



## **ADVANCED PUBLICATION OF REPORTS**

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members  
and operational key decision makers.

Once signed all decisions will be published on the Council's  
Publication of Decisions List.

- 1. GOOD GROWTH FUND – FORE STREET, ANGEL EDMONTON (Pages 1 - 18)**
- 2. MERIDIAN WATER HOUSING INFRASTRUCTURE FUND - APPROVAL TO AWARD RAIL DESIGN SERVICES FOR THE STRATEGIC RAIL INFRASTRUCTURE WORKS (Pages 19 - 34)**

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**London Borough of Enfield****Portfolio Report of the Leader of the Council****Report of:** Mark Bradbury, Director Property and Economy

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**Subject:** Good Growth Fund – Fore Street, Angel Edmonton**Cabinet Member:** Cllr Caliskan, Leader**Executive Director:** Sarah Cary**Ward:** All**Key Decision:** KD5080

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**Purpose of Report**

1. The Good Growth Fund (GGF) is Mayor Sadiq Khan's £70 million regeneration programme to support growth and community development in London. The third and final round of this fund opened for applications in September 2019. There were around 170 Stage 1 applicants for the final £20 million funding round.
2. Funded by the London Economic Action Partnership (LEAP) and managed and delivered by the Mayor of London's Regeneration and Economic Development team, the programme is underpinned by three strategic and interrelated delivery themes:
  - Empowering London's people;
  - Strengthening London's places; and
  - Growing London's prosperity.
3. Following a successful Stage 1 Expression of Interest in December 2019, a full Stage 2 bid for Fore Street, Angel Edmonton was submitted on the 3<sup>rd</sup> February 2020.
4. On the advice of the GLA following Stage 1, the value of the full bid was increased to £2.2m comprising £1.1m capital grant from the GLA and £1.1m Council match funding (this is a capital fund requiring a minimum of 50% match funding from the recipient). This funding is been outlined in the existing approved capital programme, under the Town Centre Development budget.
5. The Council was informed on the 9<sup>th</sup> March 2020 that the bid was successful and now wishes to progress with the project and enter into a funding agreement with the GLA for a period of three years.

### **Proposal(s)**

6. To authorise the Director of Property and Economy to agree to accept £1,100,000 of capital grant funding from the GLA.
7. To authorise the Director of Property and Economy to allocate match funding of £1,100,000 from the capital programme, under the Town Centre approved Development budget.
8. To authorise the Director of Legal & Governance to enter into a legal agreement and complete all necessary legal documentation with the GLA to achieve the objectives of the GGF project.
9. To authorise the Director of Property and Economy to take all necessary actions to deliver the project in accordance with the Council's Property Procedure Rules and Contract Procurement Rules as appropriate
10. To approve the making of an application to the Secretary of State under Section 19 of the Housing Act 1985 for consent to the appropriation of land from housing to planning purposes in accordance with S122 LGA 1972'. Please note, this application relates to change of use rather than ownership.

### **Reason for Proposal(s)**

11. The design of the project directly responds to issues and opportunities identified through engagement activity with the local community, businesses and potential partners and identified in the Angel Edmonton Town Centre Action Plan. It also aligns strongly with the objectives of the Corporate Plan and emerging Economic Development Strategy. It also aligns strongly with the objectives of the Corporate Plan and emerging Economic Development Strategy.
12. To facilitate community engagement and build capacity. We want to ensure both existing and new communities play a key role in shaping the area's future and benefit from new opportunities – with development that reflects the needs of the local community.
13. To deliver employment and skills opportunities. In conjunction with anticipated population growth, we want to ensure Angel Edmonton's economy provides opportunities for the existing community, ensuring that it is inclusive, diverse and resilient.
14. To improve health and well-being. To make improvements to the physical environment to support community safety and improve air quality to establish a boroughwide precedent and pre-empt forthcoming improvements forming part of the proposed Liveable Neighbourhoods Programme in the area.

### **Relevance to the Council's Plan**

15. **Good homes in well-connected neighbourhoods.**

Angel Edmonton town centre sits at the heart of a long-term programme of major regeneration. It is located adjacent to the Joyce & Snells regeneration programme, which is proposed to deliver 2,130 new homes and is a short walk to Meridian Water, where the Council will deliver 10,000 new homes over the next 25 years.

**16. Safe, healthy and confident communities.**

To ensure the community can benefit from long-term regeneration, we must start to tackle issues now. The GGF project is designed to kick start that process. It seeks to address barriers that prevent people from reaching their full potential, from getting a good job and moving themselves and their families out of poverty. It looks to harness creativity and leverage cultural and ethnic diversity, to change perception and act as inspiration. It looks to provide a shop window for regeneration, through which the community will be able to access a broad range of services, a new community hub and affordable workspace.

**17. An economy that works for everyone.** In conjunction with anticipated population growth in the area, the GGF project seeks to ensure Angel Edmonton's economy provides opportunities for the existing community, ensuring that it is inclusive, diverse and resilient. It is designed to help co-ordinate development and regeneration and nurture the community – both of which are crucial components for stimulating successful economic growth.

**Background**

18. Fore Street is a well-used local high street with a significant proportion of independents whose diverse offer reflects the cultural diversity of the neighbourhood. The vacancy rate is low and during the day, Fore Street is a lively high street that provides well for the local community. Yet, Fore Street has issues with antisocial behaviour and is ill equipped to respond to the changing consumer behaviour affecting high streets nationwide.

19. Angel Edmonton features amongst the 10% most deprived areas for several of the English Indices of Deprivation. The south and the east of the borough are most acutely affected by crime, barriers to education, skills, training and employment. Income deprivation and a poor living environment are affecting local communities, particularly those living in Angel Edmonton.

20. Meridian Water, Joyce & Snells and other regeneration and development projects in the area provide a significant opportunity to address these issues and work with the local community to ensure their quality of life improves and opportunities are offered to all.

**Main Considerations for the Council**

21. This project is a direct response to community engagement and leverages Council owned assets to address needs and enable the

development of a vibrant local economy. A multilateral approach seeks to address a range of priorities identified in consultation including:

- addressing crime/ anti-social behaviour hot spots
- public space improvements + placemaking
- improving access to workspace
- increasing access to employment + training
- facilitating greater community cohesion
- empowering local people to contribute to the shaping of their environment
- improving air quality

22. To deliver against the GGF project objectives, the project elements (Urban Room, workspace, programme for business employment and skills opportunities and public realm) seek to achieve impact by highlighting and strengthening the existing identity of Angel Edmonton. Through the consultation process, ideas have developed to respond to specific stakeholder needs and aspirations but also pursue the wider regeneration objectives.

