prohibition Order or taking Emergency Remedial action. Work can also be taken, without agreement, where the Council believes reasonable progress is not being made in completing repairs.

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Enfield Council will charge the full costs incurred and an administrative fee. This has been set at 20% of the costs of the total works. There will be a minimum charge of £300 to ensure that all the administrative costs are covered. The Council considers this charge to be fair and reasonable.

5.3.4 Interim Management Order (IMO)

The Council must make an Interim Management Order (IMO) where the property is an HMO and that should be licensed, or is a house to which selective licensing applies, but is not, and:

- there is no reasonable prospect of it being licensed, or
- the health and safety condition are satisfied (see below).

The Council can make an IMO to ensure that:

- immediate steps are taken to protect the health, safety or welfare of occupiers and adjoining occupiers/owners and
- any other steps are taken to ensure the proper management of the house pending further action.

An IMO must also be made where the house or HMO is licensed, and:

- the licence has been revoked but the revocation is not yet in force, and once revocation is in force there is no foreseeable prospect of a licence being granted, or
- the health and safety condition is satisfied (see below).

Health and safety condition

The health and safety condition is that the making of an IMO is necessary to protect the health, safety or welfare of occupiers or adjoining occupiers/owners. If there is a threat to evict persons occupying the house in order to avoid the house being required to be licensed, this may constitute a threat to the occupiers' welfare.

The health and safety condition are not satisfied where there is a category 1 hazard requiring the local authority to take enforcement action and where such action would adequately protect the health, safety and welfare of the people in question.

5.3.5 Suspended Improvement Notice and Prohibition Order

The Council also has the power to suspend action taken under Part 1 of The Act in situations where it has the power or duty to take enforcement action through the service of an Improvement Notice or a Prohibition Order. A suspension of such action would usually be instigated where the circumstances of the current occupiers were such that other options were not practical.

An Improvement Notice or Prohibition Order may be suspended until a specified time or event. Failure to comply with the requirements of an Improvement Notice or Prohibition Order is criminal offence for which the recipient of the notice can be prosecuted. The Council may also carry out the works themselves if reasonable progress is not made and recover reasonable costs incurred.

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5.3.6 Penalty Charge Notice

A number of Acts and Regulations provide for the issuing of a penalty charge notice for non-compliance. These include:

- Smoke and Carbon Monoxide Alarm (England) Regulations 2015
The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 require that the Council has a statement of principles for its application of penalty charge notices in relation to offences under those regulations.
- Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015

Where the Council decides to issue a penalty, charge notice it will follow the principles of statement. The amount of penalty will be capped at the maximum provided for the offence.

5.3.7 Financial Penalty (Civil Penalty)

Section 126 and Schedule 9 of the Housing and Planning Act 2016 provides local authorities with the power [through the creation of section 249A Housing Act 2004] to impose a civil penalty (in the form of a financial penalty) as an alternative to prosecution in respect of certain offences under the Housing Act 2004.

A civil penalty will be considered where there is a failure to comply with a notice within the specified time period or reasonable progress is not being made within the specified timescale. The decision to issue a final notice of financial penalty following representations made by the recipient will be taken by the Head of Service.

The Council may serve notices imposing a civil penalty, as an alternative to prosecution, of up to a maximum of £30,000 in respect of the following offences:

- I. Failure to comply with an Improvement Notice
- II. Failure to license or other licensing offences relating to Houses in Multiple Occupation (HMOs)
- III. Failure to licence or other licensing offences under the Council's Selective Licensing Scheme
- IV. Failure to comply with an Overcrowding Notice
- V. Failure to comply with a management regulation in respect of an HMO
- VI. Breaching a Banning Order

The Council will determine, on a case by case basis, whether to instigate prosecution proceedings or to serve a civil penalty in respect of any of the offences listed above.

Examples of situations in which a decision to prosecute would normally be taken include:

- Where the offence committed is judged to be particularly serious
- Where the offender has committed similar offences in the past
- Where offender's actions were deliberate and/or they knew, or ought to have known, that they were in breach of their legal responsibilities.

5.3.8 Rent Repayment Order (RRO)

The Council may apply to the First Tier Tribunal for a Rent Repayment Order (RRO) where a landlord has committed an offence, including:

- failing to comply with an improvement notice (Housing Act 2004),

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- failing to comply with a prohibition order (Housing Act 2004),
- being in control or managing an unlicensed HMO or house (Housing Act 2004)
- concerning violence for securing entry (Criminal Law Act 1971)
- concerning eviction or harassment of occupiers (Protection from Eviction Act 1977)
- breach of a banning order (Housing and Planning Act 2016).

An application for an RRO may be in addition to other formal action, such as prosecution proceedings or the imposition of a Civil Penalty.

5.3.9 Prosecution

The Council will use discretion in deciding whether to bring a prosecution and this course of action will usually only be considered if there is a significant breach of statutory requirements or a failure to comply with a notice and it is considered to be in the public interest. The decision to prosecute lies with the Head of Regulatory Services or Head of Private Rented Sector Licensing and will always consider this policy, the overarching Enforcement Policy and the criteria laid down in the Code for Crown Prosecutors issued by the Crown Prosecution Service.

Before deciding to prosecute there must be sufficient evidence for a realistic prospect of conviction, taking account of any defence that may be available. The following factors will be taken into account:

- The seriousness of the offence
- The previous history of the party concerned
- The willingness of the party to prevent a recurrence of the problem
- Whether the issuing of a simple caution would be more appropriate or effective
- Whether the offence was committed deliberately, any evidence of obstruction of the officers in their lawful duty or of the investigation
- Financial considerations - the benefit obtained from the alleged offending.

5.3.10 The Proceeds of Crime Act (POCA)

The Proceeds of Crime Act 2002 allows the courts to deprive perpetrators of criminal offences of any proceeds they have accrued as a result of their criminal activity. This legislation can be applied to criminal landlords and may be used, where appropriate, through investigation of a financial investigation by an Accredited Financial Investigator following a successful conviction, and in consultation with legal services.

5.3.11 Banning Order

Where a landlord has committed one or more offences specified in The Housing and Planning Act 2016 (Banning Order Offences) Regulations 2017, the Council may apply to the First Tier Tribunal for a banning order that bans a landlord from:

- Letting housing in England;
- Engaging in English letting agency work;
- Engaging in English property management work; or
- Doing two or more of those things.

A banning order, if granted, must be for a minimum period of 12 months. There is no statutory maximum period for a banning order.

Appendix 1

The Council will generally pursue a banning order for the most serious offenders. It will take into account the seriousness of the offence(s), whether the landlord has committed other banning order offences (or received any civil penalty in relation to a banning order offence) and any history of failing to comply with their obligations or legal responsibilities. It will also take into account other relevant factors, including:

- The harm, or potential harm, caused to the tenant
- The need to punish the offender
- The need to deter the offender from repeating the offence
- The need to deter others from committing similar offences.

5.3.12 Rogue Landlord Database

The Council must enter the details of a landlord onto the [Rogue Landlord Database](#) where:

- a landlord has received a banning order or
- a landlord has been found guilty of committing a banning order offence (but no banning order has been made) or
- a landlord has received two or more civil penalties in respect of banning order offences

When deciding whether to make an entry onto the rogue landlord database the Council may take into account the severity of the offence and any mitigating factors.

6 Appeals

Most legal notices / Orders have a statutory appeals procedure, and landlords are entitled to appeal against such notices through the specified appeal provisions.

7 Complaints

To discuss our approach to enforcement or a particular case (if you are involved), you can contact our team housingenforcement@enfield.gov.uk

We manage complaints about our service through the Enfield Council [Corporate Complaints process](#).

8 Costs and Charges for Enforcement

Section 49 & 50 of The Act gives the Council the power to make a reasonable charge as a means of recovering certain expenses incurred in serving formal notices. A charge will normally be made where it has been necessary to take one of the enforcement actions listed below.

- a) serving an improvement notice under section 11 or 12
- b) making a prohibition order under section 20 or 21
- c) serving a hazard awareness notice under section 28 or 29
- d) taking emergency remedial action under section 40
- e) making an emergency prohibition order under section 43
- f) making a demolition order under section 46
- g) reviewing a suspended improvement notice under section 17
- h) reviewing a suspended prohibition order under section 26

Appendix 1

8.1 Charges

The expenses when Notices/Orders are served are in connection with the inspection of the premises, the subsequent consideration of any action to be taken, and the service of notices or orders. When considering the most appropriate course of action to deal with hazards, if it is considered necessary to have to take formal action a standard charge will be made as follows (fee as of 2020/21):

Enforcement action	Charge (£)
Hazard Awareness Notice (if subsequent notice is required)	195.90
Improvement Notice	391.70
Prohibition Order	391.70
Emergency Prohibition Order	391.70
Emergency Remedial Action	391.70
Demolition Order	391.70
Review of a suspended Improvement Notice	224.50
Review of a suspended Prohibition Order	224.50
Charge for any subsequent notice served at the same time for the same property	168.40

These charges are reviewed annually, and changes will reflect current rates at time of service.

A demand for payment will be served at the time of service of the notice /order to which it relates. A demand for payment becomes operative 21 or 28 days from the day on which it is served unless the notice is appealed.

Once a demand for payment becomes operative, the sum recoverable by the Council is, until recovered, a charge on the premises concerned and is a local land charge.

8.2 Land Charge

The service of an improvement notice, or a prohibition order will be registered as a local land charge on the relevant property in accordance with section 37 of The Act.

9 Review

This policy will be reviewed every three years.

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London Borough of Enfield**Cabinet****Meeting Date** **16 September 2020**

Subject: **Approval of the Implementation and setting fee levels for financial penalties under the Housing and Planning Act 2016 and other legislation****Cabinet Member:** **Cllr George Savva**
Executive Director: **Sarah Cary****Key Decision:** **KD 5145**

Purpose of Report

1. This report seeks delegated authority for the implementation and setting of the level of financial penalties to be imposed under the Housing Act 2004 (as amended by the Housing and Planning Act 2016 section 126 Schedule 9) (“HA 2004 (as amended)”) and The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 (“ESSPRS Regulations”).
2. Financial penalties are significant tools to address poor housing conditions and non-compliant and criminal landlord activity in the private rented sector. The introduction of financial penalties will re-enforce the Council’s commitment to tackle those landlords who do not comply with their statutory obligations and enable the Council to penalise the worst landlords by direct economic sanctions. These proposals concur with the Government’s intention to prevent landlords from benefiting from their criminal behaviour and has issued strongly worded guidance that it expects Councils to make full use of them.
3. The intention is that the use of financial penalties will not only prevent the businesses of criminal and irresponsible landlords from profiteering from illegal and dangerous practices but aims to have a positive impact by bringing about a change in landlord behaviour. Financial penalties will deliver swifter action against landlords and will also result in financial penalties being received and retained directly to the Council for reinvestment into the local authority’s statutory functions in relation to the private rented sector.

Proposal(s)

4. To approve the proposed framework for determining the financial penalty and the penalty charge framework as outlined in Appendix 1. The framework was developed in accordance with Section 249A and Schedule 13A of the HA 2004 (as amended), the Civil Penalties under the Housing and Planning Act

2016: Guidance for Local Housing Authorities, April 2018 (Statutory Guidance) and the ESSPRS Regulations 2020.

5. The decision by an officer to issue a 'Notice of Intent to serve a financial penalty' will be reviewed by their line manager before it is sent. It is recommended that the Head of Service in the Private Rented Sector Property Licensing & Enforcement Service or the Head of Regulatory Services be delegated the authority (and officers delegated by them) to consider any representations made by recipients of 'Notices of Intent' and determine the amount of financial penalty to impose ('Final Notice') in accordance with the framework in Appendix 1. This will assist with consistent decision making.

Reason for Proposal(s)

6. With approximately 34% of Enfield's homes now privately rented, the regulation of the private rented sector requires effective enforcement to ensure compliance. Financial penalties can be used as an alternative to prosecutions, but the ability to prosecute is still retained for the more serious offences. Therefore, financial penalties are an additional enforcement tool and will deliver swifter action against rogue landlords.
7. The Statutory Guidance expects local authorities to develop and document its own policy on determining when to prosecute and when to issue a civil financial penalty, including the appropriate level of financial penalty as well as determining which option it wishes to pursue on a case-by-case basis in line with its policy. Appendix 1 proposes a framework to assist officers with determining the approach and the appropriate level of financial penalty to ensure consistency and transparency.
8. The report also provides information on other relevant legislative changes to improve the regulation of the private rented sector.

Relevance to the Council Plan

9. The Financial penalties framework contributes towards the Council Plan as follows:
 - **Good homes in well-connected neighbourhoods:**
10. The levying of financial penalties will contribute positively to 'improving the conditions and standards in Enfield's private rented sector. Responsible landlords will continue to sustain and grow their businesses, while the use of these new enforcement measures will provide the Council with an additional tool to tackle those landlords who neglect their legal responsibilities. The process for determining to issue a financial penalty and the penalty charge structure will ensure fairness and tackle inequality.
 - **Safe, healthy and confident communities:**

11. The levying of financial penalties will contribute positively to growth and sustainability in Enfield as it will provide an additional deterrent for landlords to evade their responsibilities in the letting and management of their properties but rather encourage landlords and agents to let accommodation that is safe and free from hazards. Residents can expect to receive a standard of accommodation that is fit for purpose, contributing to the physical and social wellbeing of our neighbourhoods.

- **An economy that works for everyone:**

12. The imposing of financial penalties will create stronger communities in Enfield by encouraging landlords to comply with their responsibilities in the letting and management of accommodation. Working in partnership with agency partners to tackle landlords and agents who do not adhere to their responsibilities will ensure Enfield is a safe and healthy place to live, visit and do business in.

13. The Enforcement staff will continue to promote good practice and provide advice to landlords about renting as it is acknowledged that the private rented sector is a key player in the provision of accommodation for the Council in the discharge of their duties under the Homelessness provisions.

Background

- **Financial Penalties**

14. The Housing Act 2004 (as amended) permits local housing authorities to impose financial penalties as an alternative to prosecution for the following offences:

- Failure to comply with an Improvement Notice (section 30);
- Offences in relation to licensing of Houses in Multiple Occupation (HMO) (section 72);
- Offences in relation to licensing of houses under Part 3 of the Housing Act 2004 (section 95) (Selective licensing);
- Offences of contravention of an Overcrowding Notice (section 139)
- Failure to comply with management regulations in respect of Houses in Multiple Occupation (section 234).
- Breaching a Banning Order (Housing & Planning Act 2016, section 21 and Schedule 1)

15. The Statutory Guidance expects local authorities to develop and document their own policy. The local housing authority, in the exercise of its functions, is expected to develop a policy on determining when to prosecute and when to issue a civil financial penalty including the appropriate level of financial penalty as well as determining which option it wishes to pursue on a case-by-case basis in line with its policy. Further, any determination to impose a financial penalty must be in accordance with Section 249A and Schedule 13A of the HA (2004) (as amended), which outlines the outlines the for imposing

financial penalties and appeals and enforcement requirements concerning financial penalties.

16. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 came into force on 1 June 2020. The Regulations require landlords to ensure that the electrical safety standards are met during the period of a specified tenancy, and to ensure every electrical installation is inspected and tested at regular intervals (not more than 5 years) by a qualified person. The Regulations allow the Council to issue financial penalties against landlords who fail to undertake the necessary inspections and repairs in relation to the electrical system in private rented accommodation. It is for the Council to determine the size of the financial penalty imposed and the penalty must not exceed £30,000. More than one penalty can be imposed in the event of a continuing failure. Any financial penalty is in addition to the costs that the Council is entitled to recover in relation to the remedial action it has carried out.
17. The Housing and Planning Act 2016 introduced new measures enabling local authorities to impose financial penalties as an alternative to prosecutions, as outlined at paragraphs 1 and 2 above, concerning specific housing enforcement offences and breaches to the ESSPRS Regulations (see paragraph 42).
18. The council now proposes to introduce a regime of financial penalties through a framework for determining financial penalties as set out at Appendix 1.
19. Table A (Appendix 1) indicates the factors the Council must have regard to when setting the level of financial penalty to ensure that the penalty is set at an appropriate level in each case.
20. Table B (Appendix 1) provides the framework for determining the financial penalty charge to be levied. When setting a financial penalty, the Council can consider the cost of investigating the offence(s) and preparing the case for formal action. Further adjustment can be made to the financial penalty amount for aggravating factors, such as multiple hazards, having a history of providing substandard accommodation or not meeting legal requirements.
21. Table C (Appendix 1) illustrates examples of aggravating and mitigating factors that may increase the seriousness of offence to justify increasing the level of financial penalty.
22. The legislation does not set a minimum financial penalty but the maximum penalty a local housing authority can impose is £30,000 per offence. The maximum penalty is to be reserved for the most serious cases and/or repeat offenders, meeting the Government's aim of clamping down heavily on criminal landlords. Councils are able to retain the money from any financial penalties issued, and the revenue ring-fenced for its statutory functions in relation to the private rented sector.
23. Landlords receiving a financial penalty have the right to appeal to the First-Tier Tribunal in respect of the decision to issue a financial penalty, the

amount of the penalty and in respect of any deviations from the prescribed framework process.

24. Only one financial penalty can be issued for each of the housing offences listed in paragraph 15. However, a financial penalty can be issued for each separate breach of the management regulations in respect of HMOs (section 234 of the Housing Act 2004). In cases of multiple offences, a totality principle may be applied where it is considered the total amount of the financial penalties is not considered proportionate to the offending behaviour.
25. A framework has been developed for officers to follow in determining the level of a financial penalty charge to levy. This framework and the legislative process to follow is referred to in Appendix 1. The framework will ensure consistency and fairness of approach in the enforcement process. It will also enable a robust mechanism within which to defend any challenges or appeals against decisions of imposing civil penalties and/or the penalty amount.
26. Consideration is given to reducing the amount of penalty charge by 20% if the recipient of the financial penalty pays in full within 28 days. This is to incentivise landlords to pay the penalty and discharge their liability swiftly.
27. The purpose of enforcement and the use of financial penalties is to secure compliance and in particular to improve housing conditions and standards resulting in better outcomes for residents. The financial penalty framework in Appendix 1 will be reviewed after 12 months from introduction with a view to assessing its success in meeting these purposes, and that the level of penalties imposed is having a deterrent effect on offending.

Main Considerations for the Council

28. Approval of the financial penalty framework in Appendix 1 meets requirements of the s249A and Schedule 13A of the HA 2004 (as amended) and the Statutory Guidance as well as the incorporation of the penalties regime under the ESRPRS Regulations in how the Council determines when to use financial penalties (and which monetary value to impose)

Safeguarding Implications

29. There is likely to be a positive impact achieved through enforcing compliance because a higher proportion of vulnerable people live in private rented accommodation. This enable housing inspection and enforcement officers to identify concerns into potential safeguarding of children and adults and refer such cases to the appropriate safeguarding hub for intervention.

Public Health Implications

30. Poorly managed private rented properties cause neighbourhood problems with refuse, overcrowding and antisocial behaviour in addition to substandard living conditions for Enfield residents relying on this sector for housing. The introduction of an additional enforcement tool will contribute to a safer

healthier living environment for many of our tenants and residents so the benefits of an improved sector will be felt borough wide.

Equalities Impact of the Proposal

31. The Equalities Impact Assessment is attached. The introduction of financial penalties complement and build on the options already available to Housing Enforcement in tackling bad practice and criminal landlords, and therefore the levying of financial penalties will directly benefit tenants living in the private rented sector. The positive impacts will also benefit compliant landlords; residents and communities and will not be adversely affected on the basis of their protected characteristics, for example age, gender, and ethnicity. The positive impacts will directly benefit tenants in the private rented sector.
32. It is recognised from the work undertaken by Housing Enforcement staff that some of the worst rented properties offer accommodation at the lower end of the rental market with respect to standards and affordability. The use of these sanctions will consequently be more prevalent in some of the borough's wards compared to others. An aim of introducing these powers is to continue to bring parity to the private rented housing sector, so renters get an increased confidence in securing decent and safe accommodation.

Environmental and Climate Change Considerations

33. There are some considerations:

Consideration	Impact of Proposals
Adaptation and resilience	These proposals do not deal with matters which directly impact on climate change adaptation and resilience.
Energy consumption	These proposals cover enforcement of minimum energy efficiency ratings (minimum of 'E') in privately rented properties. It is illegal to rent out properties that are EPC rated lower than this (rated 'F' or 'G') so by enforcing this, energy consumption should be reduced in private rented housing (approximately 6.3% of all privately rented stock is rated 'F' or 'G').
Carbon emissions and offsets	Delivery of the proposals should not lead to any increase in emissions and no offsets are proposed.
Environmental	These proposals should have positive environmental impacts in respect of the street scene and quality of life for residents.
Procurement	No additional procurement of goods or services is proposed.

Risks that may arise if the proposed decision and related work is not taken

34. If this decision is not implemented the Council will continue with its regime of prosecuting 'relevant housing offences' which is costly and time consuming. Implementation of the framework regime in line with the legislative and Statutory Guidance provisions will enable the Council to introduce another more robust and effective enforcement tool within its housing enforcement armour as well as being more cost effective and efficient method of enforcement.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

35. One of the likely consequences from the issuing of financial penalties will be appeals to the First Tier Tribunal from landlords. This risk will be mitigated by officers having their decision to issue the 'notice of intent to serve a financial penalty' reviewed by their line manager. Also, a Head of Service will review any representation received following service of the 'Notice of Intent' before any 'Final Notice to impose the financial penalty' is served. In addition, legal advice will be taken when needed, and comparison of best practice with other local authorities. In addition, officers will receive necessary training and will be guided by procedures that will be regularly reviewed and updated.

36. A likely challenge will be difficulty collecting the income from the penalties imposed. This risk will be mitigated by obtaining legal and financial resources as required in order to deliver the appropriate options for debt recovery for each case which could include applying for county court judgements, and a charging order to secure the debt against the defendant's interest in the property.

37. There is a potential risk is that the resource required to levy financial penalties as an alternative to prosecution proceedings will be greater than the level of income received from fines. The use of, and costs associated with financial penalties, will be reviewed regularly to ensure it remains efficient and effective.

38. A reputational risk may arise if the Council is perceived that financial penalties are being implemented for financial gain rather than for necessary enforcement. This risk will be mitigated by clear communications and will emphasise that any income from financial penalties can only be used to reinvest into the Council's statutory functions in relation to the private rented sector.

Financial Implications

39. The cost of introducing and administering financial penalties are met from the existing service staffing budgets within Regulatory Services and Legal Services. Penalties will be issued on a sliding scale basis depending on the severity of the offence, with penalties ranging from £500 to £30,000. At this stage, it is not possible to estimate the level of income from these penalties as the number of penalty notices that could be issued and paid is unknown at this stage.

40. There will be some additional costs in processing the financial penalty paperwork, responding to any representations and then defending appeals as it is highly likely that a landlord receiving a financial penalty will appeal to the Residential Property Tribunal. It is anticipated that any additional costs will be met through the income generated through levying financial penalties where appropriate as an alternative to prosecution proceedings. It is likely that the operation of the additional and selective licensing schemes when introduced will generate increased enforcement and increased use of financial penalties. The costs of additional enforcement in relation to the licensing schemes (including the staffing costs of administering and recovering financial penalties) will be met from the licence fees.
41. The monies received by the council from financial penalties will be retained by the Council to reinvest into its statutory functions in relation to private rented housing enforcement.
42. Where a landlord has committed an offence, the Council may apply for a Rent Repayment Order to recover monies paid to the landlord as housing benefit/universal credit for a period of up to 12 months.

Legal Implications

43. The HA 2004 (as amended) at Section 249A and Schedule 13A outlines the requirements for implementing a regime for imposing financial penalties as an alternative to prosecution concerning certain 'relevant housing offences' in respect of premises in England. A 'relevant housing offence' is an offence provided within the following provisions of the HA 2004 (as amended):
- section 30 (failure to comply with improvement notice),
 - section 72 (licensing of HMOs),
 - section 95 (licensing of houses under Part 3),
 - section 139(7) (failure to comply with overcrowding notice), or
 - section 234 (management regulations in respect of HMOs).
44. A financial penalty cannot be issued unless the evidence has met the criminal standard of proof test for the 'relevant housing offence', namely, that the evidence meets the 'beyond reasonable doubt' test demonstrating there is sufficient evidence to provide a realistic prospect of conviction. Accordingly, the Council must be satisfied beyond reasonable doubt that the landlord has committed the offence(s), and if it is in the public interest to issue a financial penalty or prosecute. Where a financial penalty is determined as the most appropriate course of enforcement action, a prosecution cannot be taken for the same offence
45. Section 249A(3) provides only one financial penalty can be imposed with regard to the same conduct and Section 249(4) states the maximum financial penalty which can be imposed is £30,000. There is no minimum penalty provision.

46. Schedule 13A paragraph 12 of the HA 2004 (as amended) imposes a mandatory requirement on a local authority to have regard to any guidance issued by the Secretary of State concerning the functions therein and at Section 249A. The Statutory Guidance issued requires the Council to develop and document its own policy on determining when to prosecute and when to issue a civil financial penalty including the appropriate level of financial penalty as well as determining which option it wishes to pursue on a case-by-case basis in line with its policy. The Council seeks to do this in compliance with the Statutory Guidance at Appendix 1.
47. The Private Rented Sector Housing Enforcement Policy includes guidance on how financial penalties will be used against rogue landlords and letting agents under the Act. This includes matters such as circumstances when a criminal prosecution will be issued as opposed to a financial penalty, which will usually be where an offence is particularly serious and where an offender has previously committed similar offences.
48. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 came into force on 1 June 2020. The Regulations impose a mandatory requirement on landlords to ensure that the electrical safety standards are met during the period of a specified tenancy, and to ensure every electrical installation is inspected and tested at regular intervals (not more than 5 years) by a qualified person. The ESSPRS Regulations allow place mandatory enforcement requirements on the Council where private sector landlords fail to comply with the electrical safety standards. Part 5, Regulation 11 of the ESSPRS Regulations allows a local authority to impose a financial penalty (or more than one penalty in the event of a continuing failure) up to the sum of £30,000 where it is satisfied, beyond reasonable doubt, that a private landlord has breached a duty to the electrical safety standards at Regulation 3.

Workforce Implications

49. This will be delivered using existing staff resources, and the new service when additional and selective licensing is introduced.

Property Implications

50. There are no property implications.

Other Implications

51. None.

Options Considered

52. The introduction of financial penalties will supplement and enhance the existing enforcement options currently available to the council. If financial

penalties are not introduced, we will continue to use criminal prosecution through the courts for contraventions of housing law by landlords and managing agents in the private rented sector.

53. Prosecution can be resource intensive and time consuming with cases often taking many months to reach a court hearing. Financial penalties would provide more efficient and swifter sanctions for non-compliance but with criminal prosecution still reserved for the more serious offences.

