



## **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. STONEHILL - MERIDIAN WATER STUDIOS (Pages 1 - 220)**

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

## London Borough of Enfield

### Portfolio Report

**Report of:** Programme Director Meridian Water

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**Subject:** Stonehill – Meridian Water Studios

**Cabinet Member:** Leader of the Council

**Executive Director:** Place

**Ward:** Upper Edmonton

**Key Decision:** 5163

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#### 1. Purpose of Report

This report proposes the delivery of a Film Studios campus in Meridian Water to be run by Troubadour Meridian Water Studios (TMWS).

Following marketing of the Stonehill Site in 2019 Troubadour Theatres were selected as the preferred bidder. A new company called Troubadour Meridian Water Studios (TMWS) has been set up specifically for the delivery of the studios.

The proposal to deliver Film Studios is the boldest and most exciting project in Meridian Water that has been proposed to date. It could potentially be game-changing making Enfield one of the leading London Boroughs in the film and TV production sector. It would help transform Meridian Water into a destination through the delivery of a major public theatre venue, and help stimulate the economic regeneration of the Borough through the training academy and a new media and arts hub.

The report recommends approval of the appointment of Troubadour Theatres to deliver the construction of the Film Studios and approval to grant them a 4 year lease for phase 1 and linked through an agreement to lease a further 12 year lease on the completion of the Strategic Infrastructure works following the extensive marketing exercise for the Stonehill site. It recommends delegating the agreement of the final specification and lease HOTs to the Programme Director Meridian Water in consultation with the Director of Property and Economy and delegating the approval of the construction contract and final form of lease to the Director of Law and Governance.

In addition, the report sets out the case for the Council investing £2.89m into the film studios projects to enable the construction and purchase of film studios.

Through rental payments the Council's general fund will receive income equivalent to an internal rate of rate (IRR) of 9%. A Confidential Appendix sets out the financial details of the proposal.

## **2. Proposal(s)**

1. Approve the selection of Troubadour Meridian Water Studios Ltd as the successful bidder following the marketing of the Stonehill site in Meridian Water.
2. Approve expenditure of £2.89m of capital budget to the delivery of Meridian Water Studios, noting that the expenditure will be paid back with interest over the life of the lease.
3. Authorises the Programme Director of Meridian Water in consultation with the Director of Property and Economy to agree and approve the Heads of Terms for the Lease arrangements with Troubadour Meridian Water Studios Ltd.
4. Authorises Legal Services to prepare and complete Agreements for Lease and Leases (together with the side agreements referred to in the report (pg 14) and any ancillary documentation) with Troubadour Meridian Water Studios Ltd on the basis of the approved Heads of Terms and to arrange for the due execution of the same.
5. Notes the waiver approved by the Interim Executive Director of Resources of the Contract Procedure Rules to enter into a works contract with Troubadour Theatres Limited to construct two temporary structures which will be part of a bespoke Film Studio at Stonehill.
6. Approves the entry by the Council into a works contract with Troubadour Theatres Limited for the construction of two temporary structures which will be part of a bespoke Film Studio at Stonehill for a contract price as set out in the Confidential Appendix.
7. Authorises Legal Services (in partnership with the Regeneration Team) to prepare and complete the construction contract (together with any ancillary documentation) and to arrange for due execution of the same.

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

Subject to planning, the Meridian Water Studios will deliver a major plank of the Meridian Water Employment Strategy, as it will be directly contributing to the objective of delivering 1,000 meanwhile jobs across Meridian Water, initially with up to 50 jobs on site, rising to 450 jobs in the second phase. The proposal promotes the Strategy's target growth sectors of culture, media and the creative industries. Finally, it squarely delivers against the Meridian Water placemaking pillar: Your Place to Make and Create.

As well as offering a stepped rental for the site, and subject to planning consent, the Troubadour offer combining film/TV studios, theatre, training and logistical support for the media sector would enhance Meridian Water as a place of



creativity, creating employment and providing activities for local people. Up to 150 training opportunities are planned to be delivered in Phase 1 of a Skills Academy. It is estimated that this would rise to circa 500 training positions per annum, once the full campus has been set up and is operating following the completion of Strategic Infrastructure Works.

As a result of intense negotiation and careful structuring of a deal, the proposal allows the Council to enhance the value of the Stonehill land through development of a built Film Studio campus and ancillary buildings. The rental structure agreed provides for the repayment of the Council's construction cost, as well as market rent. Overall, the proposal will deliver secure occupation of the site, beneficial economic activity, and, crucially, full flexibility for the delivery of the Government funded (HIF) Strategic Infrastructure Works (SIW) across the rest of the Stonehill site.

Timing is a crucial consideration of this proposal. Statutory timescales mean that the earliest planning consent can be secured is December 2020. The studios can be erected quickly meaning that they will be ready for film production by early 2021. This gives enough time to schedule production activity between now and when the Strategic Infrastructure Works commence (approximately Quarter 2 2022, subject to the appointment of the contractor and the timing of the CPO hearing). The timetable is very tight, and in order to schedule provisional bookings TMWS are aiming to erect the studios no later than early 2021. Any delay could threaten the opportunity to have a film production programme before HIF works commence and disrupt use of the Stonehill site.

#### **4. Relevance to the Council's Corporate Plan**

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

The Meridian Water Studios would generate employment on a site currently devoid of economic activity. They would plug the local economy of Edmonton and Enfield into the dynamic international film and media sector. Currently the borough has a competitive advantage and is poised to become one of the leading London boroughs for high-end television and film production. The OMA Film Studios in the north of the borough, will increase production space by 53%. The building of Meridian Water Studios could consolidate Enfield's leading position in this sector. The Skills Academy would ensure that the local population benefitted from this development, by delivering training in a wide range of areas.

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

The studios, if approved, will transform an extremely inhospitable corner of the borough, currently blighted by fly-tipping, trespass and unsightly heavy-duty security infrastructure into an attractive development with new buildings, green corridors and clean landscaping. The intervention will change what is currently a dangerous, unhealthy, polluted and waste strewn environment into one which will stimulate canal-side activity and exploration of the area. Crucially it will create a safe and active conduit for walking and cycling from the west (Edmonton, Meridian Water station and new housing) towards the Edmonton Marshes and Lee Valley Regional Park.

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

This project, if approved, contributes to the Council's priority to regenerate Upper Edmonton. The project helps to raise the profile of Meridian Water, transforming its marketing reach and making the site more attractive for developers and house builders. The vastly improved environment and economic and cultural activity will imbue confidence in the housing sector to build and deliver new dense neighbourhoods in the adjacent areas, especially Phase 2, on the west bank of the Lee Navigation, where Meridian 3 and 4 will deliver hundreds of new homes in the 2020s.