23. The Urban Room and Workspaces take advantage of the proposed redevelopment of the Joyce & Snells estate and provide meanwhile uses for underused sites in advance of their future redevelopment. The Good Growth Fund proposals have been developed in close consultation with the Joyce and Snells Regen Team. Neither site is intended for redevelopment until at least 2025 under current proposals. It is intended that the social, economic and cultural infrastructure of the Urban Room and workspaces will be both inform and be integrated into the permanent masterplan.

24. The Grant Fund Agreement with the GLA will cover a time period from signing from signing until 31/03/2022. Acceptance of the grant places obligations on the Council to deliver objectives, milestones and/or project outputs that have been set out in the Grant Fund Agreement with the GLA, which will be measured by the outcomes detailed below:

**Facilitate community engagement and build capacity.** Improving 325sq m of community space along with a strategic programme of engagement and consultation will lead to increased levels of inclusion and the feeling of ownership and pride from the local community. The following outcome metrics will be used to evaluate progress against this objective:

- Percentage of residents who report sense of belonging to the area
- Number of volunteering opportunities created

**Deliver employment and skills opportunities.** Providing 31 new workspaces and a programme of business, employment and skills advice will support new and existing SMEs and deliver employment opportunities for the local community. The following outcome metrics will be used to evaluate progress against this objective:

- Amount of commercial space created or improved
- Increase business turnover
- Number of businesses supported
- Number of people progressing into work
- Number of jobs being safe-guarded or new jobs created
- Number of vacant units bought back into use

**Provide the foundation for a strategic spatial plan.** Strategic engagement and consultation, nurturing future economic opportunities and co-ordinating development programmes will inform a spatial plan to accommodate good growth. GGF project deliverables will test, in a meanwhile capacity, longer term interventions that will be delivered by Joyce & Snells, Meridian Water, Economic Development and Healthy Streets projects. The following outcome metrics will be used to evaluate progress against this objective:

- Number of residents who participate in the project over the project duration

**Improve health and well-being.** Community engagement, cultural, and public realm improvement projects will lead to increased footfall and the perception of safety in the area. The school streets initiative will engage the community on air quality and environmental issues and lead to a reduction in pollution exposure NOX, PM10 & 2.5 in its vicinity – testing future interventions to be made by the Healthy Streets Liveable Neighbourhoods programme. The following outcome metrics will be used to evaluate progress against this objective:

- The amount of public realm being created or improved
- Increase in footfall
- Increase in visitor satisfaction

## 25. Project Elements:

**Urban Room:** the project will provide a highly versatile ‘Urban Room’ space. Incorporated within the existing Fore Street Library, the Urban Room will be at the heart of community activities driving the regeneration of Angel Edmonton - creating a physical hub to connect LBE’s teams and partner organisations directly on the high street.

The ‘Urban Room’ will be in operation for at least 3 years from its opening, and most likely substantially longer. Its programme will include community events, formal consultation, an extension to existing library services, and activities programmed by partner organisations. It is likely that the Urban Room will be staffed on a full-time or part-time basis by an individual curating and managing its programme. The options being investigated regarding what the role consists of and how it might be funded are detailed in Section 28 of this report, but include the possibility of Section 106 funding for a new post, staffing as payment in kind by a partner organisation and extending the job descriptions of existing library staff.

Maintenance implications of the urban room will be limited, since the space will contain only limited furniture and exhibition boards. Any cleaning and upkeep will be carried out as part of the existing library upkeep.

**Provide affordable and flexible work and studio space for local businesses.** Creating 31 small workspaces, totalling 600 sq/m, that will support young and innovative businesses through affordable rents, co-location + business support on simple, flexible terms. The brief for the affordable workspace will take into account the evolving post COVID19 landscape for office and workspace. The workspaces will be in operation for at least 3 years from opening, and most likely substantially longer.

An operator for the workspaces is currently being sought. The income generated by the workspaces will cover the loss of existing rent generated by the garages and provide additional income to the council. It is anticipated that staggered rents for the workspaces will form part of the strategy to both make the workspaces affordable but also generate profit, however the detail of this will depend on both the business model and license with the selected operator, which will be advanced over the coming months as the council adopts a detailed brief for the workspaces. Section 56 goes into greater detail regarding the financial arrangements for the workspaces.

The Economic Development team will be managing the relationship with the workspace provider with support from Strategic Property Services. They will be expected to provide updates in line with the metrics established with the GLA to monitor the on-going performance of this project element. The lease will be made out with the HRA as owners of the site. An application to the Secretary of State under Section 19 of the Housing Act 1985 will be made in order to authorise the use of this land as workspaces.

**Offer a programme of business, employment and skills opportunities.** The Urban Room will act as a shop window for an employment and skills centre proposed on Meridian Water, as well as offering a programme run by partners of the 'Build Enfield' programme. The Workspace will be integrated into business support offered by partners.

**Deliver placemaking interventions to inform strategy.** Public realm improvements will enhance connectivity and celebrate the unique character of Angel Edmonton and consider the short, medium and long-term improvements that will accompany the transformation of the wider urban context and to mitigate the impact that the changes will have on local residents and businesses.

**The project will implement Air Quality Improvements - School Street.** This project will remove cars from school gates on either a permeant basis, or during school opening and closing times. St John & St James Church of England Primary School is sited on Grove Street, opposite the proposed northern entrance to the Workspace site and sits

within an area which has been classified as a 'Liveable Neighbourhood' priority area.

## 26. Proposed Programme

Signing of GLA Grant Fund Agreement	21/10/20
Urban Room Works Commences	February 21
Workspace / Public Realm Works Commences	May 21
Urban Room Delivery	July 21
Public Realm Delivery	November 21
Clean Air / School Street Delivery	November 21
Workspace Delivery	December 21

It should be noted that the programme may be required to respond to COVID19 developments, particularly with regard to the impacts upon the ability to deliver, and timelines for, consultation and the programmes for adjacent masterplans and public realm works.

## Safeguarding Implications

27. This proposal will improve the safety of Angel Edmonton, thereby reducing safeguarding risks to vulnerable adults and children. Concerns have been raised consistently by residents and business owners through the consultation process that have highlighted poor quality public realm, petty crime, drug dealing and anti-social behaviour as issues. Through delivering targeted public realm improvements along the high street such as improving alleyways, addressing poor lighting and activating a disused garage site which has been a site of anti-social behaviour, Good Growth Angel Edmonton will seek to improve the connectivity and character of the high street.
28. The Urban Room will act as a physical hub to connect the local community to the Council services and partner organisations and deliver additional space for community engagement. Through enabling the local community to engage with local services and initiatives, children, young adults and vulnerable adults will have access to a safe space in the town centre which will support social connections, access to services, community and events.
29. Good Growth Angel Edmonton will not cause any direct or indirect risks to children, young people and vulnerable adults.