Conclusions

54. It is recommended that the introduction of financial penalties for enforcement of contraventions in housing standards in the private rented sector is approved, and the framework in Appendix 1 which sets out how officers will determine the level of financial penalty to impose.

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Date of report 11 May 2020

Appendices

Appendix 1: Framework for Financial Penalties under the Housing Act 2004 as amended by the Housing and Planning Act 2016 and The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

Background Papers

The following document has been relied on in the preparation of this report:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/697644/Civil_penalty_guidance.pdf

Equality Impact Assessment

Introduction

The purpose of an Equality Impact Assessment (EQIA) is to help Enfield Council make sure it does not discriminate against service users, residents and staff, and that we promote equality, where possible. Completing the assessment is a way to make sure everyone involved in a decision or activity thinks carefully about the likely impact of their work and that we take appropriate action in response to this analysis.

The EQIA provides a way to systematically assess and record the likely equality impact of an activity, policy, strategy, budget change or any other decision.

The assessment helps us to focus on the impact on people who share one of the different nine protected characteristics as defined by the Equality Act 2010 and the impact on people of as well on people who are disadvantaged due to socio-economic factors. The assessment involves anticipating the consequences of the activity or decision on different groups of people and making sure that:

- unlawful discrimination is eliminated
- opportunities for advancing equal opportunities are maximised
- opportunities for fostering good relations are maximised.

The EQIA is carried out by completing this form. To complete it you will need to:

- use local or national research which relates to how the activity/ policy/ strategy/ budget change or decision being made may impact on different people in different ways based on their protected characteristic or socio-economic status;
- where possible, analyse any equality data we have on the people in Enfield who will be affected eg equality data on service users and/or equality data on the Enfield population;
- refer to the engagement and/ or consultation you have carried out with stakeholders, including the community and/or voluntary and community sector groups, and consider what this engagement showed us about the likely impact of the activity/ policy/ strategy/ budget change or decision on different groups.

The results of the EQIA should be used to inform the proposal/ recommended decision, leading to changes being made as a result of the assessment where required. Any ongoing/ future mitigating actions required should set out in the action plan at the end of the form.

The completed EQIA should be included as an appendix to relevant EMT/ Delegated Authority/ Cabinet/ Council reports regarding the service activity/ policy/ strategy/ budget change/ decision. Decision-makers should be confident that a robust EQIA has taken place, that any necessary mitigating action has been taken and that there are robust arrangements in place to ensure any necessary ongoing actions are delivered.

Section 1 – Equality Analysis Details

Title of service activity / policy/ strategy/ budget change/ decision that you are assessing	Framework for Financial Penalties under the Housing Act 2004 (as amended by the Housing and Planning Act 2016) and the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
Team/ Department	Regulatory Services / Place
Lead officer(s) name(s) and contact details	Martin Rattigan Martin.rattigan@enfield.gov.uk
Project sponsor	Sue McDaid
Date of EQIA completion	29 July 2020

Section 2 – Summary of Proposal

Please give a brief summary of the proposed service change / policy/ strategy/ budget change/project plan/ key decision

Please summarise briefly:

What is the proposed decision or change?

What are the reasons for the decision or change?

What outcomes are you hoping to achieve from this change?

Who will be impacted by the project or change - staff, service users, or the wider community?

A Financial penalty may be used as an alternative to prosecution under Housing Act 2004. The council is required to have a policy for determining the appropriate level of financial penalty; when to prosecute, and when to issue a financial penalty on a case by case basis. The Council must have regard to statutory guidance ([Civil penalties under the Housing and Planning Act 2016 - Guidance for Local Housing Authorities](#)) in the exercise of its functions in respect of financial penalties. The actual amount levied in any particular case should reflect the severity of the offence, as well as taking account of the landlord's previous record of offending. This policy of process sets out the principles that the Council will apply in exercising its powers under the Housing Act 2004 (as amended) to impose a financial penalty on a landlord or agent who fails to comply or breaches one or more of the housing offences specified in the Housing Act 2004.

The Electrical Safety Standards in the Private Rented Sector (England) Regulations

2020 came into force on 1 June 2020. The Regulations allow the Council to issue financial penalties against landlords who fail to undertake the necessary inspections and repairs in relation to the electrical safety standards in private rented accommodation. As above, it is for the Council to determine the size of the financial penalty imposed, and the penalty must not exceed £30,000. More than one penalty can be imposed in the event of a continuing failure. Any financial penalty is in addition to the costs that the Council is entitled to recover in relation to the remedial action it has carried out.

To determine the appropriate sanction; whether to serve a financial penalty or to prosecute will depend on the type and severity of the offence. In the first instance, the Council will consider financial penalties for all landlords that are in breach of one or more of the housing offences. A financial penalty of up to £30,000 may be imposed where a serious offence has been committed and the Council believes that the most disruptive sanction to impose on a landlord or managing agent is a financial penalty rather than prosecution. Generally, the maximum financial penalties will be reserved for the very worst offenders and the actual amount levied in any particular case will reflect the severity of the offence and take account of the landlord's previous record of offending.

There is a standard procedure for imposing a financial penalty is set out in the Housing Act 2004. Where the council decides to impose a financial penalty, the Council must serve a notice of its proposal, 'notice of intent' to impose a financial penalty. The notice of intent must set out:

- the amount of the proposed financial penalty;
- the reasons for proposing to impose the penalty; and
- information about the right of the landlord to make representations.

A person who is given a 'notice of intent' may make written representations to the Council about the intention to impose a civil penalty within 28 days from when the notice was given.

After the end of the period for representations, the council officer will decide whether to impose a penalty and, if so, the amount of the penalty. If the council decides to impose a financial penalty, it must give the person a notice 'final notice' requiring that the penalty is paid within 28 days. The final notice will set out:

- the amount of the financial penalty
- the reasons for imposing the penalty
- information about how to pay the penalty
- the period for payment
- information about the rights of appeal and,
- consequences of failure to comply with the penalty.

A person who receives a final notice may appeal to the First-Tier Housing Tribunal against the decision to impose a penalty and the amount of the penalty. The Tribunal has the power to confirm, vary or cancel the financial penalty that the Council has issued.

Section 3 – Equality Analysis

This section asks you to consider the potential differential impact of the proposed decision or change on different protected characteristics, and what mitigating actions should be taken to avoid or counteract any negative impact.

According to the Equality Act 2010, protected characteristics are aspects of a person's identity that make them who they are. The law defines 9 protected characteristics:

1. Age
2. Disability
3. Gender reassignment.
4. Marriage and civil partnership.
5. Pregnancy and maternity.
6. Race
7. Religion or belief.
8. Sex
9. Sexual orientation.

At Enfield Council, we also consider socio-economic status as an additional characteristic.

“Differential impact” means that people of a particular protected characteristic (eg people of a particular age, people with a disability, people of a particular gender, or people from a particular race and religion) will be significantly more affected by the change than other groups. Please consider both potential positive and negative impacts, and, where possible, provide evidence to explain why this group might be particularly affected. If there is no differential impact for that group, briefly explain why this is not applicable.

Please consider how the proposed change will affect staff, service users or members of the wider community who share one of the following protected characteristics.

Age

This can refer to people of a specific age e.g. 18-year olds, or age range e.g. 0-18 year olds.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people of a specific age or age group (e.g. older or younger people)?

Please provide evidence to explain why this group may be particularly affected.

A landlord who has limited income may be relying on a property let for say retirement income purposes a financial penalty could have a negative impact on their earnings. The guiding principle here should be to ensure that the offender does not benefit as a result of committing an offence, i.e. it should not be cheaper to offend than to ensure a property is well maintained and properly managed. Use of a financial penalty may save the landlord legal costs as it is being used as an alternative to a prosecution.

Mitigating actions to be taken

If a landlord issued with a financial penalty demonstrates clear hardship in paying the penalty and is eager to comply, we will consider the payment of the penalty in instalments.

Disability

A person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on the person's ability to carry out normal day-day activities.

This could include:

Physical impairment, hearing impairment, visual impairment, learning difficulties, long-standing illness or health condition, mental illness, substance abuse or other impairments.

Will the proposed change to service/policy/budget have a **differential impact [positive or negative]** on people with disabilities?

Please provide evidence to explain why this group may be particularly affected.

Use of a financial penalty should have a positive impact over the alternative of going to court as it will reduce stress levels for the offender.

Mitigating actions to be taken

We will be advising landlords of our intention to apply a financial penalty and he/she can make representations and appeal our decision.

We will take into account any representations about disability and how this genuinely impacts on their ability to pay the penalty, and act on this.

Gender Reassignment

This refers to people who are proposing to undergo, are undergoing, or have undergone a process (or part of a process) to reassign their sex by changing physiological or other attributes of sex.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on transgender people?

Please provide evidence to explain why this group may be particularly affected.

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken

We will monitor and act on any representations made by persons subject to a financial penalty who raise this protected characteristic.

Marriage and Civil Partnership

Marriage and civil partnerships are different ways of legally recognising relationships. The formation of a civil partnership must remain secular, where-as a marriage can be conducted through either religious or civil ceremonies. In the U.K both marriages and civil partnerships can be same sex or mixed sex. Civil partners must be treated the same as married couples on a wide range of legal matters.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people in a marriage or civil partnership?

Please provide evidence to explain why this group may be particularly affected

Legal requirements set out who we can serve notices on and is not impacted by relationship status, therefore there should be no impact.

Mitigating actions to be taken

No action required.

Pregnancy and maternity

Pregnancy refers to the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Will this change to service/policy/budget have a **differential impact [positive or**

negative] on pregnancy and maternity?

Please provide evidence to explain why this group may be particularly affected

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken

We will monitor and act on any representations made by persons subject to a financial penalty who raise this protected characteristic.

If the landlord is on maternity leave and demonstrates genuine financial difficulties, we will consider the payment of the penalty in instalments.

Race

This refers to a group of people defined by their race, colour, and nationality (including citizenship), ethnic or national origins.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people of a certain race?

Please provide evidence to explain why this group may be particularly affected

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken

If a landlord issued with a financial penalty demonstrates clear hardship in paying the penalty and is eager to comply, we will consider the payment of the penalty in instalments.

Religion and belief

Religion refers to a person's faith (e.g. Buddhism, Islam, Christianity, Judaism, Sikhism, Hinduism). Belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who follow a religion or belief, including lack of belief?

Please provide evidence to explain why this group may be particularly affected.

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken

We will monitor and act on any representations made by persons subject to a financial penalty who raise this protected characteristic.

Sex

Sex refers to whether you are a man or woman.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on men or women?

Please provide evidence to explain why this group may be particularly affected.

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken

We will monitor and act on any representations made by persons subject to a financial penalty who raise this protected characteristic.

Sexual Orientation

This refers to whether a person is sexually attracted to people of the same sex or a different sex to themselves. Please consider the impact on people who identify as

heterosexual, bisexual, gay, lesbian, non-binary or asexual.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people with a particular sexual orientation?

Please provide evidence to explain why this group may be particularly affected.

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken

We will monitor and act on any representations made by persons subject to a financial penalty who raise this protected characteristic.

Socio-economic deprivation

This refers to people who are disadvantaged due to socio-economic factors e.g. unemployment, low income, low academic qualifications or living in a deprived area, social housing or unstable housing.

Will this change to service/policy/budget have a **differential impact [positive or negative]** on people who are socio-economically disadvantaged?

Please provide evidence to explain why this group may be particularly affected.

Due to the limitations in the available evidence we are unable to rule out the potential for any differential impact. The policy will not unlawfully discriminate but any indirect discrimination can be justified by the reason for the policy, to improve conditions in the private rented sector where we know that some groups are disproportionately represented.

Mitigating actions to be taken.

We will monitor and act on any representations made by persons subject to a financial penalty who raise this protected characteristic.

If a landlord issued with a financial penalty demonstrates clear hardship in paying the penalty and is eager to comply, we will consider the payment of the penalty in instalments.

Section 4 – Monitoring and Review

How do you intend to monitor and review the effects of this proposal?

Who will be responsible for assessing the effects of this proposal?

Tina Fasi (Head of Service) will monitor the use of the financial penalties for effectiveness. For each case we will monitor the equality profile of people if possible who are subject to a financial penalty, this will be recorded in the case files for each one issued.

We may not be able to gain an accurate equality profile as some landlords are represented by agents.

Section 5 – Action Plan for Mitigating Actions.

Identified Issue	Action Required	Lead officer	Timescale/By When	Costs	Review Date/Comments
Lack of cash flow to pay a fine	Use of payment instalments in demonstrable genuine cases	Tina Fasi	Ongoing	N/A	Already have system for payment of Fixed Penalty Notices used by Regulatory Services
Due to the lack of available evidence for most of the protected characteristics we are unable to rule out the potential for any differential impact.	Need to monitor the equality profile of people who are subject to a financial penalty if possible or when a protected characteristic is raised and act on it.	Tina Fasi	End of year one review.		

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APPENDIX 1 - Framework for Financial Penalties under the Housing Act 2004 as amended by the Housing and Planning Act 2016 and the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

1.0 Introduction - Civil Penalties

- 1.1 In accordance with Section 249A and Schedule 13A of the Housing Act 2004 (as amended) and statutory guidance¹; the council is required to have a policy for determining when to prosecute and when to issue a civil financial penalty including the appropriate level of financial penalty as well as determining which option it wishes to pursue on a case by case basis. The Council must have regard to the Statutory Guidance in the exercise of its functions in respect of financial penalties.
- 1.2 Paragraph 3.5 of the statutory guidance states that ‘The actual amount levied in any particular case should reflect the severity of the offence, as well as taking account of the landlord’s previous record of offending’ and includes several factors that should be taken into account to ensure that the civil penalty is set at an appropriate level in each case.
- 1.3 This policy sets out the principles that the Council will apply in exercising its powers under the Housing Act 2004 (as amended) to impose a financial penalty on a relevant landlord or agent who fails to comply or breaches one or more of the housing offences specified in the Housing Act 2004 (as amended).
- 1.4 The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 come into force on 1 June 2020. The Regulations allow the Council to issue financial penalties against landlords who fail to undertake the necessary inspections and repairs in relation to the electrical safety standards in private rented accommodation. It is for the Council to determine the size of the financial penalty imposed and the penalty must not exceed £30,000. More than one penalty can be imposed in the event of a continuing failure. Any financial penalty is in addition to the costs that the Council is entitled to recover in relation to the remedial action it has carried out.

2.0 The Framework (How financial penalties will be decided and issued)

- 2.1 To determine the appropriate sanction; whether to serve a financial penalty or to prosecute will depend on the type and severity of the offence. In the first instance, the Council will consider financial penalties for all landlords that are in breach of one or more of the housing offences.

¹ [Civil penalties under the Housing and Planning Act 2016 - Guidance for Local Housing Authorities](#)

- 2.2 A financial penalty of up to £30,000 may be imposed where a serious offence has been committed and the Council believes that the most disruptive sanction to impose on a landlord or managing agent is a financial penalty rather than prosecution. Generally, the maximum financial penalties will be reserved for the very worst offenders and the actual amount levied in any particular case will reflect the severity of the offence and take account of the landlord's previous record of offending.
- 2.3 Prosecution may be considered to be the most appropriate option where an offence is particularly serious or where the offender has committed similar offences in the past. However, that does not mean that financial penalties should not be used in cases where serious offences have been committed.
- 2.4 The procedure for imposing a financial penalty is set out in Schedule 13A of the Housing Act 2004. Where the council decides to impose a financial penalty, the Council must serve a notice of its proposal to impose a financial penalty – called a 'notice of intent'. The notice of intent must set out:
- the amount of the proposed financial penalty;
 - the reasons for proposing to impose the penalty; and
 - information about the right of the landlord to make representations.

The council must serve the 'notice of intent' (to serve a financial penalty) on the landlord, no later than 6 months after the council has sufficient evidence of the conduct to which the penalty relates, or at any time when the conduct is continuing.

- 2.5 A person who is given a 'notice of intent' may make written representations to the Council about the intention to impose a financial penalty within 28 days from when the notice was given.
- 2.6 After the end of the period for representations, the council officer will decide whether to impose a penalty (and take account of any representations received) and, if so, the amount of the penalty. If the council decides to impose a financial penalty, it must give the person a notice requiring that the penalty is paid within 28 days – a 'final notice'. The final notice will set out:
- the amount of the financial penalty
 - the reasons for imposing the penalty
 - information about how to pay the penalty
 - the period for payment
 - information about the rights of appeal and,
 - consequences of failure to comply with the penalty.

- 2.7 A person who receives a 'final notice' may appeal to the First-Tier Tribunal against the decision to impose a penalty and the amount of the penalty.

2.8 As part of Enfield's internal procedures, officers considering issuing a 'Notice of Intent' will discuss it with their line a manager. If a representation is made in relation to a 'Notice of Intent' that was issued, the representation will be considered by a Head of Service before a decision is made whether to issue a 'Final Notice', and if so, what the level of the penalty will be. This is to assist with consistency of decision making.

3.0 **Determining a Financial Penalty Charge**

3.1 The Council's principle aim is to ensure that the costs of enforcement are borne by the offender so the costs associated with investigating, determining and applying a financial penalty will be reflected in the level of financial penalty that is imposed.

3.2 Section 249A (4) of the Housing Act 2004 (as amended), states the amount of a financial penalty is to be determined by the Local Housing Authority. Table A indicates the factors the council must have regard when setting the level of financial penalty.

3.3 In determining the level of financial penalty, the Council will take into account costs of investigating the offence(s), preparing the case to serve a financial penalty notice. Costs associated with an appeal and to defend a decision at the First Tier Tribunal will be sought from the Tribunal if the appeal is unsuccessful and is dismissed.

3.4 It is anticipated the investigative costs incurred for failure to comply with an Improvement Notice will be lower compared to other offences. This is because the Council will already have charged preliminary costs when serving the Improvement Notice. The additional costs will cover the work involved in confirming that the landlord has failed to comply with the Improvement Notice, such as obtaining tenants' statements; and other costs reflecting the complexity of an investigation, such as the numbers of witnesses interviewed, obtaining warrants to enter properties, may also increase the level of financial penalty in this regard.

3.5 If an investigation leads to more than one financial penalty being imposed, the total investigatory costs will be averaged and equally added to each civil penalty. Otherwise, there will be one set of investigatory charges for each investigation undertaken by the Council.

3.6 The Financial Penalty Charge Matrix shown in Table B provides a scoring mechanism for each of the factors the council must have regard when setting the level of financial penalty. The matrix is intended to provide an indicative minimum 'tariff' under the various offence categories, with the final level of the financial penalty adjusted in each case, generally within the relevant band, to take into account aggravating and mitigating factors.

3.6 The total score then becomes the baseline to determine a financial penalty. This baseline can then be adjusted in each case to take into account the severity of the offence and other aggravating factors. Any aggravating factors will increase the amount of the financial penalty charge to be imposed and, equally any mitigating factors will reduce the amount.

3.7 If there is a good and justified reason for the officer to deviate from the framework in this appendix when setting the financial penalty, this will be documented.

4.0 **Landlords' ability to pay**

4.1 In setting a financial penalty, the Council may conclude that the offender is able to pay any financial penalty imposed, unless the offender has supplied suitable and sufficient financial information to the contrary.

4.2 It is for the offender to disclose to the Council such data relevant to his financial position as will enable the Council to assess what they can reasonably afford to pay. In this case, a full financial investigation of the landlord will be carried out and all sources of income will be considered and is not limited to the assets or income received from the rental of the property in question.

4.3 Where the Council is not satisfied that it has been given sufficient reliable information, it will be entitled to draw reasonable inferences as to the offender's financial means from the evidence it holds and from all of the circumstances of the case which may infer that the offender can afford to pay any financial penalty.

5.0 **The five Stages in 'Determining the Level of Financial Penalty Charge'.**

Stage One: Banding the offence.

5.1 Officers make an initial assessment for each of the five factors set out in the Financial Penalty Charge Matrix in Table B. This will provide a baseline penalty charge amount to be determined.

Stage Two: Amending the penalty band based on aggravating factors.

5.2 Assessment of any aggravating factors, such as the landlord's track record, and the severity of any offences, will incur an increase in the level of penalty charge up to a maximum of 30% and can be made to the baseline penalty charge amount.

5.3 Officers review this baseline amount based on the principle that the financial penalty imposed should never be less than what it would have cost the landlord to comply in the first place, in order to incentivise compliance. In instances where the initial assessment does not exceed the cost of compliance, the cost of compliance becomes the new starting point. For example, if it would have cost the landlord £2,000 to comply with the Improvement Notice, but the initial assessment was assessed at £1,500, the baseline for the financial penalty would start £2,000.

Stage Three: Amending the penalty band based on mitigating factors.

- 5.4 Any mitigating factors, such as a landlord's cooperation, taking immediate and voluntarily steps to remedy problem and a good record of maintaining property may decrease the penalty charge by a maximum of 30% of the total penalty charge.

Stage Four: A Penalty Review - To review the penalty to ensure it is proportionate and reflects the landlord's ability to pay.

- 5.5 A review of the 'totality' of the penalty charge to be levied is made to ensure it is proportionate to the offending behaviour and reflects the landlord's income and ability to pay. It will be assumed the offender will be able to pay up to the maximum unless they can demonstrate otherwise, in which case a full financial investigation of the landlord will be carried out and all sources of income will be considered.

Stage Five: Totality Principle.

- 5.6 A consideration of whether the enforcement action is against one or multiple offences, whether recent related offences have been committed and ensuring the total penalties are just and proportionate to the offending behaviour.

6.0 Appeals

- 6.1 A person who has been issued with a 'Final Notice' imposing a financial penalty has a right of appeal to the First Tier Tribunal and this will involve a re-hearing of the Council's decision to impose the financial penalty. The Tribunal has the power to confirm, vary or cancel the financial penalty that the Council has issued
- 6.2 The penalty charge notice cannot be enforced until the Appeal has been heard and disposed of.

7 Prompt payment discount for paying Financial Penalty within 28 days

- 7.1 In order to encourage the prompt payment of financial penalties, the Council will offer a 20% discount to landlords and agents who pay the civil penalty in full within 28 days of the Final Notice being issued. The 2 amounts will be included in the Final Notice.

8.0 Recovery of a Penalty Charge

- 8.1 The Council may recover the penalty charge as set out in The Rent Repayment Orders and Financial Penalties (Amounts Recovered) (England) Regulations 2017 Regulations, and payable on the order of a Court.

- 8.2 Recovery proceedings may not be started before the end of the period by which a landlord may give written notice for the council to review the penalty charge notice and where a landlord subsequently appeals to the First Tier Property Tribunal against the Council's decision on review.
- 8.3 The Council will robustly seek to recover its legal costs in the event that it is required to defend its decision at a Tribunal. Where a financial penalty notice is not upheld on appeal, we will seek to recover our costs of defending the appeal.
- 8.4 A rent repayment order can be made against a landlord who has received a financial penalty in respect of an offence, but only at a time when there is no prospect of the landlord appealing against that penalty.
- 8.5 The Council must consider a rent repayment order after a person is the subject of a successful financial penalty and in most cases the Council will subsequently make an application for a rent repayment order to recover monies paid through Housing Benefit or through the housing element of Universal Credit.
- 8.6 Other options available to the Council for the collection of unpaid financial penalties through the County Court include:
- A Warrant of Control for amounts up to £5000;
 - A Third Party Debt Order;
 - A Charging Order, and;
 - Bankruptcy or insolvency
- 8.7 A Certificate, signed by the Council's Chief Finance Officer and stating that the amount due has not been received by the date of the Certificate, will be accepted by the Courts as conclusive evidence of the payment due.
- 8.8 Where a Charging Order has been made, and the amount of the Order is more than £1,000, the Council can consider applying for an Order for Sale against the property or asset in question. When considering which properties to apply for a Charging Order against, the Council can consider all properties owned by the landlord and not just the property to which the offence relates.
- 9. Other consequences of the imposition of a Financial Penalty**
- 9.1 Where a financial penalty has been imposed on a landlord or agent, this will form part of the Council's consideration when it reviews the HMO or selective licence applications relating to properties in which that person has had some involvement.
- 9.2 Although the imposition of a financial penalty will not automatically preclude the Council from granting a licence where such persons are involved, the reasons for imposing the penalty and the extent of the person's involvement in the property will be considered when deciding whether or not to grant a licence.

- 9.3 Where a landlord has two financial penalties imposed on them within a period of 12 months and each relates to a Banning Order offence for the purposes of the Housing and Planning Act 2016 (Banning Order Offences) Regulations 2018, the Council will seek to register the landlord's details on the Database of Rogue Landlords and Property Agents.
- 9.4 Where the financial penalty is appealed and Tribunal confirms or varies the penalty, the decision will be automatically registered on the Register of Judgments, Orders and Fines when it is accepted by the County Court. Inclusion on the Register may make it more difficult for the Landlord to obtain financial credit.

10. Review

- 10.1 The purpose of enforcement and the use of financial penalties is to secure compliance and in particular to improve housing conditions and standards in the private rented sector resulting in better outcomes for residents. The financial penalty framework will be reviewed after 12 months from introduction with a view to assessing its success in meeting these purposes, and that the level of penalties imposed is having a deterrent effect on offending.

Table A: Factors the Council must have regard when setting the level of financial penalty

Severity of the offence	The more serious the offence, the higher the penalty should be.
Culpability and track record of the offender	A higher penalty will be appropriate where the offender has a history of failing to comply with their obligations and/or their actions were deliberate and/or they knew, or ought to have known, that they were in breach of their legal responsibilities. Landlords are running a business and should be expected to be aware of their legal obligations.
The harm caused to the tenant	This is a very important factor when determining the level of penalty. The greater the harm or the potential for harm (this may be as perceived by the tenant), the higher the amount should be when imposing a civil penalty.
The punishment of the offender	While the penalty should be proportionate and reflect both the severity of the offence and whether there is a pattern of previous offending, it is important that it is set at a high enough level to help ensure that it has a real economic impact on the offender and demonstrate the consequences of not complying with their responsibilities.
Deter the offender from repeating the offence	The ultimate goal is to prevent any further offending and help ensure that the landlord fully complies with all of their legal responsibilities in future. The level of the penalty should therefore be set at a high enough level such that it is likely to deter the offender from repeating the offence.
Prevention of others from committing similar offences	While the fact that someone has received a civil penalty will not be in the public domain, it is possible that other landlords in the local area will become aware through informal channels when someone has received a civil penalty. An important part of deterrence is the realisation that (a) the local authority is proactive in levying civil penalties where the need to do so exists and (b) that the level of civil penalty will be set at a high enough level to both punish the offender and deter similar offending by others.
Remove any financial benefit the offender may have obtained as a result of committing the offence	The guiding principle here should be to ensure that the offender does not benefit as a result of committing an offence, i.e. it should not be cheaper to offend than to ensure a property is well maintained and properly managed.