### **5. Background**

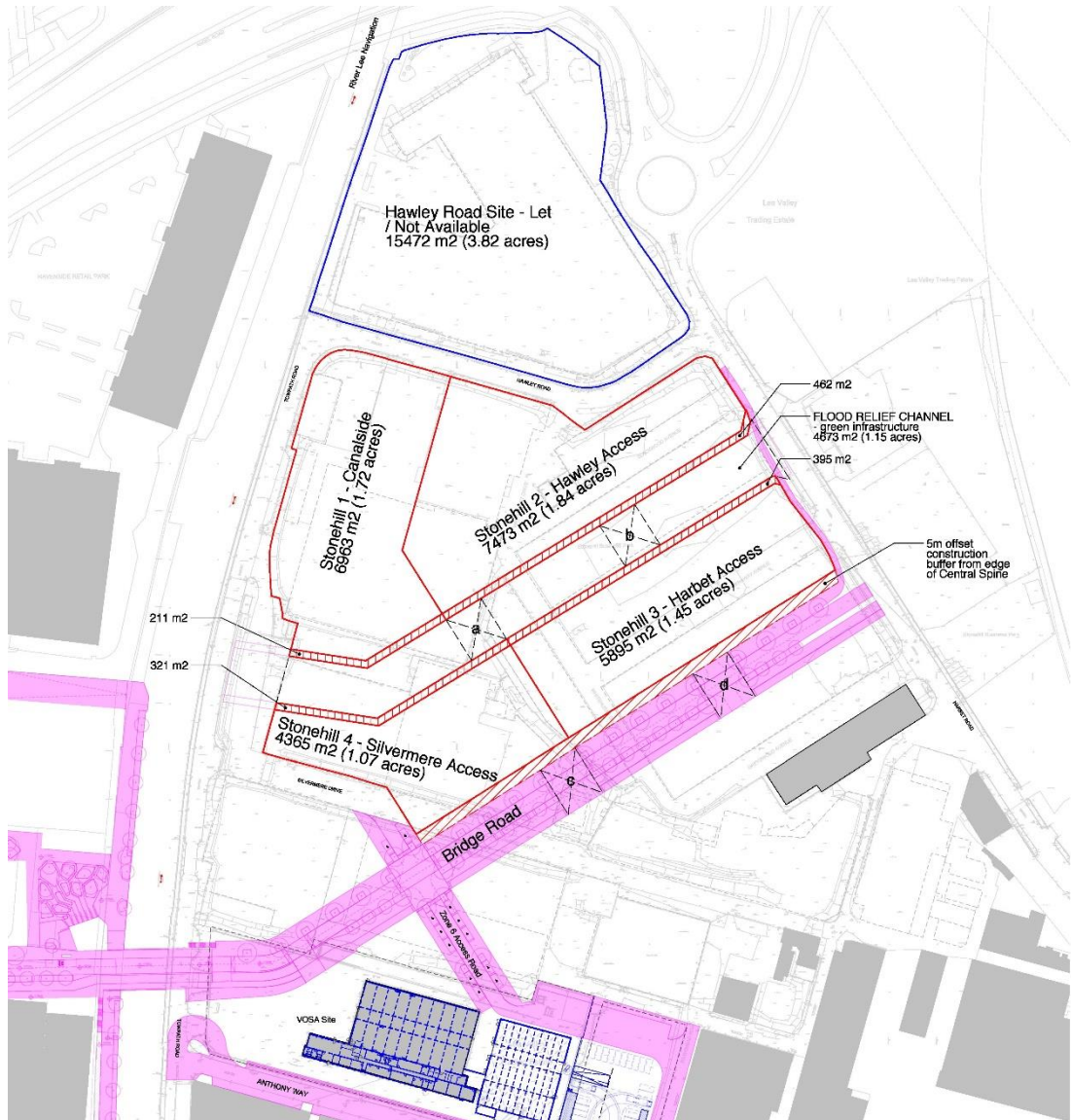
Meridian Water is the Council's flagship regeneration programme, with plans for 10,000 new homes and thousands of new jobs delivered over the next 20 – 25 years supported by the recently opened Meridian Water station.

In 2017, Enfield Council acquired the Stonehill site from HSBC Pensions as part of its land assembly for Meridian Water. Stonehill is located in the east of Meridian Water on the east bank of the River Lea Navigation, the area which is currently classified as strategic industrial land (SIL) in the London Plan and the Enfield Leaside Area Action Plan (ELAAP).

This land cannot be brought forward for residential development until the SIL designation has been lifted and is therefore not likely to be available for residential-led development for at least 15 years.

The large site is open and cleared of buildings. Since acquisition it has been intermittently used for the open storage of construction materials. However, the site has been underused and is extremely vulnerable to flytipping and trespass, and therefore significant security costs have been incurred by the Council to protect the site.

With the purpose of identifying a tenant for the site for the period between now and permanent development, the Stonehill site was marketed between January and March 2019 for a meanwhile use lasting c. 10 years. As a result of this marketing exercise, the northern 3-acre part of Stonehill (outlined in blue on the plan below), known as the Hawley Road site, was let to the North London Waste Authority to use as a Construction Compound (KD 4936).



For the southern part of the site (outlined in red), which lies between Hawley Road and the proposed new east-west Central Spine Road, there were no compliant bids, this part of the site was therefore re-marketed between May and June 2019, this time for a 12-year lease.

### Marketing of Stonehill Site

Lambert Smith Hampton (LSH) were appointed to undertake the marketing of the site and to negotiate with prospective tenants to secure agreed heads of terms for lease.

The key objective behind the marketing of the site was to secure a tenant for the site that would provide a significant income and support the regeneration scheme.

The Stonehill site is a 6.08 acre site located South of Hawley Road. The site is cleared and mostly level with concrete slabs demarcating the position of former buildings. The site is protected by rubble bund and demarcated by a wire metal fence. It is currently accessible from Hawley Road, leading off Harbet Road, but

alternative access points could be created directly from Harbet Road, from Towpath Road and from Silvermere Drive (currently out of use).

In order to address the failure to secure a compliant bid in the first round of marketing, the large Stonehill site was split into four sub-plots allowing bidders the opportunity to only bid for part of the site or for the full site (see map above).

During the marketing, it was made clear that bids were welcome either for the whole site or for the plots (Stonehill 1-4). This was to encourage small bidders to submit their proposals, and so that the Council could assemble individual submissions together to form a letting solution for the whole of Stonehill; or if there were no feasible bids for the whole, the Council would consider letting part of the site as a second preference.