## Public Health Implications

30. Good Growth Angel Edmonton will help narrow the gap between the best and poorest physical and mental health and wellbeing through:
31. School Street: Improving air quality around Enfield Schools is a key priority for Enfield Council who are actively exploring opportunities to deliver School Streets borough wide. The new School Street, located on the street if St. John & St. James' Church of England Primary School is sited on Grove Street, opposite the proposed northern entrance to the garage yards site and sits

within an area which has been classified as a 'Liveable Neighbourhood' priority area. This project will either remove cars from school gates on a permanent basis, or during school opening and closing times, subject to feasibility and consultation. This project delivers the following: Improved air quality at the school gates, improved road safety, increased levels of physical activity, enhanced public realm, improved access to the garage yard site and an educational campaign to encourage walking and cycling to school.

32. Urban Room. The Urban Room will provide a new, configurable space for the local community which will contribute towards strengthening community resilience and opportunities to make new social connections.
33. Public realm improvements. Active travel will be promoted through the targeted public realm improvements around Fore Street that improve the experience of walking and travelling through the town centre. Active travel will also be promoted through the School Street project and the engagement pupils and local families about the project. Engagement will raise awareness of the purpose of the School Street and issues around air quality and will also promote active travel.

### **Equalities Impact of the Proposal**

34. This proposal will tackle socio-economic inequality by specifically focusing efforts and outcomes on communities disadvantaged through the following socio-economic factors: communities living in deprived wards/areas; people not in employment, education or training; people with low academic qualifications; people living in social housing; people on low incomes and people in poor health.
35. Through offering a programme of business, skills and jobs opportunities, this proposal will impact on communities living in deprived areas and wards, people not in employment, education or training, people on low incomes and people with low academic qualifications. New space on the high street will act as a shop window for activity, providing opportunities for the community to access learning, find local employment or establish new enterprise. The design of employment and skills activity will focus on nurturing opportunities for the community that directly respond to the emerging commercial context. We will also pilot new approaches to business space on a small scale to identify opportunities to 'scale up' in later stages of the regeneration programme.
36. This proposal will impact people living in social housing because the new Garage Yard Workspace Hub is located on the Joyce & Snells estate which is home to social housing tenants who will benefit from the improved connectivity between the estate and Fore Street, increased activity and opportunity at the Garage Yard Workspace and improved access to services at the Urban Room.
37. The Urban Room will provide new space for cultural events and community engagement, helping to foster relations between different groups in the community and improve access to information and services. Cultural events are to be defined as activities which bring people together to enjoy shared

experiences including celebration of culture, history or heritage. Culture in Enfield is diverse and varied – events can include local theatre group activities, artist exhibitions or evenings celebrating heritage and language. Feedback from residents and local organisations such as the Millfield theatre will inform what events take place.

### **Environmental and Climate Change Considerations**

38. This meanwhile uses project makes use of existing buildings, thereby limiting waste associated with demolition and construction. As the urban room and workspaces are temporary projects, design briefs will include the requirement to consider the life cycle of buildings and materials.

39. Design briefs for the Urban Room, workspace and public realm will include a requirement to:

- Minimise energy consumption
- Reduce carbon emissions
- Minimising the risks associated with the day-to-day environmental management
- Integrate other sustainable design solutions where possible
- Opportunities for blue green infrastructure will be considered in the approach to public realm

40. Whilst there will be an intensification of use on the urban room site, any increase in emissions will likely be offset by the retrofitting of the library building.

41. The proposal will deliver a new School Street to the Angel Edmonton area which will reduce exposure to pollution by ten per cent. Delivery of this will be monitored by baseline data on air quality and reduction to be determined as we design the school streets scheme. Post monitoring data collection & reporting is factored into the costs of project delivery. This will inform LBE if pollution has reduced in the area outside the school. As part of the air quality project, an engagement package will be built in to engage with school children and parents. This engagement will be carried out, monitored and reported on by the LBE Healthy Streets team. At least 60 school pupils and parents will be engaged with on air quality and environmental issues Since the project.

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

42. Without the project elements that Good Growth Fore Street will deliver, Angel Edmonton will under-perform against its potential.

43. Without the project elements that Good Growth Fore Street will deliver, Angel Edmonton's community capacity will remain under-developed.

44. Without the project elements that Good Growth Fore Street will deliver, the planned development works which surrounds Angel Edmonton will lack

strategic spatial oversight.

45. Without the project elements that Good Growth Fore Street will deliver the health and well-being of Angel Edmonton's residents will not benefit from improvement.

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

46. **Grant Funding.** Potential risk of grant fund reduction, suspension or repayment demand from GLA if objectives, milestones and/or project outputs set-out in grant fund agreement are not met. (Section 59, Legal Implications, provides more detail).

- Risk without mitigation: Medium
- **Risk with mitigation: Low:**
  - Due diligence with internal LBE teams including finance and legal followed prior to signing of grant fund agreement.
  - Establish LBE project management processes including internal board and reporting to ensure obligations set-out in grant fund agreement are delivered.
  - Regular project meetings and reporting established between LBE and the GLA to communicate processes, flag and resolve challenges and adjust programme if necessary in agreement with GLA to ensure expectations are managed and obligations are met.

47. **Procuring a third-party operator for Workspace.** Possible challenges involved in procuring the right third-party operator for the Workspace once the site is in operations.

- Risk without mitigation: Medium
- **Risk with mitigation: Low:**
  - Engage early on with suitable operators to ensure the developing design accommodates any requirements they have to run the space optimally once in use.
  - Undertake early market testing to stimulate awareness amongst possible providers. Keep preferred and/or shortlisted operators engaged during the detailed design and development stages so that the completed development remains fit for purpose.

48. **Obtaining Planning permission and the conditions.** Risk of planning conditions being constraining and negatively impacting the success of both schemes i.e. unforeseen requirements by Planners could severely impact the programme, the design and the overall cost.

- Risk without mitigation: Medium
- **Risk with mitigation Low:**

- Review recently approved developments in the area and the likely conditions expected from Planners, including Draft London Plan. Ensure the design is applied in accordance with current policies.
- Undertake additional and or more detailed surveys during the Stage 1-2 period. Procure consultants early on during the investigative period to allow sufficient time for reports, detailed analysis and documents to be compiled for the eventual planning submission.
- Engage with a planning specialist to discern any extraordinary requirements Planning may expect to be fulfilled and obtain advice on drafting the Planning Statement or have this done by the consultant.

**49. Ongoing cost control and budget.** As the design evolves, more of the project requirements are defined and there is greater chance of costs exceeding the budget.