Table B: Financial Penalty Charge Matrix

Factors	Score = 5	Score = 10	Score = 15	Score = 20	Total
Culpability	Offence committed through act or omission which a person exercising reasonable care would not commit	Offence committed because landlord fell short of actions needed	Actual foresight of, or wilful blindness to risk of offending, but risk nevertheless taken. Some pre-meditation	Where the offender intentionally breached, or flagrantly disregarded, the law or who knew their actions were unlawful. Pre-meditation.	
Harm caused to the tenant (potential or actual)	Very little or no harm caused.	Moderate level of health/harm risk(s) likely or caused to occupant. No vulnerable occupants in residence.	High level of health/harm risk(s) to occupant. Tenant(s) will be affected frequently or by occasional high impact occurrences. Vulnerable occupants	Serious adverse effect(s) on individual(s) and/or having a widespread impact. Multiple vulnerable occupants	
Offence History and offence severity	No previous enforcement history. First low level offence.	Previous enforcement history. Offence has moderate severity	Multiple offender. Ongoing offence of moderate to large severity or a single instance of a very severe offence.	Serial offender. Multiple enforcement history. Continuing serious offence	
Deterrence & Prevention	High confidence that a financial penalty will deter repeat offending. Offender has cooperated with enforcement officers.	Moderate confidence that a financial penalty will deter repeat offending.	Low confidence that a financial penalty will deter repeat offending. (e.g. no contact from offender).	Very little confidence that a financial penalty will deter repeat offending. (eg no contact or not willing to comply/accept responsibility)	
Removal of financial Incentive and assessment of assets	No significant assets. Very little financial profit made by offender (eg Single portfolio landlord). Does not apply to agents	Little asset value. Little financial profit made by offender (Small portfolio landlord between 2-3 properties). Does not	Medium asset value. Medium portfolio landlord (between 4-5 properties) or a small Managing Agent. Medium profit made by	Large asset value. Large portfolio landlord (over 5 properties) or a medium to large Managing Agent. Large profit made by offender	

		apply to agents	offender		
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	Add/Subtract 10%	Add/Subtract 15%	Add/Subtract 25%	Add/Subtract 30%	
Aggravating factors	Very minor aggravating factor	A couple of minor aggravating factors	One major minor aggravating factor	More than one aggravating factors	
Mitigating factors	Very minor mitigating factor	A couple of minor mitigating factors	One major minor mitigating factor	More than one mitigating factors	

	Score
Level of culpability	
Harm caused to the tenant	
Offence History and severity of offence	
Deterrence & Prevention	
Removal of financial incentive	

Score Ranging Fee	
5 - 25	£500
26 - 30	£1,000
31 - 40	£1,500
41 - 50	£2,500
51 - 60	£5,000
61 - 70	£10,000
71 - 80	£15,000
81 - 90	£20,000

		91 - 100 £30,000
	Total Score	
	Amount £	
Investigative Charges		
Aggravating factors	Increased by maximum £5k	
Mitigating factors	Decreased by maximum £5k	
Income / Asset check	Offender assumed able to pay up to the maximum unless they can demonstrate otherwise.	
	Final Amount £	

Table C: Examples of aggravating and mitigating factors

Further adjustment can be made to the level of penalty charge for aggravating factors.

Offence	Aggravating factors increasing seriousness of offence to justify increase in level of financial penalty
Failure to comply with an Improvement Notice	<ul style="list-style-type: none"> • The nature and extent of hazards that are present. • Multiple hazards and/or severe/extreme hazards that are considered to have a significant impact on the health and/or safety of the tenant/s in the property would justify an increase in the level of the civil penalty • Record of providing substandard accommodation
Failure to licence a Mandatory HMO (s72)	<ul style="list-style-type: none"> • The condition of the unlicensed HMO. The nature and extent of any significant hazards that are present would justify an increase in the level of the civil penalty.

	<ul style="list-style-type: none"> • A mandatory HMO that was found to be poorly managed and/or lacking amenities/fire safety precautions and/or overcrowded would also justify an increased civil penalty • Any demonstrated evidence that the landlord/agent was familiar with their need to obtain a property licence e.g. the fact that they were a named licence holder or manager in respect of an already licensed premises • Deliberate concealment of illegal nature of activity • Motivated by financial gain
Failure to Comply with an Overcrowding Notice	<ul style="list-style-type: none"> • The level of overcrowding present – breaches that related to over-occupation of multiple rooms or extreme over-occupation of an individual room would justify a higher civil penalty • A previous history of non-compliance would justify an increased civil penalty • Record of poor management or not meeting legal requirements.
Failure to Comply with The Management of Houses in Multiple Occupation (England) Regulations	<ul style="list-style-type: none"> • The number and nature of the management regulation breaches • The nature and extent of deficiencies within each regulation
Failure to Comply with a Banning Order	<ul style="list-style-type: none"> • reserved for what are recognised as being the most serious housing related offences.

Further adjustment can be made to the level of penalty charge for mitigating factors.

Examples of mitigating factors:

Further adjustment can be made to the level of penalty charge for mitigating factors.

When determining the level of the civil penalty, the Council will consider any mitigating factors during the assessment process. Examples may include the following:

- The offender acts voluntarily to remedy the problem
- The offender co-operates fully with the investigation
- The offenders had a good track record of maintaining property and complying with legislation and statutory standards prior to the offence(s)

- The offender self-reports (for failing to license their HMO, for example), co-operates with the Council and accepts responsibility for the offence
- The offender has a serious medical condition(s) that requires urgent, intensive or long-term treatment and this is linked to the offence that has been committed.
- Any other mitigating factors that the offender wants the Council to take into account

The Council expects the offender to provide supporting evidence of mitigating factors they wish to be considered.

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London Borough of Enfield

Cabinet

Meeting Date **16 September 2020**

Subject: **Outline Programme for Transport for London Local Implementation Plan funding in 2021/22**

Cabinet Member: **Cllr Guney Dogan, Cabinet Member for Environment and Sustainability**

Executive Director: **Sarah Cary, Place**

Key Decision: **5172**

Purpose of Report

1. This report sets out the outline programme for utilising funding from Transport for London (TfL) to deliver the Mayor's Transport Strategy outcomes within Enfield. It seeks Cabinet approval for this programme and delegation of authority for approval of a more detailed programme prior to implementation.
2. Following discussions with TfL it has been assumed that the funding allocation will be the same as originally provided for 2020/21. However, the level of funding could be different due to the impact of the Covid-19 crisis on TfL's finances. If necessary, the programme will be altered to reflect the level of TfL funding available as confirmed in December 2020.

Proposal(s)

3. Cabinet agrees the outline programme for utilising funding from Transport for London to deliver the Mayor's Transport Strategy outcomes within Enfield and for these this programme to be implemented, subject to the completion of all necessary statutory procedures.
4. Cabinet agrees to delegate authority to the Cabinet Member for Environment and Sustainability to agree details of the programme in consultation with the Director of Environment and Operational Services.

Reason for Proposal(s)

5. The proposals are seeking the necessary approvals that will enable Enfield's Local Implementation Plan (LIP) funding proposals for 2021/22 to be submitted to Transport for London (TfL):

Proposal	Reason
Cabinet agrees the outline programme for utilising funding from Transport for London to	The submission of these proposals to TfL is essential in order to obtain release of any allocated funds ready

<p>deliver the Mayor's Transport Strategy outcomes within Enfield and for these this programme to be implemented, subject to the completion of all necessary statutory procedures.</p>	<p>for expenditure in the Financial Year 2021/22.</p>
<p>Cabinet agrees to delegate authority to the Cabinet Member for Environment and Sustainability to agree details of the programme in consultation with the Director of Environment and Operational Services.</p>	<p>The detailed programme for 2021/22 is subject to final funding confirmation (due December 2020) and delivery of 2020/21 schemes. In addition, the delivery of the 2021/22 programme will be subject to variations, mainly due to operational issues, so this maintains political oversight and facilitates ongoing delivery.</p>

Relevance to the Council's Plan

6. Good homes in well-connected neighbourhoods

The proposed LIP activities represent vital investment in the improvement and renewal of the transport infrastructure, particularly supporting regeneration and environmental enhancements with clear beneficial impact on climate change. The LIP is also informed by and supports the Council's Core Strategy and new Local Plan, which is under development. LIP schemes and activities will contribute positively towards the delivery of good homes, improving the connectivity of existing neighbourhoods.

7. Safe, healthy and confident communities

The impact of LIP proposals are positive on disability groups, disadvantaged groups and disadvantaged areas. Particular elements of work related to the improvement and promotion of sustainable modes of travel will enhance the cohesion of communities. Several LIP areas of work have an emphasis on community engagement and safety. The consultation process carried out for new schemes allows the representation and input of all interest groups.

The schemes and initiatives contained within the LIP programme will help us improve the ease in which we travel in the borough, encourage sustainable and active travel helping us to manage environmental problems related to congestion, local air quality, reduce our impact on climate change and improve health, safety and accessibility for all in our communities.

8. An economy that works for everyone

Several of the schemes and initiatives contained in the LIP programme will help enhance people's ability to reach their full potential by improving accessibility for sustainable modes of transport making it easier for people to access opportunities in Enfield and further afield. Those on lower incomes are less likely to own a private car so the programmes and schemes in the LIP will support them to travel for work and leisure.

Background

9. All London boroughs are required to submit Local Implementation Plans (LIP) to Transport for London (TfL) setting out how they will help deliver the Mayor's Transport Strategy (MTS). The Council's third LIP was approved by the Mayor of London in spring 2019.
10. The related borough LIP funding is split into four main programme areas with annual allocations where applicable. The figures in the table below refer to the allocations which were confirmed for 2020/21 but subsequently not provided due to the impacts of Covid-19.
11. TfL have indicated that for 2021/22 they want to reinstate LIP funding to previous levels (subject to agreeing a settlement with the Department for Transport) so it has been assumed that a similar level of funding as would have been provided in 2020/21 will be available.

Programme Area with Description	Allocation (£000's)
<p><i>Corridors, Neighbourhoods and Supporting Measures</i></p> <p>This is annual funding which must be spent on projects which deliver the Mayor's Transport Strategy (MTS). The per borough allocation is based on a formula which takes into account factors such as air quality and population. A significant amount of the allocation (£1.6m) supports delivery of the Healthy Streets / Cycle Enfield programme.</p>	2,584
<p><i>Liveable Neighbourhoods</i></p> <p>The Council has previously received funding to develop the Enfield Town scheme. The submission of detailed designs and costs will determine the level of funding in 2021/22.</p>	1,000
<p><i>Local Transport Fund</i></p> <p>This funding can be used for local transport schemes which are local priorities broadly meet the Mayor's Transport Strategy outcomes.</p>	100

12. In addition, there are other TfL funding allocations which the Council has previously received but for which there is no confirmation of approach for 2021/22:
 - Bus priority – Funding for interventions which is based on priorities identified by TfL.
 - Maintenance Programmes – A London wide pot which is allocated based on surveys of the condition of strategic roads and structures.
 - Mini-Holland – Primary source of funding for the Healthy Streets / Cycle Enfield programme.

13. Boroughs make Annual Spending Submissions (ASS) which set out how they intend to utilise LIP funding to support the delivery of the MTS. The ASS for 2021/22 needs to be submitted to TfL in October 2020, with funding usually confirmed in December 2020 and delivery starting in April 2021.
14. Given the notes on the various allocations in 10., the table below focuses on Enfield's proposals for 2021/22 in relation to the Corridors, Neighbourhoods and Supporting Measures programme area. It should be noted that, due to the impact of Covid-19 on transport funding and priorities, the programme areas and schemes are mainly carried forward from 2020/21.

Programme Area Schemes	Related MTS Outcomes	Allocation (£,000s)
<p>Accessibility</p> <ul style="list-style-type: none"> • Highway works to provide level access to bus stops. • Junction protection to ensure emergency and refuse vehicle access is unobstructed. • Station and hidden interchange audits and development of an access action plan. 	Safe Accessible Quality	125
<p>Cycle Training</p> <p>Provision of Bikeability nationally accredited cycle training to adults and children with capacity for 5,000 school children to be trained.</p>	Active Safe Efficient Green	250
<p>Delivering and Monitoring Air Quality Improvements</p> <ul style="list-style-type: none"> • Supporting delivery of the statutory Air Quality Action Plan and Mayor's Air Quality Fund projects including anti idling and Non-Road Mobile Machinery monitoring. • Provision of 3 static air quality monitoring stations and mobile monitoring. • Electric vehicle charging points in line with Climate Action Plan target. 	Active Green	140
<p>Encouraging Active and Sustainable Travel while Reducing Impact of Private Vehicles</p> <ul style="list-style-type: none"> • Bid preparation including for next Liveable Neighbourhood. 	Active Safe Efficient Green Connected Accessible	239

Programme Area Schemes	Related MTS Outcomes	Allocation (£,000s)
<ul style="list-style-type: none"> • Design and implementation of parking controls to make most efficient use of limited kerbside space. • Increasing car club provision. • Enabling behaviour change and delivering Healthy Streets at a local level. • Monitoring and management of schemes and programmes. 	Unlocking	
<p>Healthy Routes and Neighbourhoods</p> <ul style="list-style-type: none"> • Walking & cycling improvement projects which extend the active travel network. • Enfield Town Liveable Neighbourhood. • Low Traffic Neighbourhood delivery. • Angel Edmonton traffic and transport interventions. • Cycle Parking delivery. • School Streets with at least 2 per year. • Access to bikes including second hand bike markets, progression of a Borough bike share project, Dr Bike sessions and cycle maintenance classes. • Wayfinding & monitoring. • Community Engagement & Events including active travel promotions, annual summer bike ride, annual inter faith bike rides and support to community walking & cycling groups. • Developing Cycle Enfield legacy programme. 	Active Safe Efficient Green	1,600
<p>Local Transport Fund</p> <p>Schemes which address local priorities and the broad outcomes of the MTS.</p>	Active Safe	100
<p>Safe, Sustainable and Active School Travel</p> <ul style="list-style-type: none"> • School travel planning and in school road safety activities. • Design and delivery of physical measures around schools to encourage walking and cycling. 	Active Safe Efficient	80

Programme Area Schemes	Related MTS Outcomes	Allocation (£,000s)
Vision Zero <ul style="list-style-type: none"> Design and delivery of road safety schemes at priority locations. Safer Freight initiatives including promotion of the Freight Operator Recognition Scheme, Exchanging Places events, CPC Safe Urban Driver Training. 	Active Safe Efficient	150
Total	-	2,684

Note - The full Mayoral Outcomes are:

Mayoral Priority	no.	Mayoral Outcomes
Healthy Streets and healthy people	1	Active - London's streets will be healthy and more Londoners will travel actively
	2	Safe - London's streets will be safe and secure
	3	Efficient - London's streets will be used more efficiently and have less traffic on them
	4	Green - London's streets will be clean and green
A good public transport experience	5	Connected - The public transport network will meet the needs of a growing London
	6	Accessible - Public transport will be safe, affordable and accessible to all
	7	Quality - Journeys by public transport will be pleasant, fast and reliable
New homes and jobs	8	Good Growth - Active, efficient and sustainable travel will be the best option in new developments
	9	Unlocking - Transport investment will unlock the delivery of new homes and jobs

15. It should be noted that the vast majority of the proposed programmes and schemes support the uptake of active and sustainable travel modes so, as well as addressing the outcomes in the Mayor's Transport Strategy, they contribute to the Council's commitment in relation to addressing the effects of climate change; transport generates a significant amount of greenhouse gas emissions (33% of UK CO² emissions in 2018). This is a good example of how we are aligning the delivery of the LIP programmes, projects and activities with that of the Council's Climate Change Task Force and our aim to be a carbon neutral local authority by 2030 and carbon neutral borough by 2040.
16. Given that the details of the schemes to be delivered under each programme are dependent on what has or has not (taking into account Covid-19 impacts) been delivered in 2020/21, in some instances, for example the Cycle Enfield main programme, the final schemes will not be confirmed until early 2021. This approach is consistent with previous years.

Main Considerations for the Council

17. Below are set out implications in respect of:
- Safeguarding – None identified.
 - Public Health – Positive.
 - Equalities – Mainly positive with one potential negative impact which can be assessed and mitigated if necessary.

- Environment and climate change – Overall positive with negative implications offset by carbon reduction benefits.
- Financial – Positive.
- Legal – Neutral as they confirm the proposals are within the Council's powers and duties.

Safeguarding Implications

18. None identified.

Public Health Implications

19. Transport is one of the fundamental determinants of health; it may be health-damaging or health promoting. The LIP programme and schemes as outlined here will make transport in Enfield much more health-promoting by increasing physical activity and reducing the health costs of motorised transport. It will increase physical activity by making this part of everyday life e.g. walking or cycling as a normal, everyday transport mode. Achieving a modal shift towards active travel will also reduce the health damaging effects of motorised transport e.g. road traffic injuries, air pollution, community segregation and noise. Such is the effect of physical activity upon health that it has been calculated that a modal shift to levels of active transport in The Netherlands would save the NHS £17 billion per year. This would be achieved through savings in treating Type 2 diabetes, heart disease, stroke, some cancers, musculo-skeletal disease and dementia. Improving the walking and cycle infrastructure would also be likely to positively impact upon health inequalities as income or wealth would become a less significant factor in a person's ability to travel within the borough e.g. access to employment, healthcare, social networks etc.
20. Reducing obesity is a priority for Enfield, as outlined in the Borough's Health and Wellbeing Strategy. 61.4% of adults are classified as overweight or obese (ALS, 2016). Data for academic years 2014/15 to 2016/17 shows that the average prevalence of excess weight in year 6 pupils is 41.5%. This is higher than London (37.9%) and England (33.87%) averages. If left unchanged, this will lead to serious health complications later in life, such as diabetes, heart disease and cancers.
21. Creating an environment where people actively choose to walk and cycle as part of everyday life can have a significant impact on public health and has the potential to reduce health inequalities. It is an essential component of a strategic approach to increasing physical activity and may be more cost-effective than other initiatives that promote exercise, sport and active leisure pursuits.
22. Increased walking and cycling offers many other advantages including cleaner air, less noise, more connected neighbourhoods, less stress and fear, and fewer road traffic injuries.
23. More walking and cycling also has the potential to achieve related policy objectives:
- Supports local businesses and promotes vibrant town centres
 - Provides a high-quality, appealing public realm

- Reduces road danger and noise
 - Increases the number of people of all ages out on the streets, making public spaces seem more welcoming and providing opportunities for social interaction and children's play
 - Provides an opportunity for everyone, including people with impairments, to exercise and enjoy the outdoor environment.
24. There is an extensive evidence base for effective action on active travel. The most relevant review has been conducted by the National Institute for Health and Care Excellence, looking specifically at local measures to promote active transport¹.
25. Overall the programme and schemes proposed will help us improve the ease in which we travel in the borough, encourage sustainable and active travel helping us to manage environmental problems related to congestion, local air quality, reduce our impact on climate change and improve health, safety and accessibility for all in our communities. This supports Public Health's efforts to embed Health in all Policies across the Council.

Equalities Impact of the Proposal

26. The Council's Local Implementation Plan 3 (LIP) was supported by an Equality Impact Assessment (EqIA). The EqIA examined the proposed strategy, socio-demographic data gathered in relation to the LIP and the available information on the outcomes of the policies. Based on this, and using professional judgement, it identified several disproportionate impacts that may occur on Equalities Groups because of the implementation of the proposed strategy.
27. The key beneficial impacts relate to:
- Measures to encourage active travel, particularly to and from schools, will benefit people in many of the protected groups. The health benefits to many older and/or disabled people with respiratory illnesses will be greater than for the general population. Similarly, children and young people are particularly vulnerable to air pollution as their respiratory systems are still developing, and therefore also will benefit disproportionately. The health benefits for children from greater participation in active travel also will be greater than for the general population.
 - Actions to improve air quality are likely to benefit older and/or disabled people with respiratory illnesses more than for the general population. Similarly, children and young people also will benefit disproportionately.
 - Managing growing demand for on-street parking may benefit some of the protected groups, especially where they are afforded greater priority in parking allocations.
 - Older people, children and disabled people are more vulnerable road users, and will disproportionately benefit from improvements in road safety.

¹ National Institute for Health and Care Excellence. Walking and cycling: local measures to promote walking and cycling as forms of travel or recreation. London 2012.

- Policies to improve the reliability and accessibility of public transport will benefit protected groups with a greater reliance on public transport than the public at large to a disproportionate extent.
28. The EqIA identified that there may be an adverse impact on people on lower income due to increases in parking charges as part of policies to manage on-street parking. This will need to be assessed further to understand the actual impact (including whether proposed charges are significant in terms of the overall running costs of a private car), particularly given that low income groups are less likely to own a car, with any potential mitigation balanced against the wider aims of the LIP including the intention to reduce health inequalities.

Environmental and Climate Change Considerations

29. The table below provides an overview of environmental and climate change considerations.

Consideration	Impact of Proposals
Energy consumption in delivering service	Neutral There are no changes proposed to the current service delivery arrangements.
Measures to reduce carbon emissions	Positive Transport generates a significant amount of greenhouse gas emissions (33% of UK CO ₂ emissions in 2018). The proposals will allow funding to be used to deliver programmes and schemes which: <ul style="list-style-type: none"> • Encourage active travel. • Reduce private vehicle trips. • Support switching to low emission vehicles.
Environmental management	Neutral The main impact will be in the construction of new projects and the resultant embedded carbon. Consideration will be given to using recycled materials and providing green and blue infrastructure features. However, the main offset will be a forecast reduction in the use of private vehicles as noted above.
Climate change mitigation	Neutral There is no expectation that long term contracts will be entered into. Where possible schemes will be delivered using approaches and materials which mitigate long term climate change impacts. This will include providing green and blue infrastructure features.

Risks that may arise if the proposed decision and related work is not taken

30. Several risks have been identified:

Risk Category	Risks
Strategic	The Council cannot deliver elements of its Climate Action Plan including: <ul style="list-style-type: none"> - Increasing active and sustainable travel. - Increasing electric vehicles charging provision.
Financial Reputational	Not agreeing a programme and making an annual spending submission will mean the Council cannot access a significant source of funding. This will also impact on the Council's reputation as one which can successfully deliver large programmes and schemes, potentially jeopardising future funding.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

31. Several risks have been identified:

Risk Category	Comments/Mitigation
Strategic	<p>Risk: There is a significant change in regional or local priorities and / or funding allocations</p> <p>Mitigation: Funding utilisation starts from 1st April 2021 so, should there be a change in funding allocation or regional priorities, there is an opportunity to make changes to the schemes and funding allocations in order to respond to unforeseen circumstances and changing priorities.</p>
Financial	<p>Risk: Not agreeing a programme and making an annual spending submission will mean the Council cannot access a significant source of funding.</p> <p>Mitigation: Agree programme and make annual spending submission to TfL.</p>
Reputational	<p>Risk: The Council does not deliver schemes and / or fully utilise time bound LIP funding</p> <p>Mitigation: There will be robust programme and project management as well as regular political engagement. In addition there is an opportunity to make changes to the schemes and funding allocations in order to respond to unforeseen circumstances and changing priorities</p>
Regulatory	Risk: Failure to comply with statutory requirements.

Risk Category	Comments/Mitigation
	Mitigation: As outlined the LIP programme, once agreed, will meet statutory requirements

Financial Implications

32. Expenditure (once approved by Transport for London) will be fully funded by means of direct grant from TfL. The funding arrangements are governed through the TfL Borough Portal and no costs fall on the Council. The release of funds by TfL is based on a process that records the progress of works against approved spending profiles. TfL makes payments against certified claims as soon as costs are incurred, ensuring the Council benefits from prompt reimbursement.
33. LIP financial assistance is provided by TfL under Section 159 of the GLA Act 1999. The funding is provided to support local transport improvements that accord with the Mayor's Transport Strategy Goals and Outcomes.
34. Use of the funding for purposes other than those for which it is provided may result in TfL requiring repayment of any funding already provided and/or withholding provision of further funding. TfL also retains the right to carry out random or specific audits in respect of the financial assistance provided.
35. Under current arrangements, delegated authority is given to boroughs to move funds within transport areas or, subject to limits between areas, subject to approval by TfL. Underspends occurring during a financial year are normally returned to TfL and there is no presumption given that funding not required in a particular year can be carried forward.
36. It should be noted that the Covid-19 crisis has had a significant immediate and ongoing impact on TfL's finances, in particular a significant reduction in revenue. For 2020/21, TfL will be reliant on direct Government support (which was withdrawn in 2018/19) and it is uncertain whether they will return to being self-financing in the near to mid-term. This could have a material impact on the level of funding available for the LIP programme. However, a key element of TfL's Covid-19 recovery plan was enabling the boroughs to deliver local schemes, which recognises their importance as delivery agents for wider transport priorities. Therefore, the assumption is that funding for boroughs to continue delivering programmes and schemes will remain a priority for the Mayor and TfL.

Legal Implications

37. The current Mayor's Transport Strategy (MTS3) provides the framework for the development of Local Implementation Plans (LIPs) by London boroughs; it also provides the basis for the assessment of grant applications.
38. Section 144(2) of the GLA Act allows the Mayor to issue guidance as to the implementation of the MTS to any London borough council, all of which are required to have regard to the guidance in exercising any function. The

guidance typically has as its focus the preparation of the LIPs by the boroughs.

39. The functions relevant to the preparation of the LIP guidance were delegated to TfL pursuant to section 38 of the GLA Act by MD2081. Approval of the final version of the LIP guidance for publication is reserved to the Mayor.
40. The requirements for a LIP are set out in section 145. In addition to containing the borough's proposals for the implementation of the MTS in its area, the LIP shall include a timetable for implementing the different proposals in the plan and the date by which all proposals will be implemented.
41. When approving a LIP, the Mayor must ensure that it is consistent with the MTS, that the proposals that it contains are adequate and that the timetable for implementation and the deadline by which the proposals are to be implemented is adequate. The LIP Guidance has been drafted so as to assist the boroughs with complying with the statutory requirements and the criteria against which the Mayor is required to assess a LIP. If LIPs are produced which do not meet the statutory requirements, the Mayor may use his powers of direction in ss 147 and 150 and may even step in and produce the LIP himself although the purpose of the LIP Guidance is to avoid such scenarios.
42. Under the GLA Act, the Mayor is empowered, through TfL, to provide grants to London Boroughs to assist with the implementation of the Transport Strategy. TfL are charged with responsibility of ensuring that the key rationale for allocating grants is the delivery of the MTS3.
43. The generic matters to which TfL will have regard in allocating financial assistance and the generic conditions that will apply to any such assistance are:
 - Under Section 159 the GLA Act, financial assistance provided by TfL must be for a purpose which in TfL's opinion is conducive to the provision of safe, integrated, efficient and economic transport facilities or services to, from or within Greater London.
 - In order to ensure this purpose is met, TfL may have regard to the following matters when exercising its functions under Section 159:
 - Any financial assistance previously given
 - The use made by the authority of such assistance
 - Conditions - Section 159 (6) of the GLA Act also allows TfL to impose conditions on any financial assistance it provides and in specified circumstances to require repayment. Other more detailed conditions may be imposed that relate to particular projects.
44. The proposals contained in this Report are within the Council's powers and duties.