The site was marketed from 25<sup>th</sup> May 2019 to 21<sup>st</sup> June 2019 through a variety of marketing channels including Estates Gazette, the Enfield Independent as well as a specific website set up for the purpose. The website included general information about the site as well as stating general terms upon which a lease would be granted including a 12-year lease.

Interested parties were invited to express an interest and were then given access to a data room with further information about the site as well as the evaluation criteria.

The evaluation criteria were based on a split of 75% price and 25% quality. The reason that price was heavily weighted was because it was deemed that there was a relatively high income-generating potential for this site thereby facilitating a contribution of these Council owned sites to revenue income.

Stonehill is a key opportunity site to contribute to regeneration objectives of the scheme. Reflecting the aspirations and vision of the Meridian Water Placebook and the Placemaking pillars, the 25% quality criteria was set out as follows:

- Supporting Regeneration, including demonstrating flexibility with the Strategic Infrastructure Works;
- Positive Socio-economic impact including promoting employment and training; and
- Stakeholder impact including demonstrable track record and helping to change perception of Meridian Water.

## **Evaluation and Selection**

A total of five submissions were received for the Stonehill site, which were initially reviewed by LSH. Two of the bids were to occupy part of the site, three were to occupy all of Stonehill. LSH undertook a financial and commercial evaluation of the all the bids as summarised in the Confidential Appendix.

Of the three bids that were for the whole of Stonehill, one submission did not contain any detail about proposed use or financial information other than a simple rental offer. It was therefore not possible to evaluate the bid and this submission was eliminated.

The remaining two submissions were evaluated by the Meridian Water team against the stated quality criteria. Further details are provided in the confidential appendix to this paper.

On the basis of the rent proposed and quality evaluation, Troubadour Theatres bid scored the highest and the Council asked LSH to progress negotiations to agree terms for entering into a lease subject to Council authorisation.

### **Strategic Fit and Regeneration Impact**

Troubadour projects at King's Cross, White City and Wembley have all been earlier pioneers in much larger regeneration projects. They helped to stimulate public interest in what were at the time marginal sites in London. In Meridian Water, Troubadour will join other early placemaking projects including Broadwick Studios and Building Bloqs in pioneering creative and cultural activity in the scheme.



**Image:** The Troubadour theatre at Wembley Park

The proposal by Troubadour fits well with the strategic direction of Meridian Water and indeed helps to advance and deliver several of its core strategic objectives.

#### **1. The Placemaking Pillars**

The proposal particularly matches two of the pillars: *Your Place to Make and Create*, as the studios will be a creative hub for film production and performing arts; and *Mixing Uses Animating Streets* since, this project will be the first development fronting the new east-west Central Spine Road. It will also front the canal side, helping to enliven this frontage, for example as



a front of house, outdoor bar space as was delivered at White City, or in other new theatres such as the Bridge Theatre.

## 2. The Employment Strategy

In March 2020, Cabinet approved the Employment Strategy for Meridian Water: Your Place to Make and Create. The proposals make an important step in helping to deliver against a target of 1,000 meanwhile jobs creating up to 50 new jobs straightaway, with the first phase anticipated to employ a total of 100 people in a variety of positions from cast to crew, to those in management, food service, security and studio management positions.

Overall it is expected that during the first phase of operation footfall could reach 350/day or 110,000/year through workers, contractors and visitors to the site. In the second phase (after 2023), this will increase to 600/day or 190,000/annually, at which time the studios are anticipated to support 450 jobs on site.

This footfall will support and promote renewed economic activity across Meridian Water, especially once complementary meanwhile projects and links are in place (such as footbridges and pathways linking the western part of Meridian Water with activity on the east bank). The footfall generated by the film studios is significantly increased once one of the film studios spaces is used for a 800 seater theatre in the mid 2020's, not only will this greater footfall support other businesses at Meridian Water it also supports the case for improving the frequency of the trains into Meridian Water station.

The studios will transform the customer base for new cafes at Bloqs, canal side activities such as bars as well as leisure and recreation offerings in the newly created green spaces on the west bank of the River Lea Navigation.

Meridian Water Studios is the first meanwhile project on Meridian Water to commit to paying a London Living Wage to all its staff. This is key plank of the employment strategy and a powerful action in terms of expressing the Council's commitment to tackle and eliminate poverty pay in Enfield and London.

## 3. The Skills Agenda

The provision of a Skills Academy specialising in film, theatre and media skills will be an early win for helping to achieve an uplift in the skills and aspiration of the local community. This will also link with the Construction Skills Academy being delivered with Vistry Partnerships on Meridian One. Potentially synergies particularly include the hands-on construction related trades such as carpentry, set production, and internal decoration.

Phase 1 will deliver sector-specific accredited training courses through its Skills Academy, reaching several hundred students by Phase 2. Accredited

qualifications will be supplemented by internships and open days reaching an even wider number of people.

#### 4. The Meanwhile Strategy and other meanwhile projects

The Meridian Water Studios fits in well with the emerging ecosystem of meanwhile projects across Meridian Water. There is a strong linkage with the workshops of Building Bloqs that can make bespoke stage film sets. The filming and tv sector itself is already becoming established at Meridian Water. The Drumsheds have been used for filming, and other locations such as Stonehill and F Block have been used to film music videos or stunts for movies. There are also other synergies, for example newly acquired Unit 11 Anthony Way is a warehouse let to Blitz hire that specialises in hiring equipment for the film and tv market such as rigging and drapes. The emergent Meanwhile Strategy will provide a spatial framework for linking all these projects and showing how this micro economy can be bolstered and grown as development unfolds.

#### 5. Sustainability Strategy

The Troubadour proposal is an early example of the circular economy. Two large demountable studios have been relocated from White City, and will be reused and re-erected as the first Phase of Troubadour's project at Meridian Water. This sustainable approach significantly reduces the release of carbon dioxide and air pollution in the construction of new studios by using the embodied carbon in the existing material and structure. The third studio is also reused; in all 90% of the structures on site are recycled. The team is also looking at other ways to improve the sustainability of the project such as skip gardens and sourcing of energy.

#### 6. Communications and Marketing Strategy

The proposal is an early and important example of change and regeneration at Meridian Water. By raising the profile of Enfield and demonstrating the Council's ability to delivery big, bold and ambitious meanwhile uses, this success story will help sell Meridian Water to investors, occupiers and visitors. It is a positive news story, that by its nature can create a strong pipeline of headline-catching announcements (theatre, skills and filming projects) in delivery of the communication and marketing Strategy.

Recently the management team of Troubadour (the parent company of TMWS) have set up a Drive-In Cinema on the site, with 300 car places providing entertainment. The Drive-In has been an early success with free places for NHS staff proving extremely popular and peak time shows selling out. The Drive In and the Studios have no corporate links however it is the same management team that are delivering the Film Studios.