- Risk without mitigation: Medium
- **Risk with mitigation: Low:**
  - Monthly cost report will be provided by the Quantity Surveyor to inform anticipated final account.
  - Provisional sums will be kept to a minimum and used only where design details cannot be developed.
  - Where appropriate, elements of Contractor's design will be considered to mitigate any costs incurred due to insufficient design detail.
  - A costed risk register will be reviewed by them team on a monthly basis which will inform the level of contingency and amount to be offset throughout the project.
  - A robust change control process will be enforced whereby change is priced prior to instruction to maintain a level of cost certainty.
  - Value engineering opportunities will be explored to reduced cost whilst maintaining value. For example, Stage 3 and Stage 4 VE workshops

**50. Community oppose to project objective/s.** Community or key stakeholders object to one or more project elements i.e. the school street.

- Risk without mitigation: Medium
- **Risk with mitigation: Low**
  - Continue to consult and engage with the community and stakeholders through delivery stages (already planned) and ensure community updates are given at each client progress meeting.

## **Financial Implications**

**51.** Proposal 9 of the report seeks approval to allocate £1.1m of the £6.677m 10year Capital Town Centre approved budget envelope. The total approved town centre capital budget envelope is £6.677m.

As stated in the report there are potential revenue implications for the creation of the Urban Room and Workspaces and these options are currently being explored.

With regards to the Urban Room, the estimated cost is the creation of a PO1 post at a cost of £47,500 pa. (includes on costs) and a total cost of £237,500 over the five years of the project. The report details the options that are currently being explored and alternatives options to creating the post, so therefore this is the estimated maximum cost and it should be noted that fulfilling the fundamental functions of the room is not dependent on the proposed post being created.

The revenue implications for the Workspaces will be dependent on the final business model and the options for this are still being considered. However, the report provides high level estimates of an option being explored based on the rental income generated from the workspaces and estimated costs for the operator. Under such a model and looking at a mid range income expectation the income generated will meet costs, the lost garage income and potentially contribute towards the revenue costs associated with the urban room. The mechanism of how the income generated from the workspaces is received by the council will need to be considered in the business model and any agreement with the eventual operator if such a model is implemented.

These elements of the project will not proceed until the business model has been agreed upon and the relevant revenue funding secured.

#### 52. HRA

As stated in the report 'Financial considerations for Workspaces' section, its proposed to use 30 HRA garages as workspaces ,as part of this project. The current annual rental income is £7.9k and its envisaged that the HRA would receive this income from a procured operator, ensuring no cost or loss of income to the HRA.

Any profit generated would be considered as funding towards the project costs. These costs are currently unknown and would need to be considered in a future report.

The garages/workspaces would remain as HRA assets so no appropriation of assets would need to be considered.

Other options to be considered once the project progresses are legal fees associated with Security of State approval. These haven't been established and may not be necessary but further funding commitments are unknown at this time.

#### 53. Financial Profile

<b>Total Project Budget:</b>	£2,200,000
GLA Capital Funding	£1,100,000

LBE Capital Programme Funding

£1,100,000

**Estimated Cost Breakdown**

Element		Detail	GLA Capital	LBE Capital		LBE Revenue	LBE Source	Funding period
				Capitalised Officer time	Capital			
<b>Urban room</b>	Capital	Construction & delivery	£120,762.50		£100,762.50		Capital budget	2020-2021
	Revenue	Revenue stream to be agreed prior to advancing role				TBC	TBC	2021-2027
<b>Work Spaces</b>	Capital	Construction & delivery	£669,634.00		£649,634.00		Capital budget	2020-2021
	Revenue	Aspiration to make workspaces element cost neutral to council	£0.00					
<b>Public Realm</b>	Capital	Construction & delivery	£160,464.00		£140,464.00		Capital budget	2020-2021
<b>Air Quality</b>	Capital	Construction & delivery	£155,700.00		£125,700.00		capital budget	2020-2021
<b>Spatial Plan</b>	Capital		£3,439.50	£80,000.00	£3,439.50		Capital budget	2020-2021
<b>Totals</b>				<b>£80,000.00</b>	<b>£1,020,000.00</b>			
			<b>£1,110,000.00</b>	<b>£1,100,000.00</b>		<b>£0.00</b>		
				<b>£1,100,000.00</b>				

**54. Revenue Requirement for Urban Room**

The staffing estimate for lifetime of project on a full-time basis 2021/22 - 2026/2027 would be:

1 FTE PO1 £35,000+ on costs at approx. £42,000pa, totalling £210,000 over the duration of the project.

The creation of this role will not be progressed until revenue funding has been agreed. A number of options are being investigated including funding from the profit generated by the workspaces, section 106 funding, business sponsorship and cross team role sharing with wider regeneration projects. Other options will be considered as alternatives to an entirely new role, including expanding existing roles of existing library staff and staff at the Angel Community Centre and partnerships which exchange free rent of the urban room for assistance managing the space. Options are not exclusive of one another. In addition, funding the role part-time only will be considered.

It should also be noted, that in the unlikely event it is not possible to secure this funding, the fundamental functions of the urban room will still be able to be fulfilled using existing resources.

## 55. Financial considerations for Workspaces

The garages site is currently owned by HRA. Of 30 garages, 7 garages are currently let at £13pw generating the HRA £394.31per month and 3 garages are currently let at £30pw generating £260 per month. The total current income to HRA under the current arrangements is £660.31 per month.

As part of the Good Growth Fund proposal, ownership of Snells Park garages will remain with HRA. The proposal will be at least cost neutral to the HRA over the lifetime of the project, by procuring an operator who will pay the HRA a minimum of £7,923.72pa to cover the annual lost earnings from the garages + an additional £3,961.86 over the lifetime of the project to cover the anticipated 6 month construction programme during which no income will be drawn from the site.

Any profit generated from the workspaces will be paid to the HRA less any agreed to cover project costs, such as staffing costs for the urban room.

The following break-even analysis has been prepared to understand what the potential profit margins might be for the project:

<b>GGF Workspace Break-even Analysis</b>			
<i>Current LBE Income</i>			
	<i>per month</i>	<i>per year</i>	
Previous income from garages		<b>£ 8,000</b>	Known
<i>Operator Income (variable)</i>			
30 x £400 studios (upper range)	£ 12,000	<b>£ 144,000</b>	Assumed
30 x £200 studios (lower range)	£ 6,000	<b>£ 72,000</b>	Assumed
<i>Operator Costs (Fixed)</i>			
Staffing (1 x FTE)		£ 40,000	Assumed
Business rates		£ 8,000	Assumed
Utilities		£ 8,000	Assumed
Internet		£ 5,000	Assumed
Sundries		£ 5,000	Assumed
Insurance		£ 800	Assumed
Contingency		£ 5,000	Assumed
Total		<b>£ 71,800</b>	
<i>Potential profit from converted garages site. (Operator Income – Operator Costs – Current LBE Income) Agreement to determine profit share terms between operator and LBE.</i>			
Upper Range		<b>£72,200</b>	Assumed
Lower Range		<b>£200</b>	Assumed

It should be noted that some operators in the affordable workspace sector require revenue support in the first two to three years, whilst they get

established and fill the space. This is a standard approach and normally paid as a 'management fee'. In the context that such an operator was thought suitable, revenue funding would be sought prior to advancing any negotiations. Options may include section 106 funding or a business sponsor. As part of this, any additional funding would look to cover lost revenue to HRA.