Workforce Implications

45. None identified.

Property Implications

46. None identified.

Other Implications

47. None identified.

Options Considered

48. None.

49. The Council is required to submit a programme of work with supporting schemes in order to access any Local Implementation Plan Funding which might be allocated to Enfield for 2021/22. Therefore, a compliant submission is being proposed.

50. When considering the proposals, it should be noted that the Local Implementation Plan (LIP) is a statutory document arising from the GLA Act 1999. Each borough's LIP covers proposals to implement the Transport Strategy of the Mayor of London (MTS), locally within the area of each borough. Therefore, the proposals in this report are essentially constrained within two determinants:

- Firstly, the submission is constrained by TfL's Local Implementation Plan (LIP) Annual Spending Submission Guidance.
- Secondly, to meet the adequacy test required for Mayoral approval (GLA Act section 146(3.b)), each LIP sets out the proposals for implementing the Mayor's Transport Strategy. The adequacy of Enfield's proposals, from the perspective of the Mayor's Transport Strategy (MTS 3), is secured by virtue of the fact that Enfield's LIP has now been approved by the Mayor of London.

Conclusions

51. This report sets out the outline programme for utilising funding from Transport for London to deliver the Mayor's Transport Strategy outcomes within Enfield. It seeks Cabinet approval for this programme and delegation of authority for approval of a more detailed programme prior to implementation.

52. By agreeing these proposals the Council will be able to access third party funding, the amount of which is still to be determined, which can be used to deliver programmes and schemes which will have beneficial impacts on public health and climate change.

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Date of report: 04/09/20

Appendices

None.

Background Papers

None.

London Borough of Enfield**Cabinet****16th September 2020**

Subject: Appointment of a main contractor framework to carry out HIF works at Meridian Water**Cabinet Member: Cllr Nesil Caliskan****Executive Director: Sarah Cary****Key Decision: 5181**

Purpose of Report

1. The purpose of this report is to seek approval for the entry by Council into a framework agreement with selected contractors in relation to the delivery of a programme of strategic infrastructure works at Meridian Water. The framework agreement will enable the Council to call off contracts for the delivery of Housing Infrastructure Fund (HIF) works at Meridian Water. Procurement approach was approved under delegation of Cabinet (see Background section).
2. It is envisaged that the majority of the works will be forward funded by the Council and reimbursed by the Housing Infrastructure Fund and will comprise phases instructed separately in accordance with the framework terms. The framework also enables the Council to call off works that are not funded by the Housing Infrastructure Fund. This report seeks further approval to award a Pre-Construction Services Agreement (PCSA) and, subject to satisfactory performance of PCSA obligations, a subsequent NEC4 construction contract for the first phase of works. The report also seeks approval to delegate authority to award subsequent contracts under the framework to the Programme Director - Meridian Water in consultation with the Acting Executive Director of Resources and Director of Law and Governance.

Proposal(s)

3. Approve the entry by the Council into a Contractor Framework Agreement with Bidder A, Bidder B and Bidder C (see Confidential Appendix for names of the bidders) in relation to the delivery of a programme of strategic infrastructure works at Meridian Water.
4. Approve the entry by the Council into a pre-construction services agreement (PCSA) (for the first phase or the whole package of works) in

accordance with the call-off provisions of the framework. The maximum contract value of the (first) PCSA is set out in the confidential appendix to this report.

5. Subject to satisfactory performance by that contractor of its obligations under the PCSA and availability of funding from MHCLG delegate authority to award the NEC4 contract under the framework to Programme Director - Meridian Water in consultation with the Lead Member for Meridian Water, Acting Executive Director of Resources and Director of Law and Governance. The estimated contract value is set out in the confidential appendix to this report. Should the Council consider to fund the first part or phase of works at its own risk in case HIF funding is not available (agreement not unconditional), a separate authority report will come forward to recommend a decision.
6. Subject to availability of sufficient funds, delegate authority to award subsequent variations to scope, PCSA and NEC contracts under the framework up to a value of £135m to Programme Director - Meridian Water in consultation with the Acting Executive Director of Resources and Director of Law and Governance.
7. Note that the expenditure is to be funded from within the Capital Programme and up to £116m is intended to be reimbursed from the Housing Infrastructure Fund (HIF funding). The Council will be required to forward fund any costs and, until the HIF Grant Determination Agreement is entered into and conditions to funding are satisfied, the Council will be funding at its own risk. The Council will be unable to claim HIF funding for any works completed after 31st March 2024 or for works which do not comprise part of the Council's HIF bid.

Reason for Proposal(s)

8. Strategic infrastructure including remediation, flood alleviation and construction of roads, bridges, utility infrastructure is required in the early stages of the programme to unlock further development at the Meridian Water scheme. The proposal will facilitate housing development, boost the local economy and employment, and contribute to the health and wellbeing of local communities.
9. It is intended that £116m of infrastructure works will be funded by the Housing Infrastructure Fund. It will be a requirement of HIF Grant Determination Agreement that the funding is claimed by 31st March 2024. The Council will be unable to claim HIF funding for any works completed after 31st March 2024. The Council therefore needs to appoint a contractor to commence the Strategic Infrastructure Works in time in order to claim 100% of the funding available to it. The works are estimated to take around 40 months on site to complete.
10. The framework approach allows the Council the flexibility to instruct specific works and services as and when they are required and doesn't commit the Council to instructing the individual works packages until a call-off contract

has been signed. At its meeting on 25th July 2018, Cabinet delegated to the Programme Director of Meridian Water (in consultation with the Director of Law and Governance) the decision to authorise the contractor procurement procedure for HIF delivery works. Procurement and Commissioning Board approved the procurement and agreed the proposed lean Competitive Dialogue Process with a two-stage contract approach (see operational report KD 4782 'MW Strategic Infrastructure – Contractor Procurement HIF non-rail'). See Background for details on procurement approach.

Relevance to the Council's Corporate Plan

11. Good homes in well-connected neighbourhoods

The recommendations in this report will enable the delivery of the strategic road infrastructure and flood alleviation works. The construction of these key pieces of infrastructure will unlock new housing development in Meridian Water.

12. Safe, healthy and confident communities

The scope of works does include several green spaces linking up with existing green spaces in the area and thereby enhancing the value of the local green infrastructure. The programme of works also includes cycling provision and enables leisure opportunities to be realised.

13. An economy that works for everyone

The delivery of strategic road and flood alleviation works will unlock the Meridian Water area and significantly increase accessibility of the site, especially by public transport. It is expected that increased accessibility will support local businesses, as well as attract new jobs and business growth in the area supporting Enfield residents and the local economy. As part of the procurement, bidders were asked specifically to explain how they will make best use of the opportunities created by the project to contribute to the delivery of sustainable social value outcomes. Their responses were evaluated as part of the scoring.

Background

Introduction

14. In July 2018, Cabinet Approved the scope of Housing Infrastructure Fund, a central government funding programme enabling a delivery of strategic infrastructure at the Meridian Water scheme (see Housing Infrastructure Fund Cabinet Report dated 25 July 2018 (KD 4711)). It also approved planning strategy for HIF delivery works and delegated authority to the Programme Director – Meridian Water to authorise procurement procedure.
15. In early December 2018 a funding bid of £156m for the Housing Infrastructure Fund (HIF) was submitted to central government by the GLA on behalf of Enfield Council. The Housing Infrastructure Fund is a government capital grant programme from the Ministry for Housing, Communities and Local Government (MHCLG) aimed to unlock housing sites and help deliver new homes.

16. The scope of works proposed for HIF funding includes rail enhancement works amounting to a value of circa £40m (HIF Rail Works, which are outside the scope of this procurement) and strategic road and flood alleviation works for a value amounting to circa £116m (HIF Site Works). These works are required as a first phase of strategic infrastructure to unlock housing delivery in Meridian Water. The delivery of the HIF Site Works (as well as additional non-rail infrastructure works not funded by HIF up to a possible total framework value of £135m) is the subject of this report, a separate authority report will come forward recommending appointing a rail contractor.
17. In August 2019 Central Government announced that Enfield Council have been successful in their HIF bid for the full amount of £156m, subject to agreement of detailed terms and satisfaction of funding conditions. Negotiations between MHCLG and the Council are at an advanced stage and it is anticipated that the Grant Determination Agreement will be signed by Q4 2020. At its meeting on 12th February 2020 Cabinet delegated authority to the Programme Director – Meridian Water (in consultation with the Director of Law and Governance) to finalise the terms of the grant agreement and it further delegated authority to the Director of Law and Governance to enter into the grant agreement with MHCLG.
18. All funding for the HIF works must be claimed before the 31st March 2024. The Council will not be reimbursed for any works that are completed after this date. To ensure timely delivery ahead of the funding deadline, contractors need to be appointed to the framework and the PCSA (for the first phase or the whole package of works) by October 2020. If the Council is unsuccessful in entering into HIF Grant Determination Agreement or satisfying conditions to funding, the scope and phasing of the works will need to be reviewed. The framework approach doesn't commit the Council to instructing all or any of the proposed works and in the event of no funding or part of the funding being secured, some works could still be called off under the framework, subject to available LBE budget.
19. Cabinet decision dated 12 February 2020 (KD 5085) delegated authority to the Meridian Water Programme Director in consultation with the Director of Law and Governance to enter into agreements for additional grants associated with Meridian Water infrastructure delivery.
20. The Grant Determination Agreement is in advanced draft and is expected to be entered into in Q4 2020. Report KD5085 will be coming forward to progress this. The Council holds regular briefings to update MHCLG on the programme, progress of procurement, design, and expected or obtained consents such as planning permission or the compulsory purchase order (CPO).

Team

21. The Meridian Water Team has appointed a civil engineering-led multi-disciplinary team with the expertise and experience to lead the HIF bidding process and support with the design, planning and procurement of the strategic road and flood alleviation works.

22. A separate procurement has been completed to appoint contract management services for this contract. This report (KD 5170) will ensure high quality project and cost management is applied to the construction contract.
23. The contractor procurement was carried out in close collaboration with the Council's internal Legal and Procurement teams and with the legal support of Trowers & Hamlins LLP. This to ensure the procurement process is carried out in compliance with OJEU and the Council's Contract Procedure Rules.

Scope of Works

24. The strategic road and flood alleviation works put forward for HIF funding comprise significant infrastructure works across the Meridian Water site (see Appendix 1 for indicative SIW Plan):
 - a. Strategic highways and junctions, including the Central Spine road;
 - b. Strategic bridges including bridges over the brooks, the Lee Navigation Canal and over the railway next to Leaside Road;
 - c. Strategic flood management works including the re-profiling of the section of the Lea Valley Regional Park and canalised brooks and specific green corridors and local park within the site;
 - d. Strategic utilities and drainage and off-site connections and reinforcement;
 - e. Enabling works, including demolition, site clearance, bulk earth-moving and construction of temporary accesses to existing businesses.
25. In addition to the strategic road and flood alleviation works put forward for HIF funding, further strategic infrastructure works have been identified that could be required during the lifetime of the framework agreement. Currently estimated value of HIF Funded works is £116m. There is scope in the framework to award £35m additional infrastructure works not funded by HIF (subject to a future Cabinet authority and available budget).
26. The scope of works put forward for HIF funding is worked up to the level of a Developed Design (RIBA Stage 3) and has been costed by an independent cost consultant.
27. At this stage of the project, some extents of the works are uncertain, and an appropriate contingency allowance has been included in the cost plan to cover the associated risks. The uncertainties are related to essential pieces of design information that are forthcoming:
 - a. Ground investigation surveys
 - b. Sustainable design requirements
 - c. WAML bridge

d. Substation placement

CPO

28. The scope of works includes work located on privately owned land. The landownership map is attached to the Confidential Appendix of this report. The Council aims to acquire third party land by private treaty, but it is acknowledged that the Council may be required to use its compulsory purchase powers to acquire the necessary parcels of land.
29. On 22nd January 2020 Cabinet (KD 4832) authorised a CPO for the delivery of Strategic Infrastructure Works (SIW) at Meridian Water, subject to delegations. In August 2020, making of the CPO was approved by Programme Director – Meridian Water. The CPO was made on 13th August 2020.
30. Negotiations with private landowners are progressing to acquire the land and/or interests required to carry out the HIF Works by private treaty. In parallel a CPO strategy and programme has been prepared and the CPO made, to make sure the Council can assemble required land in case agreement by private treaty is not reached. The Council currently secured ownership of circa 44 acres or 72% of the land within the CPO area that is to be acquired.
31. The CPO Programme is dependent on the adoption of the Area Action Plan, and the grant of planning permission for the HIF works and Phase 2. On 29th January 2020, the Council adopted Edmonton Leaside Area Action Plan (ELAAP). On 22nd July, planning permission was granted for the SIW application. On 24th March the Local Planning Authority resolved to grant planning permission for Phase 2 subject to several Section 106 agreement and Stage 2 referral process. No significant impediments are anticipated to satisfy these conditions.

Procurement Process and Contract Approach

32. Procurement and Commissioning Review Board approved the procurement and agreed a lean Competitive Dialogue Process with a two-stage contract approach. The Procurement process and contract approach was subsequently approved by the operational decision KD 4782 'MW Strategic Infrastructure – Contractor Procurement HIF non-rail'.
33. The framework approach allows the Council the flexibility to instruct specific works and services as and when they are required and doesn't commit the Council to instructing the individual works packages until a call-off contract has been signed. Trowers and Hamblins LLP have advised that the Framework approach is suitable for the scope of works, given that the funding, the exact design and the land acquisition will not have been confirmed at the point of commencing the procurement.
34. Contract Notice was issued on 31 October 2019. The procurement process was a Competitive Dialogue process to set up a framework of 3 providers. The Contract notice contained the 'Selection Questionnaire' (SQ) for return

on 9 December 2019 and the draft 'Invitation to Participate in Dialogue Documents', the purpose of the SQ was to enable a shortlist of bidders.

35. Four bidders returned selection questionnaire on 9 December 2019. The return was evaluated by senior officers in Enfield Council, including members of the Meridian Water Team and 'Corporate Maintenance & Construction Team' and Enfield external consultants. The evaluation was moderated by the Procurement and Commissioning Hub who also assessed the non-scored sections of the Questionnaire.
36. Four bidders were subsequently shortlisted to proceed to the dialogue stage. However, one of the suppliers declined to submit due to other commitments, therefore 3 contractors proceeded to the dialogue stage which was held between 17th February and 25th February 2020.
37. The Final Tender was issued on 27 March 2020 and returned on 15 May 2020. The tenders were evaluated against criteria below:

Criteria	Weight
Technical score	35%
Legal	10%
Sustainability	5%
Social Value	5%
Price (comprising 15% robustness + 30% pricing submission)	45%

38. The tender return was evaluated by panels comprising senior officers in the Meridian Water Team and Enfield's professional consultants. Separate evaluation panels were set up for the Technical Section, Legal, Social Value, Sustainability and Price. Panels were briefed in scoring.

Panels included:

- Meridian Water Delivery Director;
 - Highways representative;
 - Legal Services representative;
 - Specialist sustainability and social value officers in the Meridian Water team;
 - External consultants including: the project architect, engineer, landscape architect and the project manager.
 - Procurement oversaw the process and carried out moderation meetings on the tender returns to agree the scoring.
39. Three bids were received from acceptable bidders, all of which have relevant experience and are suitable to carry out the Strategic Infrastructure Works. All provided compliant bids and met the Council's minimum requirements. Bids received included technical responses on quality and resource, as well as proposed programmes, risk and opportunities registers, and sustainability component. The bidders provided a social value score using the social value portal and also

marked up the legal documentation for scoring. The bids received were high quality, demonstrating that the bidders had spent adequate time compiling the information.

- 40. See Confidential Appendix for scores.
- 41. See Confidential Appendix for Contract details.

Main Considerations for the Council

- 42. The proposal will positively contribute to the Council's priorities (see 'Relevance to the Corporate Plan').
- 43. Timing is essential to deliverability and funding of the proposal (see 'Reasons for the Proposal(s)'). The contractors need to be appointed at this time to provide enough time for satisfaction of funding conditions and unlock subsequent development.
- 44. The appointment is based on rigorous tender process and ensures the most economically advantageous proposition for the Council (see 'Background' and Confidential Appendix).

Safeguarding Implications

- 45. The recommendations in this report do not have any safeguarding implications. Pre-Construction Health and Safety Information was included in the tender information.

Public Health Implications

- 46. Meridian Water is poorly connected by public transport, walking and cycling and although the site lies adjacent to the North Circular Road and Meridian Way, a strategic north-south route, the central and eastern part of the site have no direct connection to the proposed railway station, the most important piece of new infrastructure. The intervention proposed for the development should address these site constraints and design-in foundations to prioritise walking and cycling. The infrastructure designs should be grounded on an urban structure that improves the environment and to encourage healthy lifestyle. The utilities corridor should also be designed to provide specs for smart technologies, introduce suitable energy infrastructure to help residents save energy bills and improve air quality.

Equalities Implications

- 47. The construction contracts will require compliance with the Council's Equality and Diversity Policy.

48. As part of the Selection Questionnaire, bidders were asked how their organisation has previously added Social Value to projects of similar size and scope, in particular with achievements and initiatives with respect to the outcomes such as: a workforce and culture that reflect the diversity of the local community; social Value embedded in the supply chain; vulnerable people are helped to live independently; more working with the community; and other. All bidders have passed Selection Questionnaire stage. All bidders had to be gold members of Constructionline. Constructionline members must pass a prequalification process which includes questions on equalities policies, confirms compliance with the Equalities Act 2010 and requests details of unlawful discrimination.
49. Impact on parties currently operating on the land where the SIW will take place was analysed through Equalities Impact Assessment (EQIA) in relation to the CPO. The initial EQIA was conducted in December 2019 internally by the Council, with a subsequent extensive review by external consultant Ottaway Strategic Management in March 2020. Both assessments identified no direct negative impact of the CPO. Please see KD 4832 (January 2020) Cabinet and (July 2020) Operational reports for details.

Environmental and Climate Change Considerations

50. Sustainability and climate change considerations were built in tender evaluation criteria:
 - a. Bidders were required to set out the practical approaches they will take to deliver best practice standards of sustainability and help achieve the key environmental sustainability outcomes for Meridian Water: Carbon positive (beyond net zero carbon emissions), Climate resilient, Radical increase in biodiversity, Zero waste & circular economy by design.
 - b. All Final Tenders were be required to confirm they are able to meet a minimum of CEEQUAL Very Good Rating (or equivalent). CEEQUAL is the international sustainability assessment, rating and awards scheme for civil engineering, infrastructure, landscaping and works in public spaces.
51. Planning Committee has reviewed the application for Strategic Infrastructure Works and noted that the development has regard to climate change and seek to address some of the key elements to delivering a sustainable development at Meridian Water by:
 - a. Proposing a comprehensive strategy to address flood risk;
 - b. Improving connectivity and opportunities for active travel thus reducing reliance on the motor vehicle;
 - c. enhancing the biodiversity value of the site through the naturalisation of part of Pymmes Brook and the creation of two new parks;

- d. provision of the necessary infrastructure to facilitate future connectivity to the decentralised energy network.
- 52. Tender was for construction only; however, it is agreed to move forward with design and construction award due to the amount of design which can still be done alongside a CEEQUAL assessor.
- 53. Currently the highest ranked bidder is targeting a score of 92% (over 90% is rated as excellent) prioritising management, pollution, resources, transport and innovation.

Risks that may arise if the proposed decision and related work is not taken

- 54. **The Council will need to fund (all or part of) SIW at its own cost.** If no contractor can be appointed to commence services/works in relation to the SIW, this is likely to mean that construction will be delayed such that works might extend beyond 31st March 2024 – the deadline for funding of costs by HIF grant. The Council will be responsible for meeting costs of works that extend beyond 31st March 2024.
- 55. **The Council may be required in future to pay back any HIF grant advanced and further funding may be withheld.** Infrastructure start on site and completion will be milestone dates in the HIF grant contract (GDA) so if the Council fails to meet these dates and MHCLG determines that such failure amounts to a breach of the Council's obligations, then the Council may be required to pay back any grant already advanced and further funding may be withheld.
- 56. **The Compulsory Purchase Order and HIF grant are put at risk.** The Council must evidence delivery of the scheme for the CPO – no appointment now may weaken the CPO case and jeopardise the CPO. It is a condition of HIF funding that the Council has assembled all the land in the infrastructure site to deliver the HIF works (SIW). Failure to make the CPO in time would highly likely result in HIF funding becoming unavailable.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- 57. **Risk: The Housing Infrastructure Fund is not or only partially secured.**
The Council will be required to forward fund any costs and, until the HIF Grant is entered into and relevant conditions are satisfied, the Council will be funding at its own risk. Programme Director Meridian Water has a delegated authority to approve terms and conditions of the grant agreement. Cabinet decision dated 12 February 2020 (KD 5085) delegated authority to the Meridian Water Programme Director in consultation with the Director of Law and Governance to enter into agreements for additional grants associated with Meridian Water infrastructure delivery. Confirmation from Central Government on whether Enfield Council/GLA have been successful in securing the HIF funding is

expected in Summer 2021. Should none of the HIF funding be secured, the tendered works and the chosen procurement process will need to stop. **Mitigation:** HIF costs are included in the detailed budget for the Meridian Water Programme for the financial years 2020-2021 and 2021-2022 and the indicative 10-year budget. If HIF funding is not or only partially secured, the Council will look to secure GLA funding, private funding and/or council funding to fund the HIF Works. The officers are satisfied that the progress made to date provides confidence in satisfying outstanding HIF grant conditions by Summer 2021, with their terms and wording being continuously negotiated. None of the work undertaken as part of HIF delivery will be abortive and will contribute to strengthening the deliverability of scheme. If the amount of money available is materially lower, the scope of works for the strategic infrastructure works may be reviewed. The framework approach doesn't commit the Council to instructing all or any works and in the event of no funding or part of the funding being secured, some works could still be called off under the framework, subject to available LBE budget.

58. **Risk: Land in private ownership**

The scope of works includes works located on privately owned land. If land is not made available on time through acquisition, CPO or other contractual arrangements the full scope of works can't be carried out or delivery of works will be delayed. In the event that the Council proceeds with works prior to confirmation of availability of funding and possession via CPO, land ownership become a risk.

Mitigation: The Framework Agreement allows the Council to call off specific works and services if and when required and does not commit the Council to instructing works until call-off contract is signed. This allow the Council to only instruct work if and when land is available for the delivery of the proposed works. The bidders were provided with a phasing and constraints documents which structured the access dates and land ownership constraints set upon the SIW. The phasing will be structured to mitigate risk to the Council, committing it only to the works on land which is under the Council's ownership or rights.

59. **Risk: Limited competition**

Once the preferred Contractor is appointed under the PCSA and works contract, the main lever of competitive peer-to-peer competition is lost.

Mitigation: The framework documents include a number of mechanisms to help ensure value for money in the framework agreement (see KD 4782). Robustness of each bidder's financial offer has been ensured through the tender criterion. Furthermore, active contract management and cost scrutiny for the duration of the project will help ensure value for money for the Council. Key performance indicators (KPI) will be implemented to manage Call-Off Contracts, with a right to disqualify a Contractor in case of failure to achieve Project KPI. If the First Ranked contractor defaults on KPIs, there is an opportunity to appoint Second or Third ranked contractor through the cascade provisions in the framework contract.

60. **Risk: Uncertainty on design information**

At this stage of the project, some extents of the works are uncertain. The uncertainties are related to essential pieces of design information that are forthcoming: Ground Investigation Survey, Full planning consent the WAML Bridge and Substation.

Mitigation: An appropriate contingency allowance has been included in the cost plan to cover the associated risk.

61. **Risk: Financial security of the appointed bidder**

The appointed bidder will have weak financial standing, impairing capability to deliver set out scope of works. Contractor will become insolvent.

Mitigation: All suppliers have undergone rigorous financial evaluation. As part of the IIT stage an assessment of economic and financial standing has been carried out to ensure suppliers are financially sound. Services are called off in smaller parts and instructed as when needs are identified, rather than fixed fee instructions in lump sums. Under the Framework the contractors have agreed to ongoing financial monitoring to monitor the risk. Performance will be supported by parent company guarantees as these will be required during the PSCA and contract periods. In the event of insolvency, the framework structure allows the council to award contracts to other framework contractors more quickly and conveniently than if it were required to rerun a new procurement. Therefore, in case of financial failure of the company, the Council's risk of financial exposure is very low.

62. See Confidential Appendix for other risks.

Financial Implications

63. The report proposes the Council enter into framework agreement with 3 selected contractors for the delivery of a programme of strategic infrastructure works at Meridian Water. The report seeks further approval to award a pre-construction services agreement (PCSA) for the construction and delivery of the first phase of infrastructure works.

64. The framework agreement referred to in this report is for the non-rail infrastructure works which includes strategic road and flood alleviation works across the Meridian Water site. These works are estimated to cost £116m and will be funded from the £156m HIF grant from central government.

65. The Council has received notification from government that the HIF funding application was successful for the full amount of £156m and are now in the process of putting in place a funding agreement with central government. The funding agreement allows the Council to draw down funds in accordance with the requirements in the agreement. Until the funding agreement has been completed and signed off the Council is unable to draw down any funds for infrastructure expenditure incurred to date or in the future.

66. The total estimated cost of the non-rail HIF works is £116m, for which there is currently an approved budget of £77m. A request for additional budget approval of £39m will be required in a separate report to Cabinet and full Council for the remainder of the works. To date the Council has spent just under £7m on HIF works which will be reclaimed once the funding agreement is in place. In the event the funding does not materialise the HIF works may need to be paused and the programme of works reviewed and revised. This will allow the Council to understand the financial implications of reduced or less HIF funding and consider the revised proposals.
67. The infrastructure works are split into phases, with the works and total value for each phase yet to be determined. There are still some unknowns to determine the full scope of works for each phase, but these will become clearer once the timing for the CPO land acquisitions are certain and the funding agreement is finalised.
68. The Council opted for a framework approach to procuring a main contractor to allow the flexibility to instruct works as required. The advice from Trowers and Hamlins LLP was a framework approach is suitable for the scope of works, funding arrangements and to consider the exact design and land acquisition will not have been confirmed at the point of commencing procurement.
69. The framework approach also allows to appoint several contractors in a ranked order. If the First Ranked contractor defaults on project objectives, there is an opportunity to appoint Second or Third ranked contractor through the cascade provisions in the framework contract.
70. In total there were 3 bidders who responded to the ITT and they were evaluated in line with the criteria set out in paragraph 40 in this report. In total 45% of the submission was evaluated based on price (15% robustness and 30% pricing submission).
71. In addition to the criteria the Council re-visited the financial assessments performed on the bidders at the SQ stage in December-19 to update for any changes and understand the impact COVID19 has had on the financial standing of each of the bidders.
72. The financial assessments performed at the SQ stage involved reviewing the financial statements of the bidders to ensure they have enough capital and financial standing to deliver works for the full duration of the contract/framework. These assessments included having a minimum turnover of £270m (twice the contract value) and achieving a minimum score for ratios that covered profitability, levels of debt and cashflow.