Although on a smaller scale than the Film Studios, the success of the Drive In demonstrates a strong track record in delivering on Meridian Water, as well as an ability to developing effective working relationships with the Council and other stakeholders on site.

## 7. Emerging Culture Strategy

On 11<sup>th</sup> November 2020 Cabinet were asked to approve a new borough strategy for culture “Culture Connects”. The Vision for Enfield’s Culture Connects is :

“Our ambition is to connect Enfield through culture. We want to connect our rich history of cultivation and industry with creative activity throughout our green spaces and town centres, our young people with opportunity and our different communities with shared celebrations. As culture connects us we will see the borough grow its economy and promote its identity more widely as a bright and diverse mix of city, countryside and creativity. We will connect organisations and ambitions across the borough to achieve our vision for Enfield: Culture Connects.”

The Strategy lays out three cross-cutting priorities:

- a. Culture Everyday – culture as part of the borough’s fabric, reaching more people in more ways
- b. Opportunity for Young People
- c. Sustainable Culture – understood both as financial sustainability, seeking more funding from a wider range of sources for the borough’s cultural sector, but also sustainability through improved stakeholder relationships, support and recognition

The Film Studio’s associated training facilities and theatre will contribute to delivering culture connects objectives.

### **Phased Delivery**

The delivery of this project is phased in order to facilitate the building out of Strategic Infrastructure Works (**SIW**). Phase One is the northern half of Stonehill, and is the subject of a planning application submitted by TMWS in October 2020 (see image below) The area immediately to the south of the studios will be transferred to the SIW contractor from March 2022 (subject to confirmation by the SIW contractor) for the undertaking of civil engineering works to Stonehill. This includes the construction of a Flood Relief Channel (the green corridor crossing the site), an east-west road (shown as black and grey highway with landscaping on the image below) and bridge over the canal. This work will necessitate the breaking up of concrete slabs on Stonehill, as well as generating significant construction traffic. The precise timing and extent cannot be determined until the contractor has been appointed but we do know that disruption will be considerable and is likely to prohibit filming activity during this time.



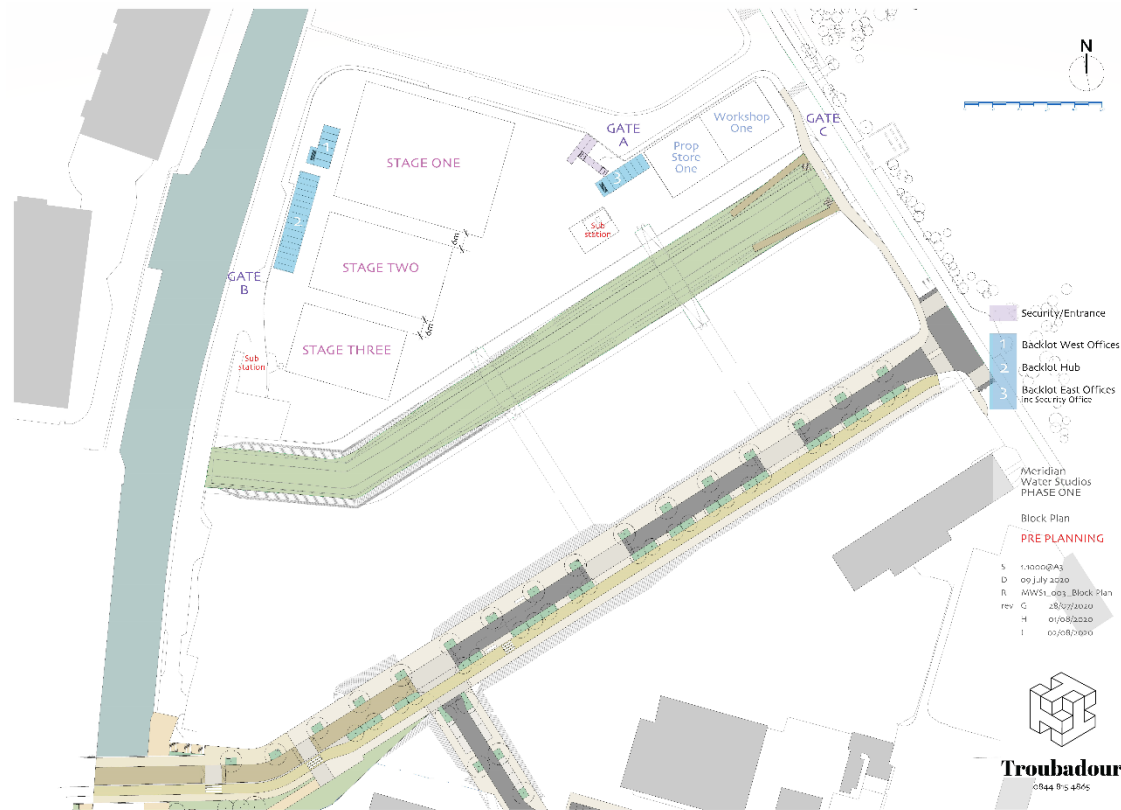


Image: Stonehill Site showing current submitted plans for Film Studios (Phase 1); Strategic Infrastructure Works, and white area between the Flood channel and the road (Phase 2)

This need to facilitate the essential delivery of SIW means the following for the Film Studios programme:

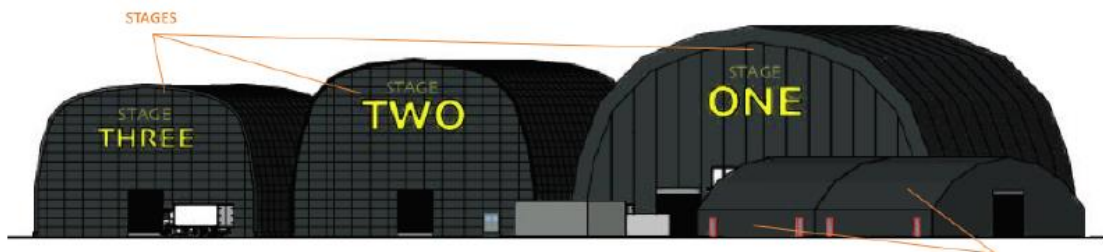
- There is a short window of time in which to run the initial Film Studio campus. It is therefore imperative that it gets built and set up as soon as possible to optimise use of this time window for bookings and productions before SIW works commence
- During SIW works there is no guarantee of being able to programme activity. There may be scope to repurpose some of the land or buildings for other revenue-generating activity, such as live events or storage.
- Once the infrastructure works are complete, the film studios will already be in place to reopen and activity can restart. At this time, work can begin to expand the Film Studio project to the rest of the site.