#### 56. Estimated Capital Draw Down Schedule

	GLA	LBE
<b>FINANCIAL YEAR 2020-2021</b>		
<b>20Q3 Oct – Dec 2020</b>	£40,248.80	£37,098.15
<b>21Q4 Jan - March 2021</b>	£96,428.27	£29,447.47
<i>Financial year total</i>	<i>£136,677.07</i>	<i>£122,725.11</i>
<b>FINANCIAL YEAR 2021-2022</b>		
<b>21Q1 April – June 2021</b>	£0	£56,179.50
<b>21Q2 July – Sep 2021</b>	£0	£188,923.21
<b>21Q3 Oct – Dec 2021</b>	£689,721.60	£183,833.67
<b>22Q4 Jan - March 2022</b>	£273,601.33	£605,348.81
<i>Financial year total</i>	<i>£963,322.93</i>	<i>£977,275.69</i>
	<b>£1.1 million</b>	<b>£1.1 million</b>

£80,000 of the council's contribution to the project is ear-marked to be capitalised in order to cover the staff costs associated with managing the project.

#### Legal Implications

57. Provided by MP on 4<sup>th</sup> August 2020 based on report that was circulated on 24<sup>th</sup> July 2020 timed at 10:14. Further Legal Implications were provided by OD on 28<sup>th</sup> September 2020. An updated version of this report was circulated on 30<sup>th</sup> September 2020 and has been further reviewed and commented on by MP on 1<sup>st</sup> October 2020.

S.1 Localism Act (2011) provides the Council with the power to do anything an individual may do, subject to certain limitations. This is referred to as the "general power of competence" (GPOC). A local authority may exercise the GPOC for its own purpose, for a commercial purpose and/or for the benefit of others. This GPOC provides sufficient power for the Council to enter into a grant funding agreement with the GLA.

Under s.111 Local Government Act (1972) local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions.

EU State Aid rules regulate the use of a public resource by member states which is considered to potentially distort competition and trade between member states. The LEAP has an obligation to ensure that all financial arrangements under the good Growth Fund comply with State Aid requirements.

The Council must satisfy itself that to the extent that State Aid may apply, consider what exemption might apply to the proposals set out in this report.

If the grant being received from the GLA is deemed to amount to state aid, the Council will need to ensure that all funding received is managed and utilised in accordance with State Aid law. The Council is also expected to take steps to ensure that any use of funding to it from the GLA will not amount to unlawful State Aid. It will need to utilise the grant funding in accordance with the terms and conditions of the grant agreement.

The LEAP makes it abundantly clear that if the use of any funding awarded by LEAP is subsequently found to constitute unlawful State Aid then the Council will be required to repay such sums (along with potentially having to pay interest on such sums).

This report constitutes a Key Decision (KD). A KD is defined as a proposal that involves expenditure/savings of £500,000 or above (including proposals phased over more than one year) and match/grant aided funding with a total of £500,000 or above; and/or which has significant impact on the local community in one or more wards.

The Council must ensure that all guidance available to it regarding this scheme is adhered to at all times and it must further ensure that all legal agreements entered into in consequence of the approval of the proposals set out in this report must be approved by the Director of law and Governance.

The Council must ensure that any procurements to be carried out, are done so in accordance with the Council's Constitution, its Council's Contract Procedure Rules and to the extent that the Public Contract Regulations (2015) shall apply, in accordance with such Regulations also.

The funding agreement to be entered into with the GLA outlines (under clause 7.1) certain circumstances in which the GLA may at its absolutely discretion reduce, suspend or withhold GLA funding. Further, under clause 7.4 of the agreement, the GLA may, at any time, terminate the agreement by

giving 2 months' notice in writing to the Council. If the agreement is terminated, the Council shall be obliged to repay such amounts of the funding as the GLA deems appropriate (as further outlined in clause 7.5. iv). In light of the above, the Council must assess these risks (along with any others as outlined in this report) and satisfy itself that it is willing to proceed with entering into the agreement with the GLA.

58. As these garages are part of estate, this transaction will fall under Section 19 of the Housing Act 1985, which makes an exception to the general exemption for Local Authorities under S122 Local Government Act 1972 (to appropriate any land which is no longer required for the purpose for which it is held), and local authorities should apply for this consent if they wish to appropriate land which contains housing property from Part II to any other purpose. In this regard, as the Council will like to convert the garages into workspaces, it is recommended that the Council makes an application for Secretary of State approval to appropriate the land from housing to planning purposes in accordance with section 122 Local Government Act 1972.
59. As the HRA currently owns the garages, and the workspaces shall also be owned by the HRA, so long as the garage site is not being appropriated from the HRA to the General fund (which does not seem to be the case in this instance), the HRA shall be able to receive income from the workspaces.

### **Workforce Implications**

60. The council is project managing the GGF internally, from within the Economic Development team. Each project element will have its own project lead as follows:

Urban Room	Economic Development
Workspaces	Economic Development
Public Realm	Economic Development
Jobs and Skills	Economic Development
Air Quality	Healthy Streets

### **Property Implications**

61. Urban Room – It is assumed that LBE will manage this space internally rather than seek a third party to take a lease over the space. As such, there may be a requirement to enter into a Memorandum of Agreement between the relevant internal departments as the basis of occupation is clear from the outset. SPS should be consulted at that stage.
62. Workspace – It is understood that a third-party operator will be sought to manage the workspace. As such, careful consideration will need to be given as to the type of management agreement put in place and any revenue share involved. It may be necessary to grant a formal lease over the space with an appropriate base rent and revenue share, based on commercial terms whilst also being mindful of its commercial viability of both parties. Each party's

obligations should be made clear from the outset and documented appropriately. It may be necessary to seek formal internal approvals to any proposed lettings. At the stage of negotiating and agreeing this, SPS should be advised and approve and manage any appropriate lease documentation that might be necessary. SPS will also need to manage and liaise with our legal team in order to properly and legally document any agreement/lease.

### **Other Implications**

63. Library services in Fore Street Library will need to be suspended whilst the renovation takes place and the Urban Room is installed.