In addition to the review of the financial statements the Council ran Equifax credit reports for each bidder and set up monitoring updates should there be any changes to any of the bidder's credit reports. The Council also commissioned an external company to perform an all-round financial review of each bidder which includes a qualitative assessment of

their financials, and an opinion on their financial standing and risk of solvency.

All the bidders met the minimum requirements for the financial assessments and there were no major concerns raised from the credit reports or opinions provided on the financial standing and risk of solvency for each bidder at the SQ stage.

73. The financial assessments were reviewed again at the ITT stage as one of the bidders had published updated financial statements and the economic climate had changed significantly as a result of the COVID19 Pandemic. In order to understand the impact the pandemic has had on the bidders the Council asked them to provide details on the impact the pandemic has had on their business, the mitigations they have put in place to manage the situation, to provide updated management accounts and any changes to their order book. The responses were passed onto the external company to review and provide an opinion.
74. The updated information demonstrated that each bidder had been impacted by the pandemic, but they had taken a range of actions to protect themselves, from raising capital through the financial markets to increasing their credit facilities with banks. All bidders have had to make changes to their working practices on sites which has caused delays but had allowed them to continue working preventing prolonged delays.
75. The updated information did not materially change the Councils opinion on each bidder's financial standing and risk of solvency as they all had robust balance sheets, manageable debt levels and strong order books. The updates demonstrated they have taken action to mitigate the financial effects of the pandemic which would allow them to continue to operate in a sustainable way.
76. Whilst the Council has taken measures to assess the financial standing of all bidders and currently have the opinion, they have sound financial standing and a low risk of solvency, the full effects of the pandemic are yet to be fully understood. The opinions are caveated with the unknown impact of the pandemic which could have a detrimental impact on the bidders in the future. The Council will continue to monitor the financial status of each bidder throughout the contract.

Legal Implications

MD 25th August 2020 (based on report circulated at 16:02 on 24th August 2020)

77. The Council has obtained advice from external legal advisors Trowers & Hamlins LLP throughout the procurement process.
78. Pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs in its area with respect to the provision of further housing accommodation. The Council has the power

under section 13 of that Act to lay out and construct public streets or roads and open spaces on land acquired by it for housing purposes. Furthermore, 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. It is therefore considered that the Council has sufficient powers for the Council to implement the proposals set out in this report.

79. Any procurement must be conducted in accordance with the Council's Constitution, including the Contract Procedure Rules, and the Public Contracts Regulations 2015. The procurement was carried out by way of a competitive dialogue procedure. A competitive dialogue procedure may only be used if (a) the needs of the Council cannot be met without adaptation of a readily available solution; (b) they include design or innovative solutions; (c) the contract cannot be awarded without prior negotiation because of the specific circumstances related to the nature, complexity or legal and financial make-up because of risks attaching to them; (d) the technical specifications cannot be established with sufficient precision. KD 4782 sets out the rationale for use of the competitive dialogue procedure. A note justifying its use must be retained for use in the report required pursuant to Regulation 84 of the Regulations. Officers consider that the procurement process was fair, transparent, proportionate and non-discriminatory. As a result of the competitive dialogue process, the final contract position will differ from that initially presented to bidders, with some level of risk being transferred back to the Council. Officers are satisfied that the final contract position of each bidder is commercially acceptable and reflects an acceptable level of risk transfer to the Council. This position will be reviewed throughout the framework period and when agreeing any call-off contracts with the framework contractors.
80. It is proposed that the Council procure a framework of contractors to deliver the infrastructure works. Frameworks are permitted by and governed by Regulation 33(2) of the Public Contracts Regulations 2015. A framework is considered suitable for this procurement because of the variable scope of the works. The contract documents, including the framework agreement, clearly and unambiguously set out the process by which works packages will be awarded and the circumstances in which contracts may be terminated. There is no obligation on the Council to offer any works packages to any framework contractor.
81. The Director of Law and Governance is satisfied that the form of Framework Agreement, the PCSA and NEC4 construction contracts contain sufficient mechanisms to protect the Council in the event of contractor failure including but not limited to the following:
 - a. the Council has discretion not to award a PCSA contract or an NEC4 contract to any contractor that has suffered a disqualification event, including in the event of insolvency or material alteration of financial

- circumstances or if there has been unsatisfactory performance of existing contracts;
- b. there are wide powers to terminate the construction contracts including in the event of contractor insolvency, deterioration in financial circumstances or unsatisfactory performance;
 - c. contractor(s) instructed under the PCSA or NEC4 contracts will be required to provide a parent company guarantee in respect of their performance obligations. The covenant strength of the respective parent companies has been reviewed and confirmed as sufficient by the Council's Finance team;
 - d. the financial standing of each contractor has been checked and confirmed as satisfactory by the Council's Finance team and will be continuously monitored throughout the duration of the construction contracts in accordance with best practice recommended in central Government's Outsourcing Playbook;
 - e. Having taken specialist advice, officers have confirmed that they are satisfied that the contract documents include adequate insurance, liability and indemnity provisions.
82. It is intended that the strategic infrastructure works will be primarily funded from the Housing Infrastructure Fund (HIF). Any works instructed before confirmation of availability of funding will be undertaken at the Council's risk. Officers must ensure continued compliance with obligations in the HIF grant agreement relating to the delivery of infrastructure works.
83. The Council must ensure value for money in accordance with the Best Value Principles under the Local Government Act 1999.
84. Officers must ensure that the phasing of the infrastructure works forming the subject matter of this report is consistent with the Council's contractual obligations in respect of other development activity at Meridian Water as well as the Council's obligations as landlord.
85. In the absence of private treaty, and subject to Cabinet's approval, it is proposed to use the Council's compulsory purchase powers to acquire sites necessary for the implementation of the strategic infrastructure works. Detailed legal implications relating to the CPO are contained in the Cabinet report and delegated authority reports dealing with such matters. Any works phasing plan will need to consider the Council's land ownership and the timetable for any acquisitions.

Workforce Implications

86. Meridian Water team will undertake internal staff restructuring and appointment to oversee and manage HIF infrastructure works.

Property Implications

87. There are no property implications arising directly from this report however it is anticipated that there may be future Property Implications as each section of the works progresses. Any future reports arising as a result of these proposals will need to be further reviewed and when property transactions are included Strategic Property Services will comment on the individual deals.

Other Implications

88. Procurement Implications

The procurement was undertaken using the London Tenders Portal (ref DN372948) under an OJEU process overseen by the Procurement and Commissioning (P&C) Hub.

The Prior Information Notice (PIN) for the contract was issued on 5 April 2019, followed by a Contract Notice on 31 October 2019. The procurement process was a Competitive Dialogue process to set up a framework of 3 providers.

Following the Selection Questionnaire evaluation, 4 bidders were shortlisted to tender, one bidder withdrew from the process citing other commitments.

Three bidders proceeded to Dialogue stage. The dialogue was held in two rounds, the first round was technical, financial and sustainability matters, the second round was legal matters. Following completion of Dialogue, the final tender was issued on 27 March 2020 and returned on 15 May 2020. The tender return was evaluated by panels comprising senior officers in the Meridian Water Team and Enfield's professional consultants. The financial section of the tender was evaluated by Enfield's professional consultants.

The award of the framework contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

The awarded framework contract must be promoted to Contracts Finder to comply with the Government's transparency requirements. Any call-offs should also be uploaded to the London Tenders Portal.

Options Considered

89. Do nothing

Doing nothing would leave the Council without the strategic infrastructure and prevent phase delivery at Meridian Water delaying provision of much needed affordable homes.

90. Re-tender

The Council received three valid tender responses, which demonstrated a good understanding of the Council's requirements and value for money. Retendering the scope of services is unlikely to lead to better tender responses. Retendering would lead to a delay of the timings of the project, leaving the Council without the supplier to deliver strategic infrastructure and phase delivery at Meridian Water putting the funding agreement at risk.

Conclusions

91. Given the importance of completing infrastructure works in time for the Council's priorities, Meridian Water development and meeting HIF funding conditions, it is recommended to approve the framework and appoint the contractors for HIF works.

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14.09.2020

Appendices

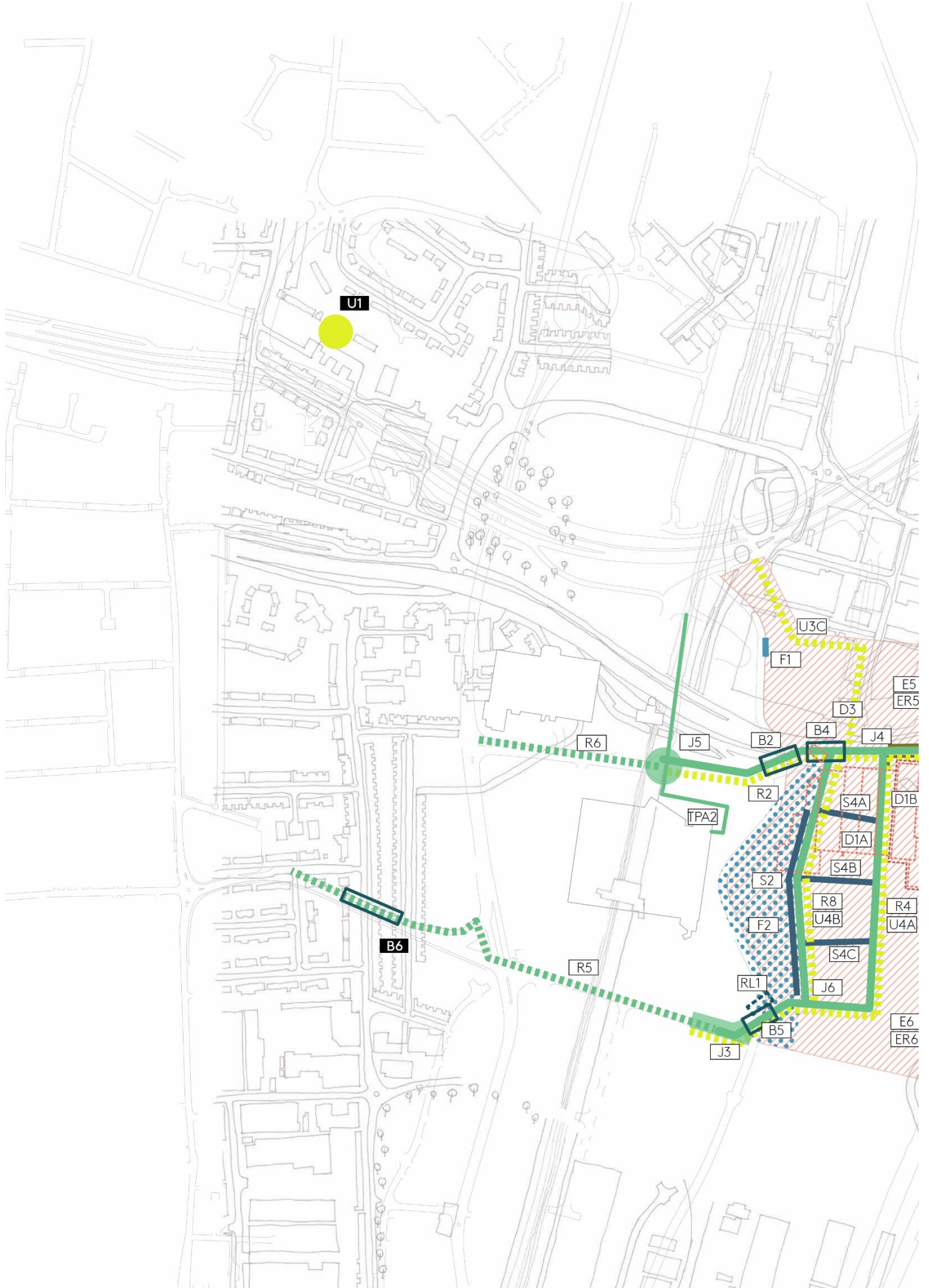
- Appendix 1: Strategic Infrastructure Works Plan

Background Papers

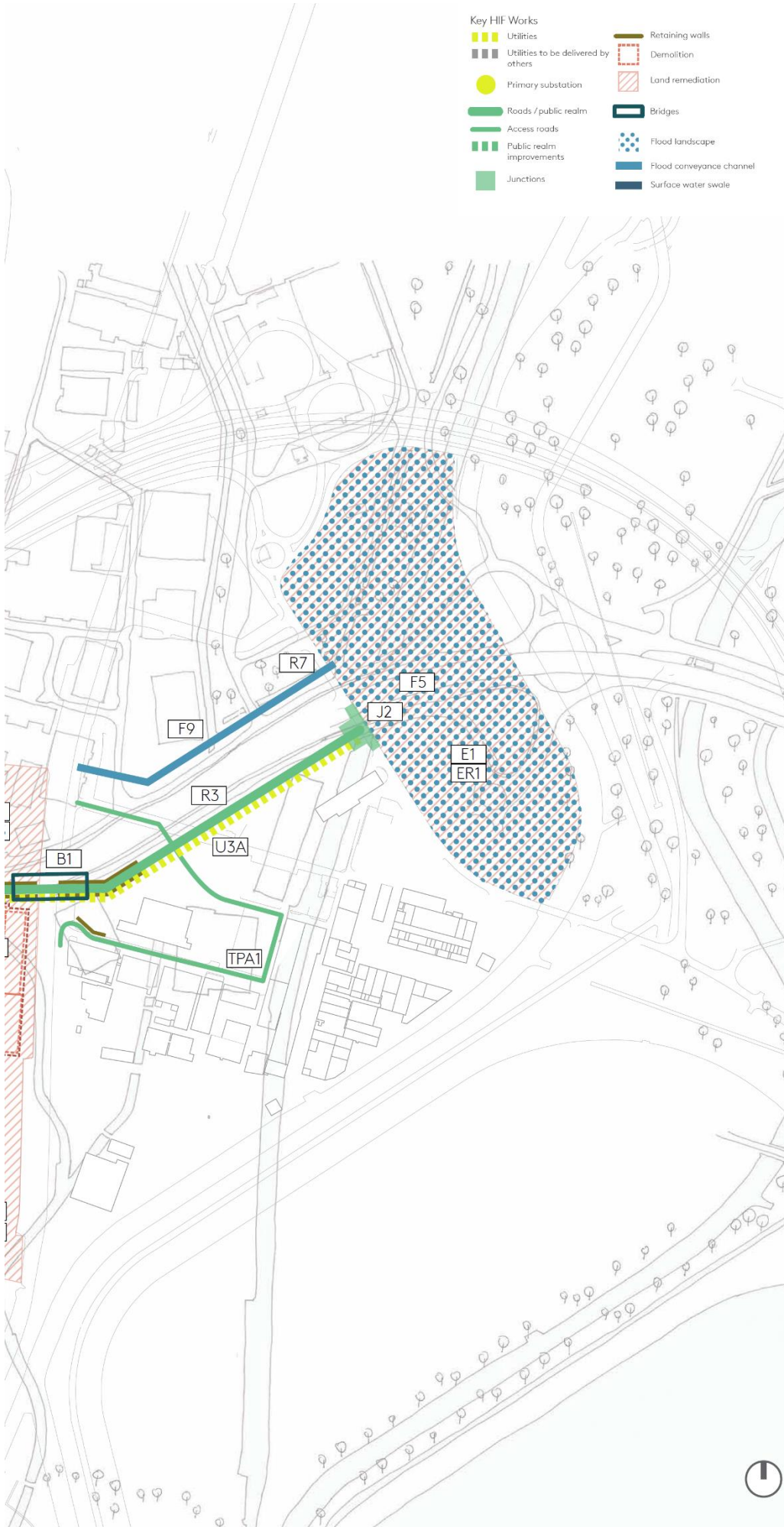
The following documents have been relied on in the preparation of this report:

- KD 4832
- KD 4782
- KD 5085
- KD 4711
- KD 5170

Appendix 1



Appendix 1



Key HIF Works

- Utilities
- Utilities to be delivered by others
- Primary substation
- Roads /public realm
- Access roads
- Public realm improvements
- Junctions
- Retaining walls
- Demolition
- Land remediation
- Bridges
- Flood landscape
- Flood conveyance channel
- Surface water swale

- Full planning application for Strategic Infrastructure Works (SIW)
- Separate planning application

SIW Codes

- F1 Flood Alleviation Works to Pymmes Brook Wall
- F2 Brooks Park and River Naturalisation
- F5 Flood Alleviation Landscape (Edmonton Marshes)
- F9 Flood Conveyance Channel
- S2 Parkside Cycle Street Drainage
- S4A East-West Drainage
- S4B East-West Drainage
- S4C East-West Drainage
- B1 River Lee Navigation Bridge
- B2 Pymmes Brook North Bridge
- B4 Salmons Brook Bridge
- B5 Pymmes Brook south bridge
- B6 Leaside Road foot/cycle bridge, WALM crossing
- U1 Primary Sub-Station
- U3A Central Spine Road Utility Corridor
- U3C Northern Utility Connections
- U4A Leaside Link Road Utility Corridor
- U4B Parkside Cycle Street Utility Corridor
- R2 Central Spine Road (West)
- R3 Central Spine Road (East)
- R4 Leaside Link Road
- R5 Leaside Road Improvements
- R6 Glover Drive Improvements
- R7 Flood Conveyance Channel Highway Works to Harbet Road
- R8 Parkside Cycle Street
- J2 Central Spine Road - Harbet Road Junction
- J3 Leaside Link Road - Leaside Road junction
- J4 Leaside Link Road - Central Spine Road Junction
- J5 Central Spine Road - Glover Drive Junction
- J6 Leaside Link Road - Parkside Cycle Street Junction
- TPA1 Third Party Access Works - Development Zone 6
- TPA2 Third Party Access Works - Ikea
- D1A Demolition of BOC Sheds West
- D1B Demolition of BOC Sheds East
- D3 Demolition of Salmons Bridge
- R1 Relocation of Pymmes Bridge (Bailey Bridge)
- E1 Earthworks - Lee Valley Regional Park
- F5 Earthworks - Development Zone 5
- E6 Earthworks - Development Zone 4
- ER1 Remediation - Lee Valley Regional Park
- ER5 Remediation - Development Zone 5
- ER6 Remediation - Development Zone 4

Karakusevic Carson Architects

Project:
382 MW Strategic Infrastructure

Title:
Strategic Infrastructure Works - All

Drg No.
382-KCA-XX-XX-DR-A-1112-D

Scale: 1:2500 @ A1
Drawn by: RM



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London Borough of Enfield**CABINET – PART 1****16th September 2020**

Subject: Meridian Water Residential Delivery Programme (PART 1)
Cabinet Member: Cllr Nesil Caliskan

Key Decision: 5174

Purpose of Report

1. To update Cabinet on the progress made to deliver new homes and sustainable neighbourhoods at Meridian Water. To make a number of proposals that if implemented will contribute significantly towards meeting the Council's vision and objectives for Meridian Water.
2. Since the Council assumed the role of Master Developer in 2018 it is now either in contract, or imminently to enter into a contract, to deliver approximately 1,200 of the 10,000 homes at Meridian Water at both Meridian One and Meridian Two and the report makes proposals to commit to increasing the current residential delivery programme.
3. In October 2019, Cabinet considered an Options Appraisal for delivery of Phase 2 (KD4953) and approved a Detailed Delivery Plan for Phase 2 to be drawn up and presented back to Cabinet in respect of the preferred options 1 and 3 within that Options Appraisal. This report sets out that Detailed Delivery Plan which has been prepared by Lambert Smith Hampton (LSH), the Council's Commercial and Financial Advisor, and which is attached at Appendix 1 of the Part 2 Report. The Detailed Delivery Plan recommends a development strategy for Meridian Four that provides the Council with greater control and greater financial returns.
4. This report sets out the Council's ambitions to directly deliver housing at scale, assuming the role of Developer to deliver circa 800 homes at 'Meridian Four' with the benefit of a forward fund deal, while also facilitating a Student/Co-Living development at Meridian Three.
5. Together, these two schemes will accelerate much needed housing, provide a greater diversity of housing appropriate for Enfield residents, transform the heart of the Meridian Water site (Phase 2) and establish a successful place and thriving mixed tenure neighbourhood.

Proposal(s)

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6. That Cabinet note the progress across the first four 'Meridian' residential led schemes as detailed in this report.
7. That Cabinet note the latest position on the Skills Academy, and delegate authority to the Programme Director Meridian Water in consultation with the Leader of the Council to make all strategic and implementation decisions related to the Meridian Water Skills Academy within the budget as set out in this report. That Cabinet further delegates authority to the Programme Director – Meridian Water to approve and enter into such agreements as are necessary (including any consequential variation to the Meridian One Development Agreement) to formalise such instruction.
8. That Cabinet delegates authority to the Programme Director – Meridian Water to make all required procurement and implementation decisions in accordance with the relevant procedure rules to procure and enter into contract to complete 'shell & core plus' level of fit out works for Council owned non-residential spaces at 'Meridian One', in the event that the Council does not agree a price under the Development Agreement as explained in this report.
9. That Cabinet note as part of the community infrastructure being delivered at Meridian Water that a Health and Wellbeing Centre potentially will be established as part of D1 Community Use space at 'Meridian One' as set out in the report and agrees to delegate authority to the Programme Director – Meridian Water in consultation with the Executive Director of People and the Director of Property & Economy to make all relevant procurement and land disposal decisions required to implement the Meridian One community infrastructure provision.
10. That Cabinet authorises the marketing of two plots at 'Meridian Three' for permanent development in accordance with the use classes in the planning application and the third plot to Registered Providers (if not acquired by the Housing Revenue Account), or for some or all of the three plots to be marketed for a meanwhile use
11. That Cabinet delegates authority to the Executive Director of Place in consultation with the Acting Executive Director of Resources the disposal of two plots within the Phase 2 Outline Planning Permission to a Student and/or Co-Living Developer and a third plot disposed of to a Registered Provider or retained by the Council's Housing Revenue Account (if there is sufficient capacity to do so) or letting of some or all of the Meridian Three land on an operating lease (meanwhile use) all as detailed in this report under the 'Meridian Three' sections.
12. That Cabinet approves the Phase 2 Detailed Delivery Plan (as attached at Appendix 1) and the recommendation within it for the direct delivery of 'Meridian Four', as summarised in this report.
13. That Cabinet authorises the procurement of the professional team required to deliver Meridian Four, and the expenditure of the budget (set out in Part 2 of the report), and delegates authority to the Programme Director – Meridian

Water, acting in accordance with all relevant procedures and protocols, to authorise and enter into the individual contract appointments.

14. That Cabinet approves the competitive marketing of 'Meridian Four' to Build to Rent investors and potentially Registered Providers (where the affordable homes are not to be held in the Council's Housing Revenue Account), and delegates authority to the Executive Director - Place in consultation with the Executive Director - Resources and the Director of Law and Governance to select the appropriate parties and enter into any resulting agreement(s) including agreements to document funding arrangements, land disposals and construction contracts to those parties.
15. That Cabinet delegates authority to the Programme Director – Meridian Water, to determine the preferred procurement strategy, and commence the procurement of a Main Contractor(s) to deliver 'Meridian Four' (and the affordable housing units at 'Meridian Three', and potentially other Council projects subject to the relevant approvals, or third party landowners at Meridian Water) and notes that a future report to recommend the award of a contract (and potentially a framework) to a Main Contractor(s) will come back to Cabinet.
16. That Cabinet approves the inclusion of Plot Z05-08 (in the Phase 2 Outline Planning Permission) within 'Meridian Four' for an A3/A4 Use Class (Class E or Sui Generis under the new legislation) at Meridian Water as set out in this report to establish a Food & Beverage and evening economy offer, and delegates the delivery strategy and land disposal to the Lead Member for Meridian Water.
17. That Cabinet approves the inclusion of Plot Z04-10 (in the Phase 2 Outline Planning Permission) adjacent to the new Brooks Park for an A3/A4 Use Class as set out in this report to construct and establish a Park Pavilion, incorporating a café/restaurant, and delegates the delivery strategy and land disposal to the Lead Member for Meridian Water.
18. That Cabinet note the proposal to deliver leisure opportunities in the River Lea Navigation and Banbury Reservoir as the first stage of a health and wellbeing offer at Meridian Water, and delegate authority to the Programme Director – Meridian Water to approve the delivery strategy, enter into agreements with the land owners and commence the process to appoint delivery partners.
19. That Cabinet approves the development of a ground floor commercial space strategy for Meridian Water as explained in this report and delegates authority to the Programme Director – Meridian Water in consultation with the Director of Property and Economy to approve the strategy.

Reasons for Proposals

20. The enhanced Skills Academy is recommended to ensure that the intervention has a long term legacy at Meridian Water, beyond the timescales for 'Meridian One'. This will provide capacity for additional trainees and apprentices,

sufficient to support the whole Meridian Water Programme, including the Housing Infrastructure Funding strategic infrastructure works contracts, and the wider Borough's construction pipeline. Sizing of the facility will consider the impact of social distancing.

21. Providing a 'shell & core plus' level of fit out will help the commercial spaces to be more marketable and attractive to smaller businesses and tenants and reduce any void periods. Delegating authority for decisions relating to the 'shell & core plus' level of fit out works to the Programme Director – Meridian Water enables the Council to be more agile in making commercial decisions and achieve value for money for these works.
22. For Phase 2, approving the Detailed Delivery Plan, and for the Council to directly deliver Meridian Four as part of a forward funding deal with a Build to Rent investor is the recommended option based on an objective options appraisal. This ensures the greatest financial return to the Council, while also giving the Council far greater control on qualitative aspects such as design quality, provision of affordable housing (both in terms of addressing housing need, and quality of accommodation for Enfield residents) and the overall delivery programme. The Build to Rent product at Meridian Four will diversify housing tenure at Meridian Water and the borough, increase the supply of high-quality rented accommodation in the borough for Enfield residents, and offer greater security of tenure than typical private rented accommodation. Build to Rent also accelerates delivery over private sale housing, speeding up the regeneration at Meridian Water, and it is a more resilient tenure than private sale housing during an economic downturn.
23. As set out in the report, by directly delivering Meridian Four, the Council has a significant role in the design and project management and will be required to appoint a high quality professional team to reduce related design and construction risk, and provide confidence to the investor market who are forward funding the scheme. Authorising the expenditure of the budget at this stage and delegating the appointments of the professional team enables the Council to commence the preparation of the Reserved Matters Planning Application for Meridian Four in January 2021.
24. Delegating authority to the Programme Director to determine the preferred procurement strategy to appoint a Main Contractor(s) to deliver Meridian Four will enable the Council to be more agile in making a decision within programme timescales, considering the most suitable options in consultation with P&C Hub and with professional advice from relevant specialist consultants, and the Build to Rent investor.
25. Establishing a Food & Beverage and evening economy offer at the heart of Meridian Water is key to the Council's placemaking objectives. Delegating authority to the Lead Member for Meridian Water will enable the Council to respond to market opportunities to deliver the best outcome within more flexible timescales. Similarly, by delegating authority to the Programme Director – Meridian Water to approve a strategy for a leisure offer in the River Lea Navigation, the Council can be more flexible in its decision making to implement placemaking initiatives.