The phases of Meridian Water Studio activity are summarised below

Phase	Indicative Timescale	Area Covered (see plan on p.6)	Milestones	Use
Phase 1	Spring (or early) 2021 – Spring (or early) 2022	Stonehill 1 & 2	Up to commencement of SIW	Film Studios, Skills Academy
SIW	Spring 2022 – end 2023	Stonehill 1 & 2	During SIW	Studios (if possible), Skills Academy, Live Events, Venue, Storage
Phase 2	2024 –	Stonehill 1,2,3 &	After	Theatre, Film

	2035/6	4	completion of SIW	Studios, Academy
<b>Meridian Water Studios: Phases of Operation</b> (Note exact timescale is subject to SIW works and planning consent)				

In **Phase 1**, the two large flexible structures relocated from White City will be re-erected on Meridian Water to serve as Film/TV stages for filming and production (one is c. 16,000 sq ft, the other 10,500 sq ft). It is proposed that the Council acquires these. A third even bigger structure (24,000 sq ft) will also be erected by Troubadour. Within the first 12 months a skills academy will also be established. Together with front of house and workshop structures, this collection of buildings will be a fully functioning and self-contained film studio capable of simultaneously accommodating three major film productions at once. In total, phase 1 will provide c. 65,000 sq ft of film studio floor space and the required support buildings.



TMW are responsible for securing planning and any other statutory consents for Phase 1. A full planning application has already been submitted and is likely to be considered at December 2020 planning committee.

In **Phase 2**, Troubadour's demise will expand to cover the southern part of Stonehill up to the Central Spine Road. Additional studio space will be built in the area between the newly constructed Flood Relief Channel (FRC) and the Central Spine Road, more than doubling the capacity of the Film Studios. This phase will bring the total scale of the film studio up to 140,000 sq ft bringing it in line with other studios in north and east London (OMA Film Studios are 139,000 sq ft), recently consented film studios in Dagenham are 140,000 sq ft. Once there is a critical mass of population in Meridian Water, and the transport infrastructure allows, at least one studio will be converted for performing arts use. This Theatre space will begin before Troubadour have been in occupation for 6 years but is subject to the HIF Strategic Infrastructure Works being complete, at least a 1000 homes built, public transport of at least 4 trains an hour and planning consent.

The south west corner of the site, at the junction facing the canal, bridge and central spine road, will be subject to a Design Charter that will provide parameters guiding the design and development on this important site opposite Meridian Four. It will set out how the placemaking pillars should be applied, stipulate the need for active frontages, accessible public realm, quality design and provide a framework for the clustering of the public-facing uses including the theatre, front of house, hospitality and skill academy.

## **Delivery of Phase 1 Film Studios**

If approved the Council will help fund the delivery of Phase 1 of the Film Studios and retain ownership of two of the smaller studios - Studios Two and Three.

The works will be delivered in three stages: first ground works to prepare the site, then erection of the studio structures themselves, and finally the integration of the structures into the wider site and laying of internal flooring.

### **1. Stage One: Ground Works**

The first stage of work involves preparing the ground conditions. It includes drainage, ground stabilisation works, and laying concrete bases for the structures.

The specification for these works has prepared by Clark Smith Structural Engineers, on behalf of STACE, the Council's retained Project Manager. It is important to note that the Ground works have already been commissioned at a cost to the Council of £410,000 and would be required for any occupier of the site. Should the proposals in this report be rejected the Ground works could be used for future occupiers of the site.

### **2. Stage Two: Erection of Film Studios and Ancillary Buildings.**

The second stage of work is the erection of the film studios and ancillary buildings. It is proposed that the Council enters into a construction contract with Troubadour Theatres Limited to undertake these works. The three film studios will be constructed as per the planning permission. A draft specification has been provided by contractor Acorn Event Structures for the main structures (see Appendix 1). However, Acorn will only provide part of the build, the rest will be provided by Troubadour Theatres Limited and its regular suppliers.

Troubadour Theatres Limited have satisfied STACE, the Council's retained Project Manager that they have the credentials, experience and insurances to be the Principal Contractor for this project. It is recommended that the Council directly appoint Troubadour Theatre by a waiver of the Contract Procurement rules to oversee and deliver the works. This waiver has been approved by the Interim Executive Director of Resources, and will be reported to the Audit Committee in the usual way. The waiver is required because although the Council marketed the site on the open market twice for somebody to take a lease for the site under the Property Procedure Rules the nature of the arrangement has now changed and we are contracting Troubadour Theatres to deliver the studios.

It is recommended that the Council enter into a JCT Contract with Troubadour Theatres Limited to supply and build the 2 studios. The full works specification will be approved by our project manager, STACE, who will also be responsible for overseeing the delivery of construction work on site. STACE are retained as one of the Council's Project Managers, their fees for this work will come from the Meanwhile Site Works budget.

Under the contract, two large temporary structures (studios 2 & 3) would be retained as an Enfield Council asset. A third (studio 1) is being leased from Acorn by Troubadour Meridian Water Studios Limited.

The erection of the studios and ancillary structures is estimated to take 6 – 10 weeks.

### 3. Stage Three: Internal flooring and landscape

The work includes laying an internal floor for each studio, construction of access into studios, completion of drainage and access works around the structure and construction of pathways.

It is anticipated that this work will take c. 4 weeks.

### **Lease Agreement**

LSH has negotiated the terms of the lease agreement with TMWS. Entering into the leases is conditional on planning consent, approval of the Tenants Board and Council authorisation. The lease provides TMWS with the land to deliver and run the Film Studios and provides the Council with the rental income covering the cost of leasing the land and the cost of constructing the first phase of the studios. The key terms are as follows:

- The first lease demise will cover the area of Stonehill 1 & 2 (up to the FRC). On completion of the SIW works in Stonehill, the second lease will begin which will expand to cover Stonehill 1, 2, 3 & 4 up to the Central Spine Road (see Lease demise plan at page 6).
- The second lease demise includes the corridor of the Flood Relief Channel that will be constructed as part of SIW. While Troubadour will be able to pass over the channel, occupation will be limited and rights access will be reserved by LBE
- During the delivery of SIW, when it is acknowledged that there will be physical activity disrupting the immediate adjacent area of the site, as well as noise and vibration disruption from the wider site, the Tenant will not have to pay a fixed base rent, but instead a rental sum based on a percentage of net profits. However, it will have to continue to repay the construction cost during this period.
- Troubadour will contribute towards the upkeep and security of the wider Stonehill Estate via a service charge contribution
- A Side Agreement will be appended to the lease that will cover the Tenant's obligations in relation to the delivery of a Media Skills Academy, a Performance Space, London Living Wage Accreditation and compliance with a Design Charter.