### **Options Considered**

64. **Do nothing.** This option could contradict the priorities of the Council to strategically invest in the Angel Edmonton area to support good growth.

65. **Delivery without grant funding.** This option could result in greater cost to the Council with a longer delivery period and a reduced positive impact in Angel Edmonton.

### **Conclusions**

66. The recommended option is to support proposals 6-10 set out at the start of this report.

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Report Author: Andrew Catcheside  
Town Centre Development Manager  
[andrew.catcheside@enfield.gov.uk](mailto:andrew.catcheside@enfield.gov.uk)  
020 8379 4250

Date: 01/07/2020

### **Appendices**

GGF bid submission

### **Background Papers**

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

KD 4272

KD 4590

KD 4982

KD 4033,

KD 5026 (Capital Strategy and Ten-Year Capital Programme 2020/21 to 2029/30).

*Please note Part 2 report is now confidential appendix.*

## London Borough of Enfield

### Operational Report

#### Report of Programme Director Meridian Water

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**Subject:** Meridian Water Housing Infrastructure Fund – Approval to Award Rail Design Services for the Strategic Rail Infrastructure Works

**Cabinet Member:** Cllr Nesil Caliskan, The Leader of the Council

**Executive Director:** Sarah Cary, Executive Director - Place

**Ward:** Upper Edmonton

**Key Decision:** 3931

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#### Purpose of Report

1. Meridian Water Housing Infrastructure Fund (HIF) – Approval to Award Rail Design Services for the Strategic Rail Infrastructure Works (SRIW).

#### Proposal(s)

2. **Approve the appointment of Bidder A to provide Rail Design services for the delivery of the Rail HIF Works through the Homes England Multidisciplinary Framework, as set out in part 2, the confidential appendix.**
3. **Authorise expenditure for the scope of services and contingency costs set out within the body of this report.**
4. **Note budget and funding sources for the expenditure (see Confidential Appendix).**

#### Reason for Proposal(s)

5. The Strategic Rail Infrastructure Works (SRIW) are required as part of the HIF works programme to unlock further development at the Meridian Water. The proposal will enable housing development, boost local economy and employment, and contribute to the health and wellbeing of local communities. It is key that the right rail design arrangements are in place to ensure the required level of experience and expertise to design the rail infrastructure project.
6. The Council needs to complete the rail works by March 2024 in order to claim the full amount of available funding. HIF grant may only be claimed by the

Council until 31<sup>st</sup> March 2024 and the Council can submit claims in respect of expenses incurred up to this date.

7. The expenditure for the tasks set out within this report are to be funded from within the existing Capital Programme and following satisfaction of conditions to funding the amount spent by 31<sup>st</sup> March 2024 will be reimbursed from the HIF funding on a quarterly basis.
8. A rail designer is required to advance to the next stage of the project, with the required level of experience and expertise. The procurement through the Homes England Framework for Multidisciplinary Technical Services was identified as preferred and approved by the Council as an operational decision made on 5<sup>th</sup> May 2020.

### **Relevance to the Council's Plan**

#### **9. This appointment would contribute to the Council's priorities:**

##### **a) Good homes in well-connected neighbourhoods**

The recommendation in this report do provide the authority to award a contract to a rail design consultancy to design the HIF Rail Works. The HIF Rail Works will unlock new housing development in Meridian Water.

##### **b) Safe, health and confident communities**

The HIF Rail Works will include ecological and diversity assessments in line with Network Rail standards. The rail works will contribute to the achievement of long-term carbon emission goals, through improved energy efficiency, helping others make more carbon efficient journeys, which reduces the need to use a car. These works can also contribute to the health and wellbeing of the existing and future communities in the area.

##### **c) An economy that works for everyone**

The delivery of strategic rail 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.

## **Background**

### **Introduction**

10. 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.

11. In early December 2018 a funding bid 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.
12. The scope of works proposed for HIF funding includes rail enhancement works (HIF Rail Works) and strategic road and flood alleviation works (HIF Site Works). These works are required as a first phase of strategic infrastructure to unlock housing delivery in Meridian Water.
13. In August 2019 Central Government announced that the Council's bid had been successful. The detailed terms and conditions of the grant agreement are currently being negotiated and it is envisaged that the parties will enter into the agreement by the end of September 2020. Availability of funding will be contingent on the Council satisfying certain conditions to funding.
14. All SIW must be completed before the delivery deadline of 31<sup>st</sup> March 2024. To ensure timely delivery ahead of the funding deadline, the Council is commencing with the necessary procurements in advance of entry into the HIF grant agreement and confirmation that all conditions to funding have been satisfied. It is envisaged that the grant agreement will be entered into in Q4 2020.
15. In respect of the delivery of the rail infrastructure, a need has been identified to appoint an external rail design consultancy to carry out the role of design of the project. It is envisaged that the new rail design consultancy will come on board during October 2020, so they can progress the design in line with Network Rail standards and other key industry stakeholders prior to the main contractor being appointed in September 2021.
16. On the 26th of June, Delivery Director - Meridian Water approved the procurement of the rail designer services for the delivery of the HIF Site Works through the Homes England Framework for Multidisciplinary Technical Services.

### **Scope of Works**

17. The proposed contract award is seeking to appoint the rail designer's team to provide rail design services for the delivery of the SRIW.
18. The Council's rail design team is expected to fulfil the design role which will form part of the 'client's team'. This will assist the council in exercise of its duties as client under the forthcoming contracts for design and delivery of the infrastructure. The purpose of the rail designer role is to ensure that the Main Contractor provides the follow-on detailed design to execute the contracted works safely, in compliance with Network Rail standards, on programme and to the agreed Contract Sum.
19. The Council's rail design team will be required to fulfil specific duties for each of the project stages.

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**GRIP Stage 3 -4**


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- Multi-disciplinary report advancing on the level of Grip 2
- Technical design of Civil engineering, M&E, Overhead line equipment, Signalling, Telecoms and Track.
- Surveys results and findings from GRIP 3 to fully validate design assumption the designer will consider existing assets to support the NR Asset Management Plan process, design criteria, design proposals, interfaces, assurances etc
- Interdisciplinary check / review to enable engineering compliance.
- GRIP 4 will advance the design into single options for each engineering discipline (M+E, civils, structural etc)
- Design will progress to a maturity point that they can be used to price the works and build off.
- Support to the Hazard Log, NR Asset management policy (AMP) process Stakeholder engagement (London Borough of Enfield for Planning, and the Environment Agency for Brimsdown Ditch)

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20. To allow flexibility of scope of services due to the changing nature of wider strategic rail infrastructure delivery strategy and the HIF funding programme deadlines, the Council reserved the right to add further duties beyond the scope of services indicated above, The bidders were asked to provide daily rates per service areas and by level of qualification. The Framework Contract which will form the basis of the contractual arrangement for the provision of the rail design services stipulates the right to inspect and examine any of the work being performed as part of the provision of the Services at any reasonable time.