26. The Ground Floor Commercial Space Strategy will set out framework for activating the new neighbourhoods with a vibrant mix of commercial occupiers, bringing forward a neighbourhood-based lettings strategy for Meridian Four, in order to secure a range of commercial uses that deliver upon placemaking aspirations.

Relevance to the Council's Plan

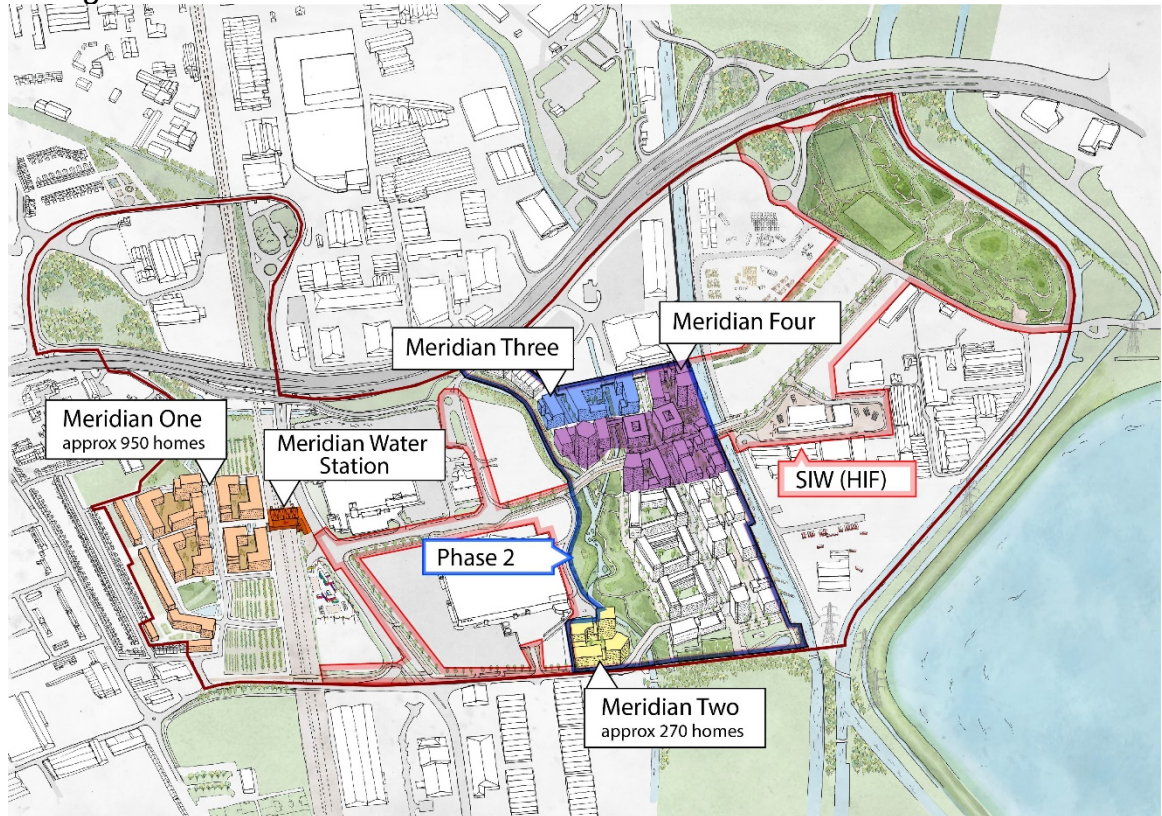
27. Meridian Water is a key component in contributing to the vision, aims and priorities of the Council's Corporate Plan.
28. **Good Homes in well-connected neighbourhoods:** Meridian Water will contribute to the Council continuing its pioneering approach to regeneration to create thriving, affordable neighbourhoods and places, and increasing the supply of affordable, quality housing options for ownership, social rent and private rent. Of the circa 1200 homes already in contract (or soon to be in contract) to be delivered by development partners at Meridian One and Meridian Two, at least 60% will be affordable, and at least 30% will be for London Affordable Rent. 40% affordable equivalence will be applied to the whole of Phase 2 which means Meridian Two, Meridian Three and Meridian Four will contribute to meeting Enfield's housing needs.
29. **Safe, healthy and confident communities:** Measures have been built into both the strategies and individual project briefs for Meridian Water, as well as planning policies, that will help improve public health and people's wellbeing. The Council will work with partners to deliver a safer place by tackling all types of crime and anti-social behaviour; and protecting the local urban and green environment. The public open spaces in Meridian Water will vary in scale and character including family-orientated parks providing play space for younger children and outdoor gym facilities for adults, more naturalistic parks for older children promoting interaction with nature and water, community gardens with spaces to grow, and more formal Squares, like that Station Square in Meridian One, with food and drink, retail and workspace uses.
30. This report sets out the first stage of the health and wellbeing offer at Meridian Water including new leisure opportunities and a health and wellbeing centre incorporating nursery provision.
31. **An economy that works for everyone:** Following on from the Meridian Water Employment Strategy this report sets out plans to deliver new ground floor commercial premises, workspace, and a new construction skills academy. This is in addition to the social value benefits that will be secured through the appointment of partners for Meridian 3 and 4.

Background

Meridian Water Residential Delivery Programme

32. Since the Council assumed the role of Master Developer following Cabinet approval in July 2018 (KD4033), the Council is now in, or close to being in contract to deliver circa 1200 of the 10,000 homes at Meridian Water at both Meridian One and Meridian Two, and the Council has a resolution to grant an Outline Planning Permission to deliver 2,300 homes at Phase 2 of Meridian Water, meaning that it is close to having Outline Planning permission for over 3,000 of the 10,000 homes at Meridian Water. Two further development schemes are now also being progressed as detailed in this report.
33. The location of Meridian's 1-4 within the overall site are set out in Figure 1 below.

Figure 1: Meridian Water: Current Schemes



34. Table 1 below sets out the number of homes within the current MW Residential Delivery Programme.

<i>Table 1: Current MW Development Schemes Overview</i>				
	Status	Number of Homes (approx.)	Construction Start	Practical Completion
Meridian One	Partner in contract	950	Q2 2021	Q2 2026
Meridian Two	Partner Selected	270	Q4 2021	Q3 2024
Meridian Three	Pre-contract	625	Q3 2022	Q2 2024
Meridian Four	Pre-contract	804	Q3 2022	Q2 2025 / Q2 2026

35. The construction of Meridian's One, Two, Three and Four is expected to generate 1,200 construction jobs over the lifetime of the developments, with the delivery of Meridian One supporting the training of 196 local residents per year for and 10 apprenticeships each year over 5 years. The enhanced Skills Academy, as set out in this report, will provide capacity to train up to 600 local residents and provide 30 skilled apprenticeships each year, ensuring residents benefit from the employment opportunities generated by the development of Meridian 1-4 with capacity to support additional training and apprenticeships opportunities within the borough. In addition, the new commercial space and community facilities developed through Meridian 1-4 will host a further 600 high quality new permanent jobs.
36. The Meridian Water Masterplan is currently being revised, and the Masterplan, along with the Financial Model, and various site wide strategies will inform the future Phasing Plan and phased delivery strategy. The Meridian Water Masterplan 2.0 is being developed in coordination with other borough-wide planning studies and initiatives including the Enfield Local Area Plan 2036 which is currently under preparation. The masterplan will be a critical evidence piece to inform new area-based policies for Meridian Water in the new Local Plan for the next 10 years. It is likely to be a material consideration in planning decisions and will be used to inform the new Local Plan and site-specific planning briefs, the study may be taken further as a Supplementary Planning Document (SPD).

Impact of COVID-19:

37. The events of 2020 with the COVID-19 pandemic have been unprecedented and there are significant social and economic consequences globally, nationally, regionally and for Enfield.
38. Meridian Water has been affected by the pandemic in a number of ways, particularly in relation to immediate meanwhile use projects given the social

distancing requirements. However, the approach to the delivery of existing residential led projects at Meridian One and Meridian Two is largely unaffected. Innovative methods to consult the local community, residents and other stakeholders will be required, with public consultation carried out on an online platform to comply with social distancing requirements.

39. The Council's own Meridian Water internal team, and various multidisciplinary consultants have adapted well to the new way of working and there has been no loss of momentum or productivity.
40. The Council's development partner for Meridian One and Meridian Two, Vistry Partnerships, has been impacted by COVID-19 on its construction stage projects across London and the UK, however there has been little impact on the speed of delivery at Meridian Water.
41. As the first step in marketing the Meridian Three and Four schemes, investor and developers are being engaged through a soft market testing exercise. This is starting to paint a picture of the rental market sentiment being mixed in the short term but remaining strong in the long term.
42. For Meridian Four, this report makes recommendations for the Council to directly deliver housing at scale, including a large proportion of Build to Rent homes which is seen as a more resilient form of tenure than traditional market sale in the current climate.
43. The pandemic is changing the way we all think about the built environment longer term and access to green open space, private amenity space, space for home working are all considered more important than ever. The team currently working on a new site-wide masterplan are responding to the pandemic in a number of ways, outlined below.
 - Extra care on the design of homes for the vulnerable, especially for those receiving care.
 - Changes to housing layout and typologies for a better working-from-home environment. Improved access to good-quality natural light throughout the day and better soundproofing between walls.
 - More usable amenity spaces and quality green spaces that are easily accessible.
 - Delivery of energy efficient buildings with improved fabric specifications.
 - Introduction of shared neighbourhood offices so people can work within their neighbourhood whilst achieving separation from their home
 - Reassessment of all commercial spaces due to changing working patterns.
 - Whilst there may be increased time working in isolation at home, there will be more need for shared spaces for community activities to develop a sense of belonging and community identity.

Planning reform and White paper implications

44. The Council is still considering the impacts of the reform of the planning system including the White Paper, and how these will impact Meridian Water.
45. It is envisaged that most of Meridian Water would be considered a Growth Area and that there may be opportunities for the new Local Plan to incorporate Masterplan 2.0 design standards.

Meridian One

46. Following Cabinet approval in October 2019 and further delegated approvals in December 2019 (KD4864), the Council entered into a Development Agreement with Vistry Partnerships in December 2019 to deliver approximately 950 homes at Meridian One, including 50% affordable homes of which 50% will be Council homes at London Affordable Rents, as well as high quality new public open spaces, over 2,000m² of community, leisure, retail and employment space, and a new Skills Academy to train and increase opportunities for local residents in construction and built environment.

Current Status

47. The Council's development partner, Vistry Partnerships have been progressing with two planning applications in parallel; a Reserved Matters Application (under the existing Outline Planning Permission) for up to 300 homes which is expected to be submitted in September 2020 and a new full planning application (expected to be submitted in November 2020) for circa 550-650 homes to increase the density. The overall number of homes expected to be delivered at Meridian One is therefore between 900 and 950.
48. The planning application is being prepared by leading architect practices Hawkins Brown and HTA and two smaller practices. As part of the work the Council is doing to encourage greater diversity within the architect sector the Council asked Vistry to also appoint BAME led architect practices which led to the appointment of Urban Projects Bureau and local Edmonton architects Fisher Cheng Architects
49. The project governance includes a Senior Steering Group meeting attended by Exec/Director level members of both organisations, Steering Group meetings attended by Heads of Service, and three more regular meetings between Council officers and the Vistry project team; for Design, Technical and Socio Economic workstreams.
50. Vistry are currently on track to deliver against the target milestones in the Development Agreement with only a short delay in submitting the Reserved Matters application for Phase 1a of less than one month, mainly due to COVID-19 and which is not currently expected to delay the start on site.

Remediation

51. Since 2015, the Council has led on the remediation of the Willoughby Lane site which has required extensive turnover and bioremediation of the soils, removal of obstructions to a certain depth, significant changes to levels across the site and implementation of a capping layer as well as removal of contaminants such as non-aqueous phased liquids (NAPL) from the groundwater and extensive monitoring and reporting to the Environment Agency. The Council and its consultant team have received Environment Agency approval of the works and monitoring and have discharged the relevant planning conditions in relation to the remediation works. The Council has discharged its obligations in respect of planning conditions and will have met its obligations under the Development Agreement once the warranties have been agreed, with the remaining remediation works the responsibility of Vistry Partnerships.

Non-Residential Uses – Strategy

52. Meridian One will deliver in excess of 2200 sq.m of non-residential floorspace (gross external area), including retail, leisure, community, and employment uses.

53. The Council has concluded its brief to the Developer on the location, use classes, and floor areas of the non-residential ground floor spaces across the scheme (which will be owned by the Council) for the planning application. This has been informed by previous studies, the existing Outline Planning Permission parameters, and the Development Agreement while also taking into account use and site specific urban design considerations, the Council's Meridian Water placemaking pillars, discussions with public sector service providers, and with the Local Planning Authority.

54. With consideration of the MW Employment Strategy (KD4881) and other Meridian Water strategies, further detailed market and demographic analysis, soft market testing, and discussions within public sector service providers, the Council will develop its Meridian One specific commercial, social infrastructure and lettings strategies to ensure that tenants and occupiers are secured that deliver on the Council's vision and objectives.

55. The Council is keen to promote a 'health & wellbeing' theme at Meridian One, with the provision of the D2 Leisure Use, most likely to be a gym, and a health and wellbeing centre within the D1 Community Use.

Council Homes

56. The first homes to be delivered at Meridian One, and indeed Meridian Water, will be in Plot E1, at the west of the site adjacent to and parallel with Kimberley Road. First completions are expected in Spring 2022. Subject to the Reserved Matters Application, Plot E1 is expected to deliver 48 Council homes, all for London Affordable Rent (LAR), and predominantly family sized maisonettes. The Council may agree to amend the sub-phasing of Meridian One so long as an equivalent number of Council homes are delivered early in the programme.

57. The Council is preparing an Edmonton Local Housing Allocations Plan, which will be submitted to Cabinet. This plan will sit underneath, and align with the Council's existing Housing and Growth Strategy and the Council's Allocations Scheme. The Meridian Water team is working closely with the housing team to develop and consult on the plan, which will set out how the Council will ensure that the local people of Edmonton are the primary beneficiaries of the new affordable homes delivered at Meridian Water.
58. Specialist housing needs within the Council housing allocation at Meridian One will also be considered.

Social Value

59. The Meridian Water Team is currently drafting a Meridian Water specific Social Value strategy to align with those already adopted by the Cabinet; the MW Employment and Sustainability strategies. This new strategy will specifically focus on addressing inequalities and deprivation within Edmonton, to ensure that the delivery of associated actions directly address the aim of *'local people being the primary beneficiaries'* of the development project. Early related works now underway include a socio-economic baselining exercise within Edmonton, allied with the Housing Needs Assessment and the design of a Household Survey exercise to be undertaken and led by the local community themselves. The latter exercise will be refreshed annually for a full picture of local people's views as to their neighbourhood, changes underway and the Meridian Water development.
60. These projects are being commissioned with oversight from the Edmonton Officer's Group via a dedicated sub-group. Additionally, this group is advising and steering the development of the Edmonton Community Chest, £800k received from Vistry through the Meridian One development agreement, to be disseminated to local and charity projects. The recommendations from the Enfield Poverty Commission Report 2020 will guide themes and areas of focus but the officer's group is now considering how best to consult and build up community capacity to support the local delivery of projects. All of these developing projects, under the Social Value Strategy, are driven by the aim of tackling poverty and health inequalities and address our core strategic objective of ensuring that local people are the principal beneficiaries of the benefits from Meridian Water

Meridian Two

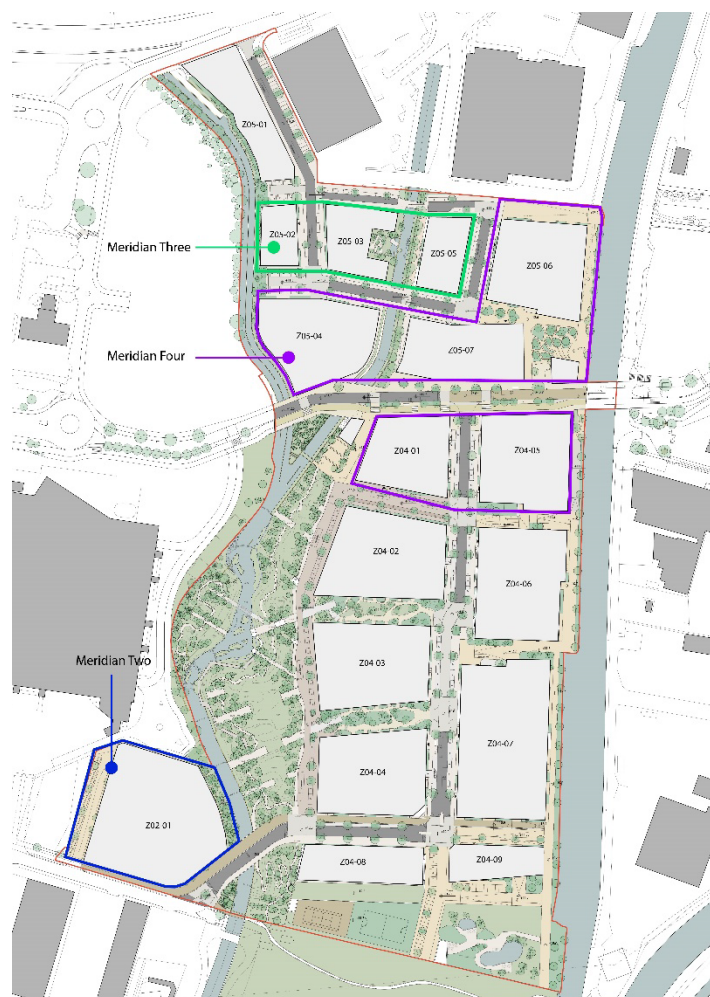
61. In March 2020, Cabinet authorised the selection of Vistry Partnerships as the Council's development partner for Meridian Two (KD4952), to deliver a 100% affordable housing scheme of circa 250 homes, and 3,000m² of Council owned commercial space at Meridian Two.
62. Cabinet delegated authority to officers to finalise the terms, and enter into the Development Agreement, and it is anticipated that the Development Agreement will be signed by October 2020.

63. Vistry Partnerships will also be entering into an agreement with Catalyst Housing Group who will be the Registered Provider owning and managing all of the homes (50% London Affordable Rent, and 50% Intermediate Affordable tenures).
64. It is expected that Vistry Partnerships will take possession of the site by the end of 2020 with enabling works commencing in early 2021, and construction works commencing by the end of 2021. Meridian Two is programmed to complete in summer 2024.
65. The Council will have nomination rights for all of the London Affordable Rent homes that are owned and managed by Catalyst, while intermediate homes will be marketed and allocated by Catalyst in accordance with the Council's intermediate housing policy.

Meridian Water Phase 2

66. In March 2020, the Council's Planning Committee resolved to grant planning permission for the Outline Planning Application (OPA) for Phase 2 of Meridian Water to deliver circa 2,300 homes (plus 18,000 sqm of Purpose Built Student Accommodation and Co-Living accommodation) as well as commercial, retail, social infrastructure, and public open spaces. The planning permission is expected to be referred to the GLA and confirmed this summer.

*Figure 2: Phase 2 Outline Planning Application
With M2, M3, and M4 Development Plots*



67. In October 2019 Cabinet considered an Options Appraisal for delivery of Phase 2 and approved a Detailed Delivery Plan for Phase 2 to be drawn up and presented back to Cabinet in respect of the preferred options 1 and 3 within that Options Appraisal. This report sets out that Detailed Delivery Plan which has been prepared by Lambert Smith Hampton (LSH), the Council's Commercial and Financial Advisor, and which is attached at Appendix [] of the Part 2 Report.

Strategic Infrastructure Works (SIW) and Housing Infrastructure Fund (HIF)

68. The Housing Infrastructure Fund is a government capital grant programme from the Ministry for Housing, Communities and Local Government (MHCLG) aimed at unlocking housing sites and helping deliver new homes.
69. In August 2019, MHCLG confirmed that the bid submitted by the GLA on behalf of the Council for £156million funding ask for both site wide infrastructure works (non rail) and rail infrastructure, had been successful.

70. The final terms of the grant are being negotiated and it is expected LBE will enter into an agreement in September. This will require LBE to meet the requirements of the grant funding to deliver up to 10,000 homes.
71. In parallel with the MW Phase 2 OPA, the Council's design team prepared and submitted a full planning application for the site wide Strategic Infrastructure Works (SIW) to deliver the onsite works proposed in the HIF bid. The application was determined by the Local Planning Authority and recommended for approval in March 2020. The planning permission is expected to be imminently confirmed by the Local Planning Authority having been approved by the Greater London Authority (GLA). The SIW includes the construction of the main Central Spine and Leaside link roads, highway improvements, pedestrian and cycle improvements and new routes, four new bridges, significant remediation, earthworks flood alleviation and creation of new parkland and naturalised brooks.
72. A report recommending the selection of a main contractor to deliver the Strategic Infrastructure Works (KD5181) is on the same September Cabinet agenda as this report.

On 12th August, the Council received notification that the Department for Transport has formally approved the Outline Business Case for new rail infrastructure at Meridian Water Station, which will increase train frequency from 2 trains per hour today, to 4-6 trains per hour in 2024. This is a significant milestone for Meridian Water, ensuring the viability of the overall project and providing confidence for third party landowners to bring forward their sites for development.

Main Considerations for the Council

Meridian One

Non-Residential Uses – Strategy

73. For the D1 Community Use space, the Council is keen to promote a health/wellbeing centre within this, which could include a nursery, based on projected need.

Non-Residential Uses: 'Shell & Core Plus' Fit Out of Council Assets

74. Currently in the Development Agreement, the Developer is only required to deliver to 'shell & core' which is the most basic level of finish, for example just the floor slab with no screed, no ceiling finishes, no fixtures and fittings, no ventilation and only very basic services connections.
75. The Meridian One Developer Procurement report to Cabinet (KD4864) envisaged that for the non-residential spaces (which are to be owned by the Council) the Council would agree a price with the Developer for undertaking a further level of shell & core 'plus' required to make the spaces marketable to tenants and reduce the level of fit-out works that they would need to undertake.

76. While it is the Council's intention to seek to negotiate value for money with Vistry Partnerships to deliver these shell & core 'plus' works, this report recommends that authority is delegated so that the Council has flexibility in the event it is required, to competitively tender the additional level of shell & core 'plus' works required to ensure that the non-residential spaces are marketable and to reduce any void periods to the Council.

Skills Academy

77. The Skills Academy will deliver employment, training, mentoring and engagement with local communities at an on-site hub with classrooms and practical working space. It will create opportunities for local people to gain work experience, qualifications and benefit from high quality employment generated by the development of Meridian Water. The Skills Academy will deliver a broad curriculum of skills related to the built environment, e.g. building design, construction, trades skills etc. It will focus on creating pathways to sustainable and well-paid employment, and pathways for residents to obtain higher level qualifications through apprenticeships and training courses.

78. The Skills Academy will also provide an entry into build environment professions for groups more likely to suffer from worklessness, including the active targeting of young people not in education, employment or training, the long term unemployed, Enfield Council tenants, care leavers, ex-offenders and ex-military personal.

79. Through the Meridian One Development Agreement Vistry are required to commence works in relation to the Skills Academy Specification by 30th November 2020; Vistry submitted proposals committing capital costs and operational seed funding to the centre. Subsequently parties have agreed to enhance provision to increase the capacity of the Academy to serve the wider programme beyond Meridian One, and if feasible be a provider of training and apprenticeships to the Council's wider capital programme. The additional costs for enhancement will be forward funded by the Council and recouped through the lease of the building to the training provider and through other capital funding opportunities including developer contributions and CIL. If the enhanced provision differs from the scope of the Development Agreement, then the Council and Vistry Partnerships may be required to formalise the arrangement through a Deed of Variation to the Development Agreement, as included in the report proposals.

80. The Meridian Water team recommend that the Council confirms the enhanced provision of the Skills Academy, forward funding the additional costs of a larger facility. This will increase capacity from 196 trainees per year to 600 and increase the apprenticeships supported from 10 to 30 per year, sufficient to support the whole Meridian Water Programme for the next 8 years, including the Housing Infrastructure Funding strategic infrastructure works contracts, with capacity allocated to some of the wider Borough's construction pipeline. Sizing of the facility will consider the impact of social distancing, which has increased the required teaching space needed to create a safe teaching environment.

81. Vistry are obligated through the Development Agreement to construct a Skills Academy to support the delivery of training and apprenticeships for Meridian One. The difference between the initial set up costs of this Skills Academy and the enhanced facility will be forward funded by the Council, recouping the additional costs through ways expected to include: a combination of external match funding, government grant, contributions from the HRA, CIL, developer contributions secured through Section 106 and through the lease paid by the appointed managed learning provider. Future Meridian Water schemes will be obliged to contribute via Development Agreements or conditions within site disposals.
82. Through soft market testing with training providers by Vistry, it has been established that the operation of the facility will be self-funding after one year, with any shortfall met by Vistry through an interest free loan to the appointed learning provider should this be required. This loan would be repaid through future operational surplus. In procuring the Managed Learning Provider, a cap for the interest free loan will be set out so that the Council has cost certainty, with the risk and reward resting with the Manager Learning Provider.
83. The Council and Vistry will enter into an agreement to deliver the centre. The managed learning provider will be appointed through a concessions procurement, led by the Council, with input from Vistry... Future Meridian Water schemes and large capital works contracts will be encouraged to enter into Service Level Agreements with the appointed provider.
84. Initially governance arrangements will not differ from those set out within the DA, establishing a skills academy board, with Vistry and LBE as initial stakeholders. However, it is envisaged that the membership of this group will develop over time, with additional stakeholders added, who are either significant contractors or developers of Meridian Water Schemes.