- A Design Charter has been prepared that sets out a framework for how placemaking principles should be applied to proposals that the tenant brings forward in the southwest corner of the tenant's post-SIW demise (shaded orange on the Lease Plan Appendix 3).
- The lease includes full repairing and insuring obligations
- See Confidential Appendix for rental information

### **Skills Academy, London Living Wage and Theatre clauses**

MWS will commit to provide, open and operate a training academy within 24 months of lease commencement, delivering the agreed KPI's as set out in schedule attached to the HOTS.

The Training Academy will provide accredited industry courses, with the course curriculum and certification following recognised industry standards and be externally accredited by a Higher Education or Further Education institution associated with Film and Media.

Evidence associated with the outputs from the Training Academy will be reported to LBE on a quarterly basis.

The lease will also include requirements to deliver a performance arts use no later than Year 7 of their occupation of the site subject to certain criteria being met including the completion of the SIW, completion of 1,000 homes and the establishment of minimum levels of public transport

The lease will also commit TWS to paying the agreed London Living Wage hourly pay rate (currently £10.75 per hour) to all staff employed by TWS, extending this requirement to support services within their supply chain associated with the site. By extension, it will also require TWS to seek accreditation as a London Living Wage employer through the Living Wage Foundation within the first 24 months from the commencement of the lease.

If MWS does not meet the requirements of delivering an Academy within 4 years , or delivery of performance arts use by Year 8 of occupation, the Council will have an option (but not an obligation) to break the relevant lease.

### **Valuations**

Two demountable structures, Stages 2 & 3 that have been relocated from White City will come into Council ownership through the delivery of the construction contract with Troubadour Theatres. Proof of current ownership has been received (please see Confidential Appendix for details). The JCT with Troubadour Theatres will contractually ensure the transfer of ownership of the structures to the Council.

Hickman-Shearer have produced an ex-situ market value of the assets. The valuation of these large modular temporary steel-framed building structures takes

into account depreciation and obsolescence. The valuation of the structures as a complete asset is the amount for which they are being acquired. If the enterprise were to prove unsuccessful the money spent by the Council on buying these studios would be expected to be recovered through the sale of the two structures,(subject to market conditions at the time) provided they were sold as complete packages (capable of being re-erected) and not broken up as resold purely for their material value (see Confidential Briefing for more details).

A property valuation has been undertaken by Lambert Smith Hampton (LSH). The Red Book valuation is done to satisfy the requirements of Section 123 of the Local Government Act 1972 and Best Consideration in respect of a proposed disposal. In this case LSH in their valuation dated 11<sup>th</sup> November 2020, have stated that the proposed transaction with TMWS for Stonehill Business Park does not represent an Undervalue and shows Best Consideration. Further details are in the Confidential Appendix

## **6. Main Considerations for the Council**

The main consideration driving this decision is a requirement to catalyse economic activity in order to assist the borough recover from what is likely to be a severe recession. It will also secure the future of Enfield as the leading borough in London for film and TV production contributing to a cluster of businesses, talent and expertise that will attract more investment.

The overarching financial consideration is to ensure that the Council can recover its investment and generate further income. Asset security is achieved through ownership of two studios in the first phase of Meridian Water Studios. Contractual security is achieved through the construction contract and the Lease. Council will retain ownership of asset, which if it had to step in due to non-payment of rent or other breach of lease, it could appoint another operator to run the studios, run them directly or even sell the structures outright.

## **7. Safeguarding Implications**

n/a

## **8. Public Health Implications**

n/a

## **9. Equalities Impact of the Proposal**

There are no direct Equalities Impacts from the proposal. However, the Council is committed to ensuring that all meanwhile projects positively benefit protected groups and prioritise the participation of the local community.

Accordingly, the Heads of Terms contain a provision that the theatre must provide access to the local community users and visitors at affordable

rates of admission and in co-ordination and discussion with Enfield Council.

## 10. Environmental and Climate Change Considerations

This is a sustainable proposal that will reuse pre-existing structures. The carbon footprint of the construction will be relatively low due to the reuse of existing material.

Environmentally there will be benefits of bringing into productive use a brownfield site that is currently sitting derelict and regularly at risk of fly-tipping and other contaminating activity.

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

### Main Risks

1. Troubadour could locate elsewhere to another borough, losing that opportunity
2. Stonehill will be vacated. As it will be extremely difficult to re-let the site for the available window before the HIF contractor occupies the state, that could potentially increase security costs or leave it at risk of traveller incursion and flytipping. If this risk was to materialise this would severely jeopardize the cost and delivery programme for HIF works.

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

Risk	Likelihood	Impact	Risk Score	Existing Controls
<i>Identify and list the relevant risks and the potential impact / consequence of each.</i>	1=Remote 2=unlikely 3=possible 4=probable 5=highly probable	1=Insignificant 2=minor 3=moderate 4=major 5=catastrophic, systemic failure	Likelihood x Impact (Red, Amber, Green)	<i>What existing processes / mitigations are in place to manage the risk? Actual controls</i>
Troubadour do not secure Planning Consent for use as a film studio.  Risk as to whether proposed <i>sui generis</i> uses will be deemed fully compliant with SIL uses. Due to size of application it may also need to be approved by the GLA	3	5	15(RED)	TMWS submitted their planning application for use as a film studio on 03.08.2020 It was Validated on the 23 <sup>rd</sup> October with a Planning Committee date proposed for December 2020. Sui Generis use for film studios should be permissible in SIL. The proposal includes storage and other B8 uses which are compliant. If planning consent is not secured TMWS will not progress with the deal / lease as the commercial opportunity will be missed, meaning the Lease is not entered into and the agreement falls away. Then