### **Procurement Process**

21. The Procurement and Commissioning Board agreed procurement through the Homes England Framework for Multidisciplinary Services on 5<sup>th</sup> of May 2020, as it offers a fast, efficient and OJEU compliant route, removing the need to undertake a costly and time-consuming full OJEU procurement process. Furthermore, the Homes England Framework was approved for use within the Council and offered the wide range of services required as well as a good list of suitable suppliers.
22. The Homes England framework requires all procurements to be run through the Homes England framework on their e-Tendering system. Given the fact that the estimated value of the scope of services exceeded the OJEU threshold, the procurement process was run as a three-stage procurement process:
- 1.) Expression of Interest (determine interest)
  - 2.) Sifting Brief (shortlist a maximum of 5 suppliers)
  - 3.) Invitation to Further Competition (select successful supplier)
23. In total 10 framework suppliers expressed an interest in the opportunity to tender for the Rail Designer services. All suppliers that expressed an interest were invited to submit a sifting brief response and a total of 6 suppliers provided a submission.

- 24.5 of the 6 suppliers were shortlisted following the Sifting Brief responses. However, two of the suppliers declined to tender during the tender period, one of them due to resourcing issues and the other one wanted to concentrate on tendering for the PMO contract. 3 suppliers provided valid ITT submissions.
25. The tenders submitted in response to the Council's ITT were evaluated against price (30%) and quality (70%) criteria to establish the most economically advantageous tender. Two Council officers and an external rail expert evaluated and scored the ITT responses in accordance with the evaluation criteria and the scores were moderated by the Council's Procurement Team.
26. The outcomes of each evaluation stages are explained in Confidential Appendix.

### **Contract**

27. All suppliers on the Homes England Framework for Multidisciplinary Services have been appointed under framework contracts, which have been prepared by Homes England's Legal Services. The successful supplier will be appointed in accordance with the Framework Agreement which provides that required services can be drawn down by issuing an Instruction to the Consultant. The Framework Agreement provides a template Instruction Form that will need to be completed on behalf of Enfield.
28. See Confidential Appendix.

### **Cost and Funding**

29. See Confidential Appendix

### **Main Considerations for the Council**

30. Following award of the contract the newly procured design services consultancy will work in collaboration with the rail project management office and the external City Economics team (Final Business Case) through GRIP stages 3 and 4 to drive the delivery of the design of the HIF Rail Works within the context of the Council's vision and objectives.
31. Given the funding deadline of March 2024 to deliver the HIF Rail Works, it is key that the right design services arrangements are in place to ensure the required level of experience and expertise to design large infrastructure project to deliver the SRIW. As timely delivery is of importance, the chosen supplier will need to demonstrate adequate resources, experience and controls to deliver on time and budget.
32. It is aimed to get the new rail design team on board at the start of GRIP 3 (October 2020) to allow the new rail design team to get up to speed.
33. The successful bidder demonstrated the required expertise and experience to deliver the tasks set out in this report and is considered to have submitted the most economically advantageous tender.

34. This appointment is instrumental to unlocking development that contributes to the Council's priorities.

**35. Safeguarding Implications**

36. The recommendations in this report do not have any safeguarding implications.

**Public Health Implications**

37. The appointment of a rail design team service in themselves do not have any significant public health implications.

**Equalities Impact of the Proposal**

38. Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.

39. Framework Contract stipulates that the consultant shall not, and shall take all reasonable steps to procure that no employee, servant or agent of the Consultant engaged in the provision of the Services shall, unlawfully discriminate within the meaning and scope of the provisions of the Sex Discrimination Act 1975, the Equality Act 2010 or the Human Rights Act 1998.

**Environmental and Climate Change Considerations**

40. Evaluation Criteria for this appointment did not include questions on Sustainability and Climate Change. However, it should be noted that a post tender clarification (Enfield's Sustainability Policy) was sent to the three bidders for confirmation of compliance. Bidder A has confirmed that they will design the rail services for this project in accordance with the Meridian Water Environmental Sustainability Strategy.

41. Environmental Sustainability Strategy.

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

42. Delivery of strategic rail infrastructure at Meridian Water could fail or be delayed if project management support needed is not secured in time.

43. Council's housing and employment objectives could be put at risk if infrastructure necessary to unlock development is not delivered in time.

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

**44. Housing Infrastructure Funding is not or only partially secured**

MHCLG has announced that the bid for funding has been successful, negotiation of contractual terms is at an advanced stage and it is expected that the grant agreement will be entered into by Q4 2020. However, the award of funds will be subject the satisfaction of various pre-contract conditions. The services included in this commission related to the HIF Rail Works will initially

be covered from the Meridian Water Capital Programme and ultimately refunded from the HIF funding.

**Mitigation:** If HIF funding is not secured, the Council will look to secure alternative funding to cover its costs. None of the work undertaken as part of HIF delivery will be abortive and will contribute to strengthening the deliverability of scheme.

The improved rail frequency is essential to the delivery of homes; achieving an enhanced frequency of six trains per hour at Meridian Water will help unlock the major regeneration proposed for the site, involving delivery of over 10,000 new homes and up to 6,000 jobs by the early 2040s. A high-quality, high-frequency rail service is needed to support the regeneration programme, and is a key planning prerequisite

The rail enhancement is one of a number of measures being funded via the Housing Infrastructure Fund (HIF) – alongside other site-related works that are needed to enable the proposed regeneration to proceed. Good rail connections are key in ensuring the growth in transport network demand arising from the new development is sustainable, and that congestion impacts on the local road network are minimised.

Existing transport network users in the surrounding area will also benefit from the more frequent services at Meridian Water, which will link into the local bus network. This will help to reduce local journey times and crowding impacts.

The additional track capacity delivered by the project will also provide additional flexibility for general train operations on the WAML route, thereby enhancing operational resilience of the line, particularly in periods of disruption or delay

#### **45. The appointed team does not provide value for money**

The successful bidder does not offer value for money.

**Mitigation:** The successful bidder is an established firm with extensive experience delivering the services required. The Council received three tenders back and the successful bidder offered the most economically advantageous bid.

The current procurement operating procedures for the Council aligns with value for money.

Through tendering, the Council ensured that value for money is obtained at the start of the contract and throughout the life of the contract through active contract management activity. Key considerations for value for money

Getting an increased level or quality of service at the same cost

Avoiding unnecessary tasks

#### **46. Financial security of the appointed bidder**

Suppliers informed the Council that under Homes England Framework Agreement they are not obliged to provide a Parent Company Guarantee. This form of financial security is not appropriate for a consultant in this role.