Phase 2 Business Plan and Detailed Delivery Plan

85. The Phase 2 Business Plan (KD4953) report which Cabinet authorised in October 2019 set out the options appraisal for the delivery model for circa 1,550 homes within Phase 2; the report recommended further financial analysis of the two highest scoring options and formulation of a Detailed Delivery Plan recommending a course of action. The two recommended options being that the Council either acts as Master Developer for the delivery of Phase 2 (as per the Meridian One and Two delivery model) or delivers a Council led development of a rented housing scheme.
86. The first two schemes to be delivered at Meridian Water, Meridian One and Meridian Two, have incorporated higher levels of affordable housing than are required by planning policy. This has been a deliberate strategy by Cabinet to accelerate the delivery of affordable homes for local people but has been at the expense of the Council's capital receipts. The returns estimated by the approved financial model for these two phases have not been achieved for this reason and this puts the overall viability for Meridian Water at risk unless the

shortfall can be recouped in future phases to ensure that all the debt can be paid off by the end of the Meridian Water programme.

87. It has also meant that, once these two schemes have completed, a much higher level of debt will remain outstanding on them than originally expected. The interest on this debt must be paid from the revenue account as it can no longer be capitalised once the phase has completed unless other sites at Meridian Water can pay down the debt prior to the phase completing.
88. Therefore it is necessary for the next phases of Meridian Water to be delivered to maximise capital receipts to the extent possible whilst not compromising the Council's vision for the development. This can most effectively be done by assessing the strategy for delivery rather than compromising on quality. The Detailed Delivery Plan presented here allows such options to be evaluated.
89. Cabinet approval of the Phase 2 Business Plan Report (KD 4953) also authorised the commencement of soft market engagement on three Co-Living/Student housing blocks and the subsequent marketing of the blocks to a specialist Co-Living/Student Housing provider and delegated 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.

Meridian Three

90. The Meridian Three site consists of three development plots, Plot Z05-02, Z05-03 and Z05-05 (see *Figure 3* below). Two of these plots (Z05-03 & 05) have capacity to accommodate the full 18,000 sqm of Student and/or Co-living uses with a potential of circa 500 – 600 beds. However, the third block cannot be included as it would exceed the maximum area threshold allowable by the planning consent for Student and/or Co-Living accommodation.

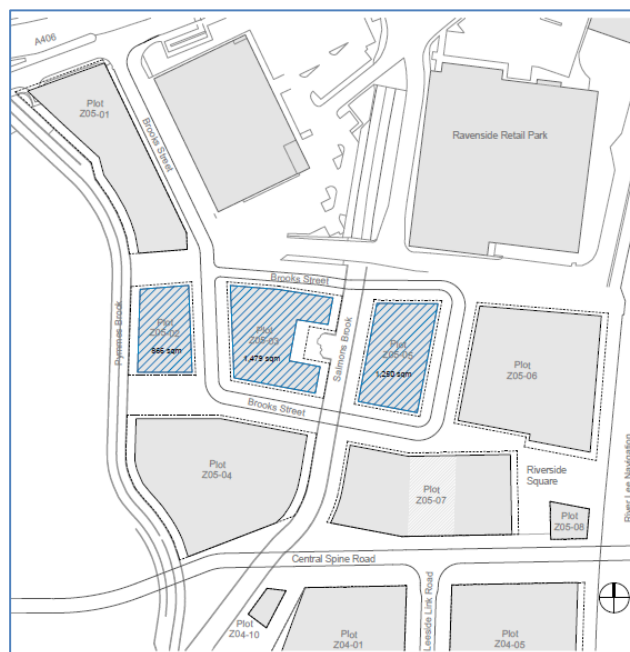


Figure 3: Meridian Three Development Plots

91. This report therefore recommends that the two plots (Z05-03 & 05) are marketed to Student and/or Co-Living providers and the land disposed of as previously detailed whilst the third plot, Z05-02, be utilised for delivery of the majority of the Affordable Housing requirement generated by the Student and/or Co-Living uses. The number of affordable units required will be calculated in accordance with the formulas contained within the Section 106 Agreement and is expected to be around 300 habitable rooms (or equivalent to 75 three bedroom flats with an open plan living/kitchen/dining area). Any such units which cannot fit into block Z05-02 will be delivered as part of Meridian Four.
92. Bidders for Meridian Three will therefore only be offered two plots and the third, affordable housing plot will be directly delivered by the Council as part of the build contract for Meridian Four therefore ensuring that quality, consistency and programming of delivery can all be controlled by the Council. The third, affordable housing block will then either be appropriated to the Council's Housing Revenue Account if there is capacity within the HRA business plan or, if not, sold to a Registered Provider on a forward fund basis either through a competitive marketing process or via the Council's RP Framework should one have been established at that time.
93. The alternatives to this approach to dealing with the affordable requirement from the student/co-living tenures are:
- a. A commuted sum – to be paid by the developer to the LPA and used to fund additional affordable housing elsewhere, ideally on Phase 2. This would reduce the land value payable by the Meridian Three bidders, potentially to a negative value
 - b. Deliver on-site affordable student accommodation – this is not considered to address any need within the Borough, particularly as most of the students will come from outside the Borough, indeed many will potentially be foreign nationals
 - c. Deliver on-site affordable Co-Living accommodation – this is not recognised or supported by the GLA
94. Initial market research has been conducted by Council officers and relationship meetings held with market leaders to ensure a thorough investigation and understanding of these specialist tenures. Co-Living and Student Accommodation Developers as well as Universities have subsequently been engaged through a formal soft market testing exercise carried out by the Council's Commercial and Financial Advisors, LSH in partnership with Gerald Eve. This exercise also included a review of the impact of COVID-19 to determine market readiness for new opportunities.
95. The market has projected confidence that Co-Living will not be impacted long-term and demand for community and shared living is expected to remain robust. Furthermore, the location has generally been well received by respondents.

96. Similarly, the consensus on Student Accommodation is that COVID-19 is a short-term problem which the market will recover from in the long term. However, responses have been somewhat negative on the suitability of the location for students. Around half of respondents have declined the opportunity and of those who showed interest, most would need to do due diligence before committing. All would need support from at least one University.
97. There has been very limited engagement from Universities with none so far showing any interest in the scheme. This may be exacerbated because it is a busy time for Universities at the moment setting timetables and making student offers for next year, as well as dealing with the implications of COVID-19, however half of Universities contacted have said clearly that the location is not suitable and the other half have not responded at all despite the consultants best efforts including utilising existing relationships. This would seem to be indicative of a more general lack of confidence in the location rather than bad timing.
98. This will need careful consideration once the soft market testing exercise has completed to establish whether to continue to market to Student operators or to focus purely on Co-Living. Furthermore, Co-Living is significantly less valuable as a tenure than Student accommodation due to the fact that the market is not well established and has larger rooms/units than student housing, meaning fewer dwellings within the same build area. Therefore Co-Living will deliver a much lower land value than student accommodation and may not be viable if market interest is low due to fears of recession and other uncertainties.
99. For this reason this report recommends that additional flexibility is maintained to let all or part of the land which is identified for Meridian Three for a meanwhile use on an operating lease of up to 15 years. In the event that it becomes apparent that a viable permanent student or co-living development cannot be delivered at this time, this will allow the area to be activated for the benefit of the Meridian Four investor marketing and potentially bring in some revenue income in the short to medium term whilst still allowing the Council the opportunity to dispose of the land at a later date and recover an acceptable land value. The possible meanwhile uses under consideration include a meanwhile co-living scheme (which would have the added advantage of proving the market to future investors prior to a future marketing exercise for a permanent disposal) and/or a hotel which will be required to serve the film studios and/or other meanwhile uses. While a new meanwhile use for these plots would most likely be subject to a new planning application, the Use Class of the meanwhile uses being considered are consistent with that of the Phase 2 Outline Planning Permission and the future, permanent intended uses.
100. The shorter term impact on both the student and co-living markets is apparent in the mixed response to the planned September 2020 launch date; whilst some developers continue to actively pursue location specific acquisitions targeting locations with less perceived risk, others are being more

cautious suggesting a later launch in January 2021 would allow time for more transparency and stability in the market to emerge leading to more funding certainty.

101. The soft marketing exercise generally has helped to gauge the level of interest at the individual operator level and will enable shortlisting for an exclusively targeted tender process.
102. The current delivery programme for the land disposal anticipates a Marketing Launch taking place in September 2020 initiating a competitive marketing process leading to the end of November, with the preferred bidder being selected in February 2021. The feedback from the soft marketing exercise is likely to result in these timeframes being moved back to launch in Q1 2021. Pending the completion of Strategic Infrastructure Works the site will be accessible for the selected developer to start construction in June 2022 with completion targeted for December 2025. This timeframe could still be achieved with the later launch date.

Meridian Four

Detailed Delivery Plan

103. The LSH Detailed Delivery Plan sets out the details of the options which have been evaluated for delivery of the next phase at Meridian Water. These options are:
 - a. Option 1 – Council as master developer, phase delivered by third party developer (as for Meridians One and Two). The developer could deliver homes for sale or rent at their discretion
 - b. Option 2a – Council enters into forward sale agreement with a Build to Rent (BtR) Investor, and separately with a Registered Provider – and directly builds the scheme itself with payment being made for the units by the purchasers on completion. This would deliver both market and affordable homes for rent, with a range of prices.
 - c. Option 2b – Council enters into forward funding agreement with a BtR Investor, and separately with a Registered Provider, and directly builds the scheme itself with payment being made for the units by the purchasers during the build process, therefore the Council does not have to borrow the money to do so This would deliver both market and affordable homes for rent, with a range of prices.

The BtR Sector

104. A Build to Rent (BtR) scheme is a residential development designed and built specifically to let the units out long term rather than to sell. The scheme may be built and operated by the same investor, however more typically an investor will partner with a developer who will build the scheme and the BtR Investor will purchase the completed units at the end of the build period.

105. A BtR scheme is typically of high quality with a focus on efficiency, low maintenance and place-making. The residential blocks will incorporate amenities such as a gym, workspace, cinema, bars/restaurant etc. which are for the use of the residents (as well as non-residents where they can be directly accessed from the outside).
106. The BtR Investor will take a long term view of quality and placemaking as they make their return on investment over many years (they will typically take at least a 40-50 year view) and therefore need to ensure that the scheme remains attractive to renters over this time period and beyond. The investor will want to minimise the risk of units sitting empty as well as maximise the potential for rents to increase in line with inflation rather than deteriorating due to lowering standards.
107. The BtR sector has become increasingly well established over the last decade as the affordability of home ownership has been increasingly threatened. The potential recessionary effects of Covid 19 could accelerate this trend and an increasing number of institutional investors are therefore focussing on BtR seeking investment at scale.
108. This form of income stream is very attractive to pension funds and long-term investors such as sovereign wealth funds and family offices who are seeking long-term stable cash flows. The schemes are usually held for the longer term and maintaining a good reputation in the local market and building and maintaining a sense of place is important to Investors. This should align interests with the place-making ambitions and long term stewardship of the Council.
109. BtR is different from the traditional Private Rented Sector offer from buy-to-let landlords often with single or small portfolio ownerships. It offers high quality, purpose-built homes, usually with extensive amenity provision (as detailed above), professional on-site management and maintenance and longer tenancies of 3 years plus will be offered to all tenants.
110. A BtR investor will not seek to recover the properties from tenants who are not at fault, eg to live in or sell on, and as such no-fault evictions are not a likely scenario. They will typically increase rents in line with inflation every year and their priority is to keep tenants long term. There is also the ability for blocks to be offered to different audiences, for example young professionals, families etc with brand differentiation including amenity provision and potentially rent levels.
111. A BtR scheme that is owned and managed by professional long-term landlords and financed by institutional investors therefore offers the potential to deliver a greater supply of good quality market housing alongside a better deal for tenants.

112. Appendix 2 of the Part 2 Report provides details of BtR Investors who would be included in the marketing campaign for Meridian Four as well as three case studies for current BtR schemes in London. The Council will also be seeking local BtR Investors to include in the marketing campaign.

Evaluation

113. The evaluation of the three options in the Detailed Delivery Plan has been carried out across three separate criteria :
- a. Financial - a calculation of the Net Present Value and Return on Investment for each option. The metrics use a combination of the most likely assumptions on eg cost and value, and also risk-adjusted assumptions which take into account a worst-case scenario. The Council's Finance team have worked alongside LSH and the Meridian Water team to establish the financial evaluation criteria and have confirmed their approval to the final methodology.
 - b. Qualitative – a range of benefits which are not financial in nature such as Council control, long term alignment of goals, Council reputation etc. have been assessed and scored for each option
 - c. Risk – a range of non financial risks for each option have been assessed on both probability and impact.
114. The details of the financial evaluation are set out in the *LSH Detailed Delivery Plan* in Appendix 1 of the Part 2 Report (due to the commercially sensitive information). A summary is as follows:
- a. A development appraisal and cashflow is prepared for each option which generates both a land value and a developer's profit figure. These appraisals include the professional team's view on the most likely levels for various assumptions eg sales values, rental levels, yields, interest rates etc
 - b. The net present value of all the Council's predicted costs and receipts based on these appraisals is generated, discounting future cashflows in line with the Treasury norm of 3.5% per annum. The Council's return on investment is also calculated. These are the 'base case' metrics
 - c. A second development appraisal and cashflow has been prepared for each option generating a revised land value and developer's profit based on worst-case scenarios for the same set of assumptions
 - d. An adjusted net present value of the Council's cashflows is generated based on these second appraisals. The Council's adjusted return on investment is also calculated. These are the 'adjusted' metrics.
 - e. A 'moderated' net present value and return on investment is calculated adding together 50% of the base case metrics and 50% of the adjusted metrics. These are the moderated metrics
 - f. The 'moderated' metrics are then compared between the three options and the options are ranked accordingly

115. Option 1 was found to score lowest in the Financial and Qualitative sections but scored best in the Risk section. This is as would be expected as the greater rewards seen in Options 2a and 2b are generated due to the fact that the Council would be taking on a slightly higher risk profile as detailed below.
116. The sensitivity analysis demonstrated that the increase in financial rewards easily accommodated the level of additional risk taken, with values and/or costs being required to differ from the assumptions made to an extent unlikely to be realised in the market before the financial rewards in Options 2a or 2b fell below those predicted in Option 1.
117. The reason for the significantly higher capital receipts in the BtR options is that whilst the land value in Options 2a and 2b is very similar to the level in Option 1 (which is to be expected), in addition to this the Council receives the benefit of the developer's profit in Options 2a and 2b which is broadly the same amount again as the land value thus almost doubling the total return to the Council.
118. The main additional risk taken on by the Council in the BtR option is the construction risk. The Council will be entering into a build contract directly and will therefore hold the construction risk for longer than in Option 1 where the costs broadly become the Developer's risk as soon as the Development Agreement has been signed. This risk will be mitigated by the Council appointing an experienced professional team who can manage the risk and also by entering into a fixed price design and build contract which transfers most of the cost and programme risk to the contractor. The Council will also need to ensure that the specification agreed with the BtR Investor is reflected in the build contract and again the risk of this will be mitigated by appointment of an experienced professional team.
119. Management of this construction risk will be carried out primarily by the Council's experienced professional team who will ensure that the build contract protects the Council from financial risks such as main contractor failure (through bonds and parent company guarantees), sub-contractor failure (risk passed to the main contractor), cost increases (through fixed price contract) and specification (through robust employer's requirements). The Council will also be protected through a suite of professional indemnity insurance, warranties and other safeguards.
120. The financial appraisals in the Detailed Delivery Plan for all options are based on a cost estimate by Stace dated March 2020, which at this very early stage of design can only be based on benchmarking data and so is used to compare options only. Further refinement and firming up of cost estimates will be undertaken throughout the scheme design development over the next 12-18 months to achieve a greater level of cost certainty. Changes in the cost

estimates, as well as any other assumptions within the appraisals, will affect the final land value and profit receipts.

121. Option 2b was the highest scoring option overall – being the forward funded route. This option benefits from a significant reduction in the amount of funding the Council would need to provide below that of Option 2a and is also the most attractive route for the BtR Investors themselves.
122. The recommendations of the LSH Detailed Delivery Plan can be summarised as follows :
 - a. Meridian Four is directly delivered by the Council with the benefit of a forward funding deal with a BtR Investor for the market rented units and either a forward funding deal with a Registered Provider for the affordable units or some/all of the affordable units to be transferred to the Council's Housing Revenue Account if there is sufficient capacity to do so
 - b. A package of market rented units is offered to Investors of between 200 – 500 units where the market appetite is at its strongest
 - c. All affordable units are included in the Registered Provider package and not in the BtR package. BtR Investors cannot accept London Affordable Rented units as they are generally not Registered Providers. They will accept Discount Market Rent units up to a discount of circa 40% off their market rents but below this it becomes unviable for them to do so due to their high operating costs. Therefore, as the Council wishes to cap the Intermediate Rented units at the GLA's London Living Rent levels for the Upper Edmonton Ward, these should be included in the affordable package instead.
123. This Cabinet report recommends that the LSH report is approved and the recommendations within it are adopted as the approved strategy for delivery of Meridian Four.
124. Plots Z05-06-, Z05-06, Z05-07, Z04-01 and Z04-05 shown on the Phase 2 Parameter Plan in *Figure 2* contain a total of circa 800 units. In order to achieve the 40% of affordable housing across Phase 2 as required by the outline planning consent (which includes Meridian Two, Meridian Three, Meridian Four plus circa 1,000 further homes) and in line with the authority given by Cabinet to proceed with the selection of Vistry Partnerships as the Meridian Two Developer (KD4952) based on a 100% affordable scheme only on the basis that the affordable element of future schemes within Phase 2 is reduced accordingly, Meridian Four will deliver 35% affordable units. This therefore would create a scheme of circa 520 market units and 280 affordable units.
125. These plots are also immediately adjacent to Meridian Three and will be constructed at broadly the same time, giving confidence to both Meridian Three and Meridian Four investors that building works around their units will be

completed quickly after completion. The five blocks also span the newly created Boulevard providing an active front to both sides and creating a real sense of place.

126. It is therefore considered likely that Meridian Four will consist of these five development plots but flexibility will be retained on this to ensure that the scope can properly respond to all market requirements. It is also possible that not all the market units will form part of the BtR package – some may be included in the affordable package as either market sales or market rent. This will enable the optimal number of units to be offered to the BtR Investors and also ensure that whole blocks are offered whilst still achieving the required market/affordable split.
127. The results of the soft market testing of BtR Investors has confirmed the importance of the ground floor non-residential uses to the Investors and there is likely to be a requirement for the BtR Investor to retain this space partially or wholly to ensure the delivery of high quality placemaking. Not offering some form of control and/or ownership of these units to Investors is likely to stop many Investors from bidding for the scheme at all.
128. The Council equally appreciates the value of controlling the mix of uses, and so an agreed lettings plan will seek to ensure both interests are set out clearly and agreed by both parties, irrespective of who will actually own the ground floor. The Council will also be seeking an option to form a joint venture with the BtR Investor for joint ownership, joint marketing and/or a revenue share of these ground floor units.
129. Direct delivery of a scheme such as this will require significantly greater skilled and experienced resource than the Council has appointed to monitor previous phases delivered by Developers. This is important not only to safeguard the Council's interests but also to give confidence to Investors. A new professional team will need to be appointed and the approved budget and Capital Programme already allow for this. The internal team will require strengthening in order to oversee this work.

Professional team structure, procurement and appointments

130. The Council has identified the requirements for the professional services team to design, manage, advise and implement Meridian Four. The roles, summary of the services are set out below.
131. This report recommends that Cabinet authorise the forward fund expenditure of the budget (included in Part 2 of this report) for the professional team (set out below) required in order to prepare and submit the Reserved Matters application for Meridian Four and enter into legal agreements with the investor on the basis that this cost will be recovered through the capital receipt for the land.

132. This report also recommends that authority is delegated to the Programme Director – Meridian Water to approve all individual services contract appointments to deliver Meridian Four from inception to completion, including Planning, Tender and Construction stages. The total value of the professional team appointments will be in addition to the cost referred to above they will cover the full scope of the RIBA Plan of Work for delivery of the project beyond the reserved matters submission all the way through to practical completion. The Council will not instruct any professional services beyond securing reserved matters consent until the BtR Investor has been secured and hence the cost of the further work will only be paid for by the BtR Investor.

133. Given the scale of Meridian Four, and level of design and project management responsibility that the Council is taking on, it is envisaged that the following consultant appointments are to be made within the proposed professional team structure;

- Project Manager
- Quantity Surveyor/Cost Consultant, and Whole Life performance consultant with potential for the Employer's Agent, and Clerk of Works to be provided
- Architects – a 'Lead Designer' supported by a consortium of architecture and landscape architect practices as sub-consultants, as well as the role of Principal Designer (under CDM), a Fire Engineer, and Façade Engineer, and other relevant services for the planning application and project delivery
- Engineers – A consulting firm to provide the Structural & Infrastructure/Civils Engineer and MEP / Building Services Engineer role, sustainability consultant, and other engineering services required for the planning application and project delivery
- Planning Consultant – to prepare the submission of the Reserved Matters Application, planning statement, affordable housing statement and other planning reports (with a budget to commission further specialist technical reports as required for the RMA)
- Legal services – to advise on property/title matters, funding agreements and construction contracts
- Commercial and property services - specialist Build to Rent and Commercial advice will be provided by the Council's existing commercial advisors, Lambert Smith Hampton

134. There may be additional services required as separate contracts or as additional sub-consultancy services to the above services contracts. Within their procurement, the whole professional team will need to demonstrate an expert and proactive working knowledge of environmental sustainability issues.

135. The above contractual relationship simplifies procurement of services for the Council and ensures individual accountability of different disciplines. The Council is in the process of procuring the above services and this report makes recommendations to approve the expenditure of the budget and to delegate authority to the Programme Director – Meridian Water to approve the appointments.

136. The Council recently recruited a new Delivery Director within the Meridian Water Team, and resourcing requirements to manage the delivery of Meridian Four will be included in a forthcoming re-structure.

Investor Appointment

137. An Investor will be sought to forward fund the BtR option for Meridian Four. Soft market testing is underway to raise awareness of the site and ascertain the appetite for the scheme. Commonly within the BtR market Investors acquire residential schemes with a minimum of 100 units with most Investors seeking a maximum of 500 units. Investors typically seek a forward commitment with a developer to deliver a turn-key product which the Investor will own on build completion, Increasingly, Investors also prefer to forward fund the build and the LSH report recommends that this route will not only reduce the Council's borrowing requirements substantially but is also likely to maximise the capital receipt from Investors.
138. Securing an investor early in the RMA process will de-risk the development process and also allow the investor to advise on specifications. The Investor having a degree of influence over the design will ensure the product meets the Investors requirements, securing their commitment to and longevity of the scheme. However, there is a limit to how early an Investor will commit as they will only engage with a scheme once it is demonstrably live and has a firm delivery programme and a design at a level which they can appraise. Many Investors also have a maximum time limit between ring-fencing their funds and requiring the scheme to be income generating. Therefore this report recommends that the Investor marketing is commenced at the same time as the reserved matters application is commenced with a view to selecting the preferred investor half way through the reserved matters designed process.
139. The current development programme anticipates preparation for the Investor procurement to begin in November 2020 with formal Investor engagement starting in January 2021. Securing a reputable Investor will require the Council to demonstrate to the market that the Council has secured an experienced and skilled team readily able to deliver a scheme of this nature. A preferred Investor should be selected by May/June 2021 with the Investor's team then working alongside the Council's team on completion of the reserved matters application and funding/purchase agreements being signed in Autumn 2021.
140. A targeted approach will be taken to the procurement process to create a sense of exclusivity amongst the parties and ensure best land value is achieved. Investors are unlikely to engage with a marketing process if they feel it is too open as the complexity of a BtR scheme necessitates potential Investors to dedicate a high volume of time and resources to model and underwrite a BtR opportunity which will not be forthcoming if widely marketed.

Main Contractor procurement

141. In directly delivering Meridian Four, the Council is undertaking the role of a developer and will need to manage all design and construction risk associated with a significant residential development. The Council has a number of different options to consider in determining its preferred procurement strategy to appoint a Main Contractor to deliver the Meridian Four scheme.
142. In terms of the procurement procedure to be adopted, broadly three options are being considered;
- following an OJEU process
 - using an existing OJEU compliant construction framework
 - setting up a new OJEU compliant Main Contractor framework for Meridian Water and other Council projects
143. The Council will also need to consider which form of contract it adopts. It could undertake a single stage tendering process which is typically undertaken at a later stage of the project with a more developed design, to obtain a fixed price tender from a main contractor. Alternatively it could undertake a two-staged tender process which enables earlier contractor involvement in developing the design and may be more attractive to the market. Further consideration of how the Meridian Four development is phased and packaged up (with different construction lots) will be made once the design is underway and the team appointed.
144. The Council will be taking professional advice to develop a procurement strategy, in consultation with the Procurement & Commissioning Hub and other Council departments, and the Build to Rent investor. The objective will be to manage the cost risk whilst delivering the required specification. This report recommends that authority is delegated to the Programme Director – Meridian Water to determine the procurement strategy for Meridian Four (and the affordable housing units at Meridian Three, and potentially other Council projects subject to the relevant approvals). A future report will come back to Cabinet recommending the award of contract (and potentially a framework) to a Main Contractor(s) and authorise the contract sum.
145. Opportunities for local suppliers to bid or be part of the main contractor's team will be provided for in a specific social value strategy as part of the tender. In line with targets set in the Employment Strategy, at least 10% of tenders will be delivered through local construction companies as a minimum. A package of support to optimise benefit to the local supply chain will be commissioned to work with appointed developers and their contractors, and to assist local construction companies in tendering for work.
146. There may be an opportunity for the Council to coordinate its Works procurement activity with other third-party landowners at Meridian Water to increase buying power and economies of scale to drive value for money and additional benefits. Any such proposal would be included in the proposed Procurement Strategy to be determined by the Programme Director, and any commercial deal between the Council and a third-party landowner would be subject to a separate approval.

Social infrastructure and community health and wellbeing

147. Meridian Four will benefit from the wide range of social infrastructure offered by the masterplan. To priorities walking and to keep the residents healthy, new parks and green spaces will be delivered together with the new cycling infrastructure that connects the sites to wider destinations. A brand-new community health and wellbeing centre is planned at Meridian One and a new primary school will come forward as part of Phase2 delivery.

New Food and Beverage Venue

148. The inclusion of a specific Food and Beverage venue within Meridian Four is seen as integral to the development of social cohesion within the new neighborhood, providing an inclusive social space, that will activate the adjacent riverside square, and establish the west bank of the River Lea Canal as a hub of waterside food and beverage offers for residents and Visitors.

149. There will be other food and drink offerings at Meridian Water as part of the ground floor strategy but this waterside location will be critical in activating the adjacent public square and creating a focus on the Western side of the Lea River Navigation as a destination for leisure and recreation.