				either the second-place bidder could be approached to ascertain if there is still interest or the site could be remarketed following completion of SIW.
Troubadour don't get planning permission for additional uses, in which case phase 2 lease not entered into.	3	4	12(Amber)	The Mitigation is that we retain the structures (unless TMWS have already exercised the pre-emption clause and paid back the investment) and re let the northern area with structures, The Council can also let the Lease B area. Alternatively the Council could re-market the whole site.
Troubadour deliver a Film Studio complex but do not deliver the Skills Academy and Performing Arts space which are important for placemaking. Initial plans do not include provision for a theatre. Part of the ancillary building space has already been allocated to Skills academy use.	3	3	9(Amber)	The terms of the lease require Troubadour to deliver an academy within 4 years of lease commencement, and if not the Council has the option (but not the obligation to) exercise a break, terminating TMS's occupation of the site. The Phase 2 lease will state that the site is to also be used as a theatre by Year 8 of occupation at the latest, and earlier subject to completion of SIW and other criteria. If Troubadour do not deliver the intended uses, the Council will have the further option (but not an obligation) to break the lease. A close working relationship with Troubadour can ensure that its plans are aligned with the regeneration objectives of Meridian Water and the Council.
Related to the risk above "Skills Academy and Performing Arts space" The Phase 2 lease will state that the site is to also be used as a theatre by Year 6 of occupation at the latest, and earlier subject to completion of SIW and other criteria. These criteria are: 1. Completion of the wider Site Infrastructure Works (SIW) proposals for the Meridian Water by the Landlord.  2. The establishment and operation of improved public transport service bus, train and pedestrian routes to the	3	3	9(Amber)	The Council have selected a SIW contractor and are close to appointing them and have finalised the arrangement with Government regarding the HIF money although availability of funds remains contingent on satisfaction of conditions to funding. The SIW work includes plans for improved transport. Progress has been made with delivery partners for Meridian 1 and a Meridian 2 partner will be announced soon that collectively deliver 1000 homes.



<p>property with a minimum 4 trains per hour plus improvements to the bus network to meet the definition set out in the Phase 2 planning conditions</p> <p>3. The completion and occupation of 1000 residential units within the wider MW scheme.</p> <p>There is therefore risk that these are not achieved by the Council and therefore no obligation on Troubadour.</p>				
<p>In the absence of a satisfactory survey the Phase 2 lease will not be entered into.</p>	3	4	12(Amber)	<p>The Mitigation is that we retain the structures (unless TMWS have already exercised the pre-emption clause and paid back the investment) and re let the northern area with structures, The Council can also let the Lease B area. Alternatively the Council could re-market the whole site.</p>
<p>TMWS fails as a company, is unable to pay rent and goes into administration</p>	2	4	8 (Amber)	<p>Troubadour Theatre's business model is to set up separate businesses for each venture undertaken on different sites. Hence TMWS has no financial track record or accounts. As each project is undertaken as a ring-fenced venture, no parent company guarantee is being made available.</p> <p>By mitigation it is possible to assess the financial standing and success of previous similar enterprises undertaken by Troubadour, which shows that these ventures have been financially sound.</p> <p>A rent deposit of £75,000 is being collected at the start of the lease and will be held for the term. Rent is also paid in advance. Should Troubadour default in paying rent, this is a ground for determining the lease under which no compensation is payable. The deposit held in account would then be used to cover any outstanding rental arrears and the cost of regaining vacant possession.</p>

				Under this circumstance, the structures would be retained by the Council as let to a third party. The valuation undertaken by LSH demonstrates that in an absolute worst case scenario where TMW had not repaid any of the £3.3m Total investment at this site, the Council would recover its investment within 3 years by rent out the structures as built at market value.
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### 13. Financial Implications

See Confidential Briefing

### 14. Legal Implications

MD 11<sup>th</sup> November 2020 (based on draft report circulated at 15:28 on 11<sup>th</sup> November 2020)

The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. Section 123 of the Local Government Act 1972 gives local authorities the power to dispose land in any manner they wish provided that they achieve best consideration. The recommendations detailed in this report are in accordance with these powers.

The Council has a fiduciary duty to look after the funds entrusted to it and to ensure that its local taxpayers' money is spent appropriately. The Council must carefully consider any project it embarks upon and conduct its affairs in a business-like manner with reasonable care, skill and caution, and with due regard to tax/ratepayers' interests. In embarking on any project the Council must consider whether the project will be a prudent use of the Council's resources both in the short and long term and must seek to strike a fair balance between the interests of tax/ratepayers on the one hand, and the wider community's interest on the other hand. While the proposed project has the potential to deliver substantial benefits for the local community in accordance with the Council's Corporate Plan and the Meridian Water placemaking objectives, the project is not without risk. In particular, Troubadour at Meridian Water Limited is a newly incorporated special purpose vehicle without a track record of delivery or credit history and, although a £75,000 rent deposit will be taken, this may not be sufficient to cover the potential loss to the Council in the event of a default. Furthermore the Council will not have the benefit of parent, group company or director guarantees as security for performance of obligations (including payment of rent) under the lease. Such risks will need to be weighed

against the potential benefits of pursuing the proposals highlighted in this Report.

A planning application (ref: 20/02475/FUL) has been submitted but is yet to be determined in respect of the use of the site as a film studio. A further application will be required to be submitted and approved to permit the additional usage of the site as theatre and training academy space. There is therefore a planning risk that may impact on the proposals set out in this report.

It is proposed that a contractor is procured and appointed under a JCT construction contract to install the Meridian Water Studios on the Stonehill site. The estimated contract value is below the Public Contract Regulations 2015 threshold (currently £4,733,252 for works), however the procurement must be carried out in compliance with the Council's constitution, including the Contract Procedure Rules. It is proposed that the contract for works is directly awarded to Troubadour without any competitive exercise undertaken. A waiver of the requirement to carry out a competitive tendering exercise has been granted by the Executive Director Resources. Throughout the engagement of the building contractor, the Council must comply with its obligations of obtaining best value, under the Local Government Act 1999.

The Council must act in accordance with its Property Procedure Rules in relation to the grant of lease to Troubadour at Meridian Water Limited. This report describes the marketing and evaluation process used. The evaluation included a "quality" criteria as well as a financial assessment and as a consequence it is proposed that an offer other than the highest financial offer is accepted. A valuation has been prepared on behalf of the Council has been prepared which confirms that the disposal by way of 4year lease and then 12 years represents best consideration.

Any legal agreements arising out of the recommendations of this report must be approved in advance of completion by Legal Services on behalf of the Director of Law and Governance.

As the anticipated value of the proposals set out in this report exceeds £500,000, this is a Key Decision. Officers must comply with the Key Decision procedure

See also confidential appendix.

**15. Workforce Implications**

None

**16. Property Implications**

Strategic Property Services support the decision to lease an area of the former Stonehill Business Park to Troubadour as they constitute a key

delivery partner for the Meridian Water Meanwhile Strategy providing a place to create, work and training. The proposal provides options under meanwhile and long-term permanent employment.

There are no specific property imps as these are all contained within the body of the report.

The Council must however at all times comply with its Property Procedure Rules ("PPR") including, but not limited to:

As a general rule, leased-out property must be advertised in the open market (paragraph 19.2 PPR) However, it is recognised that there may be instances where letting a property on the open market would not be in the best interest of the Council. In such cases officers must act with due probity, good governance and transparency. This property was advertised and the offer from Troubadour scored highest in the assessment of offers as set out in the report.

In the event that the lease is terminated by either party, then the opportunity arises to re-let the property at Market Value and if repayment of the loan is not complete then the structures will revert to the Council to enhance reletting value.

A red book valuation has been obtained that shows a value better than OMV and in view of this and that the disposal will help to secure the improvement of the economic, social and environmental well-being of the area the letting should progress.

**17. Other Implications**

None

**18. Options Considered**

Enter into negotiations with second place bidder

The second-place bidder did not offer any of the place-making benefits that MWS offered. Furthermore, the need to only let half the site initially to facilitate SIW would complicate negotiations and it is not known whether that would be acceptable to the bidder. Significant work has been done to find a way to back the sequencing of MWS activity and SIW work, while retaining the placemaking and income benefits of their bid. It is therefore not proposed to enter into negotiations with the second-place bidder, unless the TMWS should not be successful (for example if planning consent cannot be secured).

Await completion of SIW before negotiating lease agreement.

The benefit of this option is that it would give absolute certainty about the timing and delivery of the strategic infrastructure affecting the site (especially the Flood Relief Channel and Road). However, it would also

been foregoing the opportunity to enter into an agreement with a high-profile tenant that could make a significant contribution to placemaking objectives and meanwhile activity in the early years of the scheme. It would also mean foregoing some rental income for the period before and during SIW. It would also mean leaving the site vacant and increase the risk of occupation by Travellers, an event that could potentially derail the timetable for the delivery of SIW. Finally it would almost certainly mean losing the opportunity currently on the table, with TMWS likely to relocate the film studios/theatre elsewhere.

#### Re-market the Site

The key milestone of reaching provisional agreement on the heads of terms with Troubadour is the result of months of negotiation and planning. It has also necessitated two rounds of extensive marketing of the Stonehill site in order to attract and secure a strong submission from Troubadour. It is therefore deemed highly unlikely that an offer stronger (in both income and quality terms) can be found, especially given the current economic climate.

### 19. Conclusions

The proposal to deliver Film Studios is the boldest and most exciting project in Meridian Water that has been proposed to date. It will make Enfield a leading London Borough for TV and Film production, capitalising on a growing industry. This game-changing opportunity would help transform Meridian Water into a destination through the delivery of a major public theatre venue and help stimulate the economic regeneration of the borough through the training academy and a new media and arts hub.

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Date of report 12/11/2020

#### Appendices

- Appendix 1. Draft Specification of MW Studios
- Appendix 2. Confidential Appendix.
- Appendix 3. Lease Plan

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

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# Proposal

**CLIENT**      **Troubador**  
**PROJECT**    **Enfield**  
**DATE**        **08 July 2020**

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## 1. INTRODUCTION

### 1.1 PROPOSAL BACKGROUND

We are one of the most experienced staging specialists in Europe. Our extensive experience includes working with high profile clients with wildly differing requirements. Our innovative, creative and cost-effective approach has meant that we have enjoyed long standing relationships with the vast majority of clients we work with. Working within the temporary structures sector requires a unique skill set and we are totally competent and conversant in this niche market.

Acorn proposes to provide a turnkey staging solution as follows:

**1. Turnkey Solution** | Our proposal consists of a comprehensive range of services, enabling the client to fully concentrate on their objectives safe in the knowledge that the scaffold or staging element is being managed by a professional company;

**2. Experience** | We have extensive experience installing temporary demountable structures at prestigious outdoor events. We are acutely aware of the many restrictions of this type of operation, which gives us the advantage of being able to operate as efficiently and productively as possible;

**3. Personnel** | Our team of experienced, directly employed, crew possess significant working knowledge of the installation of outdoor structures. We minimise the use of agency staff to ensure the highest safety standards are maintained and our structures can be erected as swiftly and safely as possible;

**4. Flexibility** | We pride ourselves in our problem-solving ability and take a refreshingly pro-active approach to all phases of any project we undertake, be it during pitching, planning or on-site.

**5. Support** | From our 24 hour operational premises, based near Leeds, a substantial amount of organisational and administration work goes on 'behind-the-scenes' to facilitate the smooth operation of each event.

## 1.2 HISTORY

The Acorn group of companies was originally founded in 1996 to provide system scaffold solutions to the construction industry.

From its inception, Acorn received enquiries from event companies to supply temporary scaffolding solutions and consequently, in 2006, took the decision to launch a stand-alone event-oriented company to service this activity.

Since then the operation has grown from strength to strength and now has sub-divisions dedicated to **scaffold, staging** and **bespoke structures** and continually invests in developing and refining products for the event industry.

Acorn's aims are to provide a world-class service to all projects and deliver excellent value for money. These virtues have attracted a number of prestigious clients across all facets of the live event industry including blue-chip companies, marketing agencies, local councils, production companies and organising committees.

Please refer to our brochure for further technical information and images of our full product range.

## 1.3 ACORN & LAYHER

Acorn has been working closely with Layher, the world's most trusted scaffold brand, as a partner for over 20 years and their product range is integrated into every staging and scaffold structure we deploy.

As a group of companies, we have invested over £20m in the Layher system and believe it offers significant advantages over alternative scaffold and staging solutions, particularly in relation to the event industry:

- Over 60 years experience in the manufacturing high quality and practically tested scaffolding systems
- Event oriented equipment designed and manufactured to the highest quality
- Fully engineered solution compliant with national and international standards and regulations
- Fewer components & simple connection detail, minimising installation times
- Modular and adaptable system that can be applied to a wide variety of event applications
- Full integration with our Prolyte stage roofs and rigging towers

## 2. OPERATIONAL CAPABILITY

### 2.1 DESIGN & ENGINEERING

We specialise in creating unique structures, taking proven systems and components and combining them in alternative ways to create one-off solutions backed up by almost 20 years experience in this niche sector.

We employ a number of external design and chartered structural engineers to carry out all aspects of our work in the planning and installation phases. This both keeps our overhead costs to a minimum and means we have ability to quickly increase our capacity depending on the size and nature of the project.

All our structures are designed in accordance with the Temporary Demountable Structures guidelines and where relevant Parts M and K of the building regulations.

### 2.2 EQUIPMENT

A brief summary of our stock is as follows:

- Over £25m total investment in Aluminium Truss Staging, Layher system scaffold and Prolyte components.
- UK's largest rental stock of Layher system scaffold components.
- Largest worldwide stockholding of Layher 'Event' system scaffold and Layher staging solutions.
- Europe's largest stockholding (£3m+) of Prolyte staging equipment including Space Roof outdoor stage roof, Stagedex stage platform system, aluminum truss (H30 through to B100) and rigging towers.

### 2.3 PEOPLE

We believe that the team behind any event is fundamental to its success and in that respect have built up a team of energetic, experienced and professional people committed to providing superior solutions.