**Mitigation:** All suppliers on the Home England Framework have undergone rigorous financial evaluation. Furthermore, as part of the ITT stage an assessment of economic and financial standing has been carried out to ensure suppliers are financially sound. Up to date financial records will be maintained on all Framework members. If insufficient information is available in the public domain Homes England's Customer Due Diligence team may be in touch to request additional information in order to get comfort of continued good standing. The Instructions for Tendering stipulate that The Council will continue to monitor the financial standing and stability of the tenderer. The Tenderer shall notify the Council of any circumstances that it considers will have a material impact on the financial standing of the Tenderer.

**47. Discontinuity of Rail Designer arrangements results in loss of valuable time and knowledge on the project**

The rail design team to be appointed through this procurement will need to build up knowledge of the project in order to efficiently and effectively carry out their responsibilities and the knowledge and expertise of the existing project management consultancy will be lost.

**Mitigation:** The Invitation to Tender for the rail design services included full details of the HIF Rail Works Project. Furthermore, it is aimed to get the new rail design team on board before the responsibilities of the current management come to an end in order to allow the new rail design team to get up to speed.

**Financial Implications**

48. The Meridian Water Financial Model and Budget report approved by Cabinet in October 2019 recommended the authorisation by Full Council (in November) for expenditure of the Meridian Water detailed budget for the remainder of 2019-20, 2020-21 and 2021-22 financial years, which included money to finance the scope of services set out in this report within that budget period. This budget includes £113m for Construction of the HIF Site Works, which includes money to finance the scope of services set out in this report within that budget period. Furthermore, the report sets out an indicative 10-year budget for Meridian Water and seeks approval from Cabinet on the Meridian Water Financial Model baseline which includes the full extent of the HIF grant.

49. See also Confidential Appendix.

**Legal Implications**

**50. MD 18th September 2020 (based on report received on 18<sup>th</sup> September 2020 at 08:32)**

The Council has the power under s.1(1) Localism Act (2011) to do anything individuals generally may do providing it is not prohibited by legislation and

subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. The Council therefore has sufficient powers to enter into the contract as proposed in this report.

51. The Council must comply with all requirements of its Constitution (including its Procurement Procedure Rules) and the Public Contracts Regulations 2015 in respect of the procurement, award and any subsequent variation of contract for rail design services. The Procurement Procedure Rules and Public Contracts Regulations 2015 permit the Council to call-off from an existing framework if the framework terms permit. The Homes England Framework permits local authorities to call-off from it and sets out the procedures for calling-off contracts. The resulting call-off contract must be based on the framework terms and the Council must ensure that it follows the rules of the Framework. Any subsequent variations to the contract must comply with the terms of the Framework, the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. Further advice must be sought from Legal Services in respect of any proposed variation.
52. The Contract Procedure Rules require that, for contracts valued at between £500,000 to £1,000,000 officers must consider whether to obtain from the supplier security for performance of the contract. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes.
53. It is proposed that the contract fees will be funded by HIF grant funding to be made available by MHCLG. Although the Council's bid for HIF funding was successful, MHCLG and the Council are yet to enter into an agreement in respect of HIF funding. Any contract entered into, or any expenditure incurred by the Council prior to entry into the HIF grant agreement and prior to receiving formal confirmation that any preconditions to funding have been met, is at the Council's own risk. Any services provided after 31<sup>st</sup> March 2024 will not be recoverable out of the HIF grant funding. Unless otherwise agreed by MHCLG, the Council will be required to provide to MHCLG with a copy of the executed project management contract as well as a collateral warranty from the contractor in favour of MHCLG as a condition to funding.
54. Throughout the engagement of the contractor, the Council must comply with its obligations of obtaining best value as set out in the Local Government Act 1999.
55. All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance. Given the anticipated contract value, the contract must be sealed and retained by Legal Services for safekeeping.
56. The anticipated contract value exceeds £500,000. Therefore, this is a Key Decision, and the Council must comply with its Key Decision procedure.

### **Workforce Implications**

57. Due to the nature of this appointment, it is clear that the London Borough of Enfield does not have the required rail design expertise to progress the

project. It is therefore appropriate to engage an industry respected rail systems designer to mitigate the risk of non-compliance with Network Rail.

### **Property Implications**

58. 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**

#### **Procurement Implications**

*provided by Doreen Manning on 15/09/2020*

59. The tender was a call-off from the Homes England Multidisciplinary Framework 2018/S 127-289621. Due diligence was carried out by the Procurement and Commissioning Hub (P&C Hub) on the Council's ability to use the framework. Other frameworks were also considered but the Homes England Framework was chosen due to the length of the call off contract allowed under the framework and the range of suppliers. The tender process commenced with an Expression of Interest, followed by a Sifting Brief which was used to provide a shortlist of bidders. After the shortlist was complete, the project was mini tendered to 5 providers in accordance with the guidelines provided by the Homes England who operate the framework. The tender returns were evaluated by members of the Meridian Water Rail Team and an external rail expert, a moderation meeting was held on 31 July 2020 where the scores and final comments were agreed. The P&C Hub were involved in the procurement and the process was carried out fairly and transparently.

60. The tendered rates were compared with the competitively tendered framework rates and were the same as the tendered framework rates.

61. The procurement was undertaken using the Homes England London Tenders Portal ref DN479143.

62. A business case was presented to the Procurement & Commissioning Review Board on 05/05/2020 where the procurement route was reviewed and approved.

63. The award of the contract, including evidence of authority to procure and award promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the Enfield London Tenders Portal including future management of the contract.

64. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements

### **Options Considered**

65. **Do nothing**

Doing nothing would leave the Council without the support needed to for the delivery of strategic infrastructure and phase delivery at Meridian Water delaying provision of much needed affordable homes.

#### **66. 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 support needed for the delivery of strategic infrastructure and phase delivery at Meridian Water.

#### **Conclusions**

67. Strategic Rail Infrastructure Works (SRIW) are required in the early stages of the programme to unlock further development Meridian Water scheme. The proposal will enable housing development, boost local economy and employment, and contribute to health and wellbeing of local communities.
68. It is key that the right rail design arrangements are in place to ensure the required level of experience and expertise to design large infrastructure project to deliver the SRIW.
69. Procurement approach has been approved and rigorous evaluation of bidders was undertaken to ensure best value for the Council. It is therefore recommended to appoint the successful bidder as to enable future development at Meridian Water.

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Report

Author: Michael King  
Meridian Water Rail Lead  
michael.king2@enfield.gov.uk  
+44 (0)2081 323059

12.08.2020

#### **Appendices**

- Appendix 1 – Confidential Appendix

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

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