150. The Council will develop the concept, detailed design's and play an active role in ensuring an appropriate approach to delivery is pursued so as to create a valued community asset. It is envisaged that the concept will reference the river, and potentially link to the use of the river as a recreational amenity. The food and beverage venue will also reference the Meridian Water Placemaking Pillar, "Your place to make and create" acting as an outlet for the Borough's brewing heritage, showcasing and supporting local brewing businesses.

Park Pavilion

151. The Park Pavilion, adjacent to Meridian Four, and to the North East corner of the new Brooks Park will be a key facility for the benefit of users of the park, the surrounding community and visitors. It is expected to incorporate a café and toilet facilities and provide a selection of healthy food and drink offerings, all year round.

152. The Council will develop the detailed designs, taking an active role in ensuring an appropriate landmark building is created that is accessible to local residents, promoting healthy lifestyles and the use of the park. The Council will develop the approach on the delivery, management and operation of the building, as per the proposal in this report.

Leisure offer Swimming pool or Barge

153. A number of potential leisure opportunities in the River Lea Navigation and Banbury Reservoir are being considered as the first stage of a health and wellbeing offer at Meridian Water. Outline proposals include a barge that contains a swimming pool to be located in the River Lea Navigation, and also the potential for swimming and other activities in the Banbury reservoir. These proposals may be Council led or require facilitating other third parties to bring

forward proposals that can tie into various Meridian Water strategies and objectives.

Lettings Plan

154. The lettings strategy will either be implemented by the Council as Landlord or safeguard the desired mix of occupiers should the appointed build to rent provider retain the commercial property. Soft market testing has confirmed the importance of ground floor uses to Build to Rent operators and there is likely to be a requirement for the BtR Investor to retain this space partially or wholly to ensure the delivery of high quality placemaking. The Council equally appreciates the value of controlling the mix of uses, and so the Strategy will seek to ensure both interests are set out clearly and agreed by both parties, irrespective of who will actually own the ground floor. Approval of the area wide ground floor framework and the Meridian Four lettings strategy and all related future decisions are delegated to the Programme Director for Meridian Water and the Director of Property and Economy.

Tesco and IKEA

155. The Council continues to have dialogue with the two largest third-party landowners at Meridian Water, Tesco and IKEA. Both Tesco and IKEA are separately considering redevelopment of their landholdings while retaining their respective superstores on site. The Council is continuing to encourage and facilitate their respective development proposals to support the delivery of Meridian Water objectives.

Safeguarding Implications

156. It is not considered that the proposals in this report, which include a number of proposals to delegate future decisions from Cabinet to Senior Officers, have any direct Safeguarding implications however future decisions may have safeguarding implications.

Public Health Implications

157. Meridian Water is a significant development that will substantially affect people's health through urban layout, build quality, the attention paid to community cohesion, energy supplies, the food and leisure offer and transport systems.

158. Significant attention has been given to each of the above with the intention of enabling people to live long and happy lives without the need of health or social care services.

159. This includes making active transport the quick and convenient choice, the provision of healthy food, urban design that facilitates 'incidental social interaction' and leisure activities that encourage people to come together. Within this will be green energy so mitigating future climate change effects.

Equalities Impact of the Proposal

160. This report makes 17 proposals in total, the majority of which require further approval by Cabinet, Members and/or Senior Officers. As proposals are developed in more detail for future delegated decisions, they will need to have regard of any Equalities Impacts. For example the future detailed proposal for health provision will seek to respond to health inequalities in the borough.
161. Where proposals are to be implemented following Cabinet approval of this report, Equalities Impacts must be considered. For example, the procurement of professional services will have regard to the Council's equality aims to advance equality and eliminate discrimination.
162. A new Equalities Impact Assessment will be prepared for the overall Meridian Water regeneration programme.

Environmental and Climate Change Considerations

163. Enfield Council declared a Climate Emergency in July 2019, and the Council is in the process of developing a specific Environmental Sustainability Strategy for Meridian Water (KD5089) which will go to Cabinet in 2020. This strategy sets out ambitions for all projects and the financial assessment and implementation mechanism for achieving them. This also sets out the practical implications of increasing the sustainability levels of projects where the parameters are already agreed.
164. Although the construction of new homes will create an increase of emissions compared to not building homes, the draft Meridian Water Environmental Sustainability Strategy seeks to mitigate these emissions, progressively increase performance, and create a state where net zero carbon homes are a reality.
165. In the draft Environmental Sustainability Strategy, the targets are to reduce the operational energy from 105kWh/m²/yr to under 30kWh/m²/yr, to reduce the embodied carbon from 600 kgCO₂e/m² to under 300 kgCO₂e/m² and to increase the local renewable energy offsets from 25% to 100% of the residual carbon emissions.
166. The Council has also invested in a district heating network, using very low carbon heat from the rebuilt North London Heat and Power plant. This network will support Meridian Water in operating low carbon homes. All new homes constructed will be connected to the heat network, initially fed by temporary gas boilers until the Energy Recovery Facility comes on-line in 2026/7. This will achieve a 92% reduction in the residents' carbon footprint for heating compared to an individual gas boiler
167. For Meridian One and Meridian Two, the Council negotiated a Development Agreement assuming that the developer will meet current planning policy and Building Regulations and also connect to the Meridian Water Heat Network. However there is an expectation that energy standards for new buildings will increase over time to reduce carbon emissions.

168. The Council is in discussions with Vistry to deliver a pilot project to enhance sustainability standards for some of the Council homes to the London Energy Transformation Initiative (LETI) Climate Emergency Design Guide standards which adopt higher fabric performance and reduce embodied carbon. The Environmental Sustainability Strategy for Meridian Water (KD5089) due for Cabinet approval in October 2020 sets out ambitions for increased standards and the financial and implementation mechanism for achieving these. This uplift will be the first step to reaching the housing energy and carbon targets set out in the Meridian Water Environmental Sustainability Strategy.
169. At Meridian Three, it is recognised that Student or Co-Living investors are likely to adopt robust sustainability standards to future proof their buildings suiting their business model and credentials. Sustainability will be incorporated into the tender evaluation criteria and the building lease will include a covenant requiring that the developer cannot build other than to the design, quality and sustainability criteria adopted within the Bidder's offer. The intention is that this will bring the project to the standards set out in the Meridian Water Environmental Sustainability Strategy.
170. At Meridian Four, with the recommended option, sustainability standards are expected to be improved because the Council has greater control of the design and cost management, and a Build to Rent Investor is likely to be incentivised to improve energy efficiency for economic, as well as reputational reasons.
171. The ambition for Meridian Four, from the design brief onwards, will be the first project that completely aligns with the Environmental Sustainability Strategy for Meridian Water, including the progressive use of Passive House standards, subject to maintaining viability of the scheme. The selection of the BtR investor will include evaluation of the level to which they commit to meeting the Meridian Water Environmental Sustainability Strategy from a long-term operational perspective.
172. For Meridian Three and Four, the design for adaptation and resilience, including resilience to flooding and overheating, will be reviewed during the design stages of the project.
173. The Environmental and Carbon performance of all projects will be reported in the annual Meridian Water Performance Report.

Risks that may arise if the proposed decision and related work is not taken

Meridian Four

174. Approval of Detailed Delivery Plan and delivery of Meridian Four via forward funded deals with BtR Investor and Registered Provider – if this proposal is not taken then the Council risks reducing the capital receipt from Meridian Four, contributing to the ongoing overall project viability risk, as well as delaying delivery of homes.

175. Appointment of Professional team – the appointment of an experienced and capable professional team will reduce the risk to the Council of non-delivery, cost exposure, reputation in the market and poor agreements with partners. Therefore, not appointing the professional team will increase these risks.
176. Competitively marketing the affordable units to a Registered Provider or transferring to the HRA is there is capacity - if this proposal is not taken then there is a risk that the affordable units will not be delivered, reducing the amount of affordable housing available to local people as well as risking the market units not being available for occupation due to planning restrictions.
177. Procurement strategy for build contractor – it is important that the procurement strategy is well thought out and planned in order to ensure value for money for the Council as well as speed of entering into a suitable build contract.

Meridian Three

178. The previous Cabinet authority was to bring three development plots forward to student and/or co-living providers. However, the maximum area allowable in the outline planning consent for these tenures only allows for two blocks. Therefore, this report clarifies that if the Council proceeds with permanent development on this site it would be for two blocks – with either one for student accommodation and one for co-living or both for one of those tenures. If the decision is not taken to proceed on this basis then there will be no Cabinet Authority to deliver homes on this site that complies with the planning consent.
179. The alternative options for delivery of the affordable requirement generated by the student and/or co-living tenure are detailed in section 76. If the proposal to deliver the affordable units in the third block is not approved, then there is a risk that the land receipt for Meridian Three may become negative and also that the third block will remain undeveloped

Skills Academy

180. If the decision to enhance provision was not taken then there would be insufficient provision of training and support services and an appropriate local training venue to assist in the employment around 250 local residents per year from future Meridian Water projects, including Meridian's 2, 3, and 4, and the HIF infrastructure works.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

Meridian Four

181. The most significant risk that the Council would take on in directly delivering Meridian Four, would be the risk exposure related to construction costs increasing above the budget, either as a result of the market generally, or the management of the design and specification process. This may impact the Council's return on investment.
182. The Council will appoint a Professional Team who will be responsible for managing the scheme design and specification within the cost plan prepared by the Quantity Surveyor and working collaboratively to manage this risk. Adequate provision for costing and inflation will need to be made as part of the initial project brief. Further detail of this risk mitigation is included in the Part 2 report at *Appendix 1 – Phase 2 Detailed Delivery Plan*.
183. There is also a risk that the Council will not be able to secure a BtR Investor and/or that the finances of deal are not as good as advised in the attached report.
184. The Council and its advisors has already conducted formal and robust soft market testing which has indicated strong investor interest in the scheme. Market engagement will continue throughout this year prior to launching the marketing campaign in January 2021 and any indication of weakening interest or a change in market levels of rents or yields will be carefully considered and modelled prior to launch.
185. There is a risk that the timescales for some of the main activities such as obtaining Reserved Matters approvals, appointing an investor, or procuring a main contractor, take longer than anticipated in the current programme. Delays could have positive or negative financial implications depending on the activity and market factors at that point in time, and whether the Council is in contract with an investment partner or not; for example construction costs and rental values may fluctuate during the project timescales. Detailed risk analysis including mitigations will be developed in the early stages of the project.

Meridian Three

186. The main risk is that the marketing exercise is not well received by investors and either no bids are received or land values offered are less than expected. This risk is greater due to the impacts of the recent COVID-19 pandemic and lockdown.
187. The Council has engaged extensively with the market, including a robust and formal soft market testing exercise which is informing decisions on timing of the launch, structure of the deal and the most attractive tenure mix offered. All this will be kept under review to ensure that the marketing is received in the most positive light.

Financial Implications

188. This section provides the financial implications for proposals 7 to 13, 15 and 19 in the Part 1 report as well as proposals 6 and 7 in this Part 2 report.

The financial implications will focus on the implications of each proposal on the Project's baseline financial position as approved by Council in November 2019 (KD4469), the impact on approved Capital budgets and any assumptions regarding Revenue budgets as per the Medium -Term Financial Plan (MTFP).

189. Proposal 7– Skills Academy

As part of the Meridian One development agreement Vistry are required to make provision for a Skills Academy, this was noted in the Meridian Water Cabinet Report (KD4469) presented in October 2019. There has since been a proposal to provide an enhanced Skills Academy. The enhanced Skills Academy building will be delivered through a supplementary agreement to the Development agreement, with Vistry constructing the Skills Academy Building. The detailed budgetary implications for this proposal are discussed in Part 2.

190. Proposal 8 - Meridian One non-residential shell and core plus fit out works.

Cabinet approved the appointment of Galliford Try (now Vistry), in October 2019 (KD4864). The cabinet report set out a forecast net land receipt assuming a reduction of the shell and core plus fit out costs from the gross land value paid by Vistry. As detailed in this report, the proposal is to procure the shell and core plus fit out of the commercial spaces on Meridian One. This would be done via a competitive process to ensure value for money, should the Council not come to an agreement with Vistry for the works. The budgetary implications for this proposal are further discussed in Part 2.

191. Proposal 9 – Authority delegation to establish a Health and Wellbeing Centre that includes nursery provision within the community space at Meridian One.

See Part 2

192. Proposal 10 & 11 - Marketing of two plots for disposal or letting within Phase 2 for a specialist Co-Living and/or Student provider and the third plot to registered providers or letting of some or all of the Meridian Three land on an operating lease of up to 15 years as meanwhile use

During the process of marketing the plots of land, consideration should be given to the capital receipts assumed within the approved financial model and therefore the Council's existing capital programme. If the plots are sold and disposed of, any outstanding debt attached to the sites can no longer be capitalised and instead will be charged to the revenue budget.

Estimated costs for each plot are detailed in Part 2.

As outlined in paragraph 91, the affordable homes block will be directly delivered by the Council as part of the build contract for Meridian Four. It is the intention to use the same building contractor for the affordable blocks within Meridian Three and Meridian Four.

The Council will receive a capital receipt should an external registered provider purchase the affordable homes, rather than the Council retaining them through the HRA. The registered provider will pay for the homes providing income into the Council, whereas the Council would receive no capital receipts should the

HRA buy them. The HRA appropriation of the units would result in an increase in the HRA debt levels and a reduction in the GF (Meridian Water Project) debt levels.

193. Proposal 12 - seeks approval of the Phase 2 Detailed Delivery Plan and the direct delivery of 'Meridian Four' for the preferred recommendation

See Part 2

194. Proposal 13 - Procurement of professional team to deliver Meridian Four

The proposal includes details of the types of roles required for a fully resourced team for which there is an allocation within the 2020/2021 approved Meridian Water budget. This budget will fund the project team up to the point where the investor is secured. The remaining costs for the professional team will be funded by the investors.

The costs and budget implications for this proposal are discussed in Part 2.

195. Proposal 14 - Delegation of Authority to enter into agreements with Build to Rent investors and/or Registered Providers to dispose of Meridian Four assets to those parties

The financial elements of an agreement with an external company will need to be considered to ensure we are demonstrating value for money to the Council. The Council will need to understand the impact on its overall finances as a result of entering into any agreement with an external company.

196. Proposal 15 – Delegation of Authority to commence the procurement of a main contractor to deliver Meridian Four and other Council projects (subject to approval)

The financial elements of an agreement with an external company will need to be considered to ensure we are demonstrating value for money to the Council. The Council will need to understand the impact on its overall finances as a result of entering into any agreement with an external company.

The costs and budget implications for this proposal are discussed in Part 2.

197. Proposal 16 and 17 - Marketing of sites adjacent to Meridian Four for the purposes of a Food and Beverage offer and a Public House

In determining that an appropriate approach for the delivery of a Food and Beverage offer and a Public House is adopted, consideration should be given to the current and future costs incurred in relation to the sites. Once the site is completed the interest attached to any outstanding debt will be charged to Council revenue budgets. Any disposal proceeds should equal or exceed the total costs incurred on the site, or the income from any rental agreements should cover annual finance costs to prevent a negative impact on the revenue budget.

198. Proposal 18 – Delegation of Authority to commence the process to appoint partners to deliver leisure opportunities in the River Lea Navigation and Banbury Reservoir.

The financial elements of an agreement with an external company will need to be considered to ensure we are demonstrating value for money to the Council. The Council will need to understand the impact on its overall finances as a result of entering into any agreement with an external company. If the delivery

of leisure services involves the Council paying a provider these will need to be funded from revenue budgets.

199. Proposal 19 - Approve the development of a ground floor commercial space strategy and delegates authority for the approval of the strategy

The base case financial model has been developed on the assumption that the Council retains ownership of the commercial space on the Meridian Water site and estimates for the level of rental income have been included.

See Part 2 for the estimated rental income for the commercial space.

Legal Implications

MD 25th August 2020 (based on report timed at 10:26 25th August 2020)

200. The Council has the statutory powers to undertake the regeneration of Meridian Water. Further legal implications will be provided in delegated authority reports as the details of the proposals in this cabinet report are developed. Officers should continue to liaise with the Council's Legal Services department as the detailed scheme progresses.

201. Public law principles will apply to the decisions made by the Council in relation to the project, 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 in relation to the delivery of the project are made after having given due and proper consideration to all relevant factors (disregarding irrelevant factors).

202. 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 the scheme develops.

203. Any procurement of goods, services or works as envisaged by this report must be conducted in accordance with the Council's Constitution, including the Contract Procedure Rules, and the Public Contracts regulations 2015. For contracts over the EU threshold for goods and services and over £1,000,000 for works, the Procurement and Commissioning Review Board must approve the procurement. The Council's Key Decision procedure must be followed for all contract awards for £500,000 and above.

204. Any disposal of land must comply with s123 Local Government Act 1972 and the Council's Constitution, including the Property Procedure Rules.

205. Section 19(1) of the Housing Act 1985 (the 1985 Act) allows local authorities to appropriate any land vested in them or at their disposal to the Housing Revenue Account (HRA).
206. The preferred structure for the delivery of Meridian Four includes a partnering arrangement with an investor. While the exercise to select an investment partner is not expected to be within the scope of the Public Contracts Regulations 2015 given the subject-matter (i.e. injection of funds rather than procurement of works, goods or services), in order to ensure compliance with the Council's best value and fiduciary duties to local taxpayers, a competitive selection exercise should be undertaken.
207. The Council should be mindful of its obligations under the Housing Infrastructure Fund grant agreement which it is expected to enter into with the Ministry of Housing, Communities and Local Government. In particular, the grant agreement will place an obligation on the Council to deliver infrastructure and housing in accordance with specified milestones. It will also place restrictions on the ability of the Council to dispose of its assets.
208. The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.
209. All legal agreements arising from the matters in this report, must be in a form approved by the Director of Law and Governance.

Workforce Implications

210. To deliver these recommendations changes to the existing Meridian Water team are required. A restructure has been drafted and is currently going through the new finance board review.
211. We will adopt a 'thin client' model where we will directly employ relevantly qualified development professionals to manage the key development activity and risks. This team will be responsible for procuring the necessary professional team including project, development and contract management expertise.

Property Implications

212. Any general property information is contained within the body of the report. There are no individual property implications arising directly from this report which is of a more general and strategic nature. It is anticipated that there will be future Property Implications as each section of the development is brought forward and progressed. Any future reports arising as a result of these proposals will need to be fully reviewed and when property implications / transactions are needed Strategic Property Services will comment on the individual deals.

Other Implications

213. No other implications have been provided.
214. Procurement & Commissioning Hub colleagues have been consulted on the procurement aspects of this report.

Options Considered

Meridian Four

215. The Detailed Delivery Plan in Appendix 1 of the Part 2 Report sets out the options for delivery of Meridian Four and the findings are summarised in this report above.
216. The number of units to be offered as part of Meridian Four has been assessed and a range of 200 - 500 homes has been well received by the market. A package at the lower end of this range would not take advantage of place-making on both sides of the Boulevard and will not accelerate delivery of homes as effectively, therefore a package at the higher end is considered more beneficial whilst still attracting a large number of investors.
217. A package which included the majority of Phase 2, being 1,556 homes, was not well received by most of the investors who engaged with the soft market testing exercise. Indeed the market would be reduced to potentially only 1 or 2 risking less competition and therefore less beneficial terms; such a large package would also mean that the Council would lose the ability to diversify tenure at a later date and also create a risk that Council does not maximise land value as the regeneration effect takes hold
218. Including the London Affordable Rented units in the BtR Investor package would cut down the market to only those investors who are Registered Providers and this would not represent a good selection of potential partners for the Council. Including the London Living Rent units in the BtR Investor package would significantly reduce land value as the BtR Investors typically have much higher operating costs making it very inefficient for them to offer units at such low rents.
219. Do Nothing – this would result in no new market or affordable homes being delivered on Meridian Water, no regeneration of the area and also no income from being received to pay down existing Council debt.

Meridian Three

220. An alternative option to delivering the Affordable Housing requirement of M3 within the third plot would be to accept an upfront payment in lieu from the operator in the form of a Commuted Sum. However, the scale of commuted sum required by the GLA under the draft S106 would create a negative land value for the Council on a scheme which is targeted to maximise capital receipts in order to pay down existing Council debt.

221. The option to deliver all three blocks at the Meridian Three site as either Co-living, Student Accommodation or a combination of both has been considered and discounted as a new Planning Application would need to be submitted. The length of time to do so would cause unnecessary delays to delivery and have a financial impact on the scheme not receiving a land receipt for the site within the planned timeframe.

Skills Academy

222. Deliver the Meridian One Skills Academy baseline offer proposed by Vistry. This would provide sufficient capacity to support the training and apprenticeship delivery for Meridian One only, requiring additional separate facilities to realise the local employment opportunities arising from Meridian's 2, 3, and 4 and the HIF Strategic Infrastructure works contract(s) which would not be cost effective, or would lead to a reduction in the local employment benefits arising from the wider Meridian Water programme.

Conclusions

223. This report provides an update to Cabinet on the Council's ambitious residential delivery programme at Meridian Water, and it makes a number of proposals to significantly scale up the delivery of regeneration and the supply of new homes, and the creation of new sustainable neighbourhoods.

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Date of report: 24/08/2020

THE CABINET

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

OCTOBER 2020

- 1. Section 75 Agreement: Approval of Revisions 2020/21** Tony Theodoulou

This will provide details of the 2020/21 Section 75 funding arrangement between the London Borough of Enfield and NHS Enfield CCG. **(Key decision – reference number 5173)**
- 2. Property Disposals** Sarah Cary

This will consider the disposal of Council owned properties. **(Key decision – reference number 5189)**
- 3. Upton and Raynham Redevelopment** Sarah Cary

This will consider the development. **(Key decision – reference number 5217)**
- 4. Quarterly Corporate Performance Report** Fay Hammond

This will present the quarterly corporate performance report. (Non key)
- 5. Meridian Water Environmental Sustainability Strategy** Sarah Cary

This will seek approval for the adoption and assimilation of the Meridian Water Environmental Strategy, combined with the ambitions of the Council's climate emergency declaration, which together will steer processes for sustainable development excellence and future proof the Meridian Water legacy. **(Key decision – reference number 5089)**
- 6. Medium Term Financial Plan - Update 2021/22 - 2025/26** Fay Hammond

This will provide Cabinet with an update on the Medium Term Financial Plan position and to present any sufficiently developed savings proposals for early Cabinet approval in order to close the remaining budget gap. **(Key decision – reference number 5215)**

NOVEMBER 2020

- 1. Cultural Strategy** Sarah Cary

This will seek approval of a Cultural Strategy for the Borough. **(Key decision – reference number 5165)**

2. **Economic Development Strategy 2020-30** Sarah Cary

This will seek approval of Enfield's Economic Development Strategy 2020-30. **(Key decision – reference number 5088)**

3. **Quarterly Revenue Monitoring 2020/21 Quarter 2** Fay Hammond

This will update Cabinet on the revenue monitoring position as at the end of the second quarter. **(Key decision – reference number 5200)**

4. **Quarterly Capital Monitoring 2020/21 Quarter 2** Fay Hammond

This will update Cabinet on the capital monitoring position as at the end of the second quarter. **(Key decision – reference number 5201)**

5. **Half Yearly Treasury Position 2020/21** Fay Hammond

This will update Cabinet on the Treasury Management position of the Council for the first half of the 2020/21 financial year. **(Key decision – reference number 5214)**

6. **Ethical Debt and Income Strategy** Fay Hammond

This will seek approval of the Council's Ethical Debt and Income Strategy. **(Key decision – reference number 5207)**

7. **Safeguarding Enfield Annual Report 2019-2020** Tony Theodoulou

This will present the Safeguarding Enfield Annual Report 2019-20 to Members. (Non key)

8. **Registered Provider (RP) Framework** Sarah Cary

This will seek approval to the setting up of a registered provider framework. **(Key decision – reference number 5191)**

9. **Digital Services Strategy 2021-2023** Fay Hammond

This will present the Strategy for approval. **(Key decision – reference number tbc)**

10. **Modern Council: Digital Business Portfolio** Fay Hammond

This will present the digital business portfolio proposals. **(Key decision – reference number tbc)**

11. Trading Companies Annual Accounts Jeremy Chambers

This will present the 2019-20 final annual accounts for the Council's wholly owned trading companies. **(Key decision – reference number 5197)**

DECEMBER 2020

1. Resident Permit and Visitor Voucher Tariff Changes in The Borough's Controlled Parking Zones Sarah Cary

This will set out proposals to consult and implement changes to the resident permit and visitor vouchers tariff. **(Key decision – reference number 5101)**

2. Award of Extra Care Services Tony Theodoulou

This will recommend the award of the contract for the provision of extra care services at Alcazar and Skinners Court. **(Key decision – reference number 5193)**

JANUARY 2021

1. Quarterly Corporate Performance Report Fay Hammond

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

2. Quarterly Capital Monitoring 2020/21 Quarter 3 Fay Hammond

This will update Cabinet on the capital monitoring position as at the end of the third quarter. **(Key decision – reference number 5202)**

FEBRUARY 2021

1. Quarterly Revenue Monitoring 2020/21 Quarter 3 Fay Hammond

This will update Cabinet on the revenue monitoring position as at the end of the third quarter. **(Key decision – reference number 5203)**

2. 10 Year Treasury Management Strategy 2021/22 Fay Hammond

This will update Cabinet on the Council's 10-year Treasury Management Strategy. **(Key decision – reference number 5211)**

3. Budget Report 2021/22 and Medium Term Financial Plan 2021/22 to 2025/26 Fay Hammond

This will set out the Council's 2021/22 budget and Council Tax levels. Consideration will also be given to the updated 5 year Medium Term Financial Plan. **(Key decision – reference number 5213)**

4. **HRA Business Plan Budget 2021/22, Rent Setting and Service Charges** Fay Hammond

This will set out the proposed Housing Revenue Account (HRA) 30 year Business Plan, revenue budget, 5 year capital programme budget and right to buy (RTB) receipts programme. **(Key decision – reference number 5212)**

5. **Capital Strategy and Capital Programme 2021/22 to 2030/31** Fay Hammond

This will update Cabinet on the Council's 10 year capital strategy and capital programme. **(Key decision – reference number 5210)**

6. **Strategic Housing Asset Management and Sustainability Strategy** Sarah Cary

This will consider and seek approval to the strategic housing asset management and sustainability strategy. (Non key)

MARCH 2021

APRIL 2021

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

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

TO BE ALLOCATED

1. **Montagu Industrial Estate – Resolution for a Compulsory Purchase Order (CPO)** Sarah Cary

This will seek approval for a resolution to make a CPO for the redevelopment of the Montagu Industrial Estate in order to provide modern, fit for purpose business space. **(Key decision – reference number 5121)**

2. **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)**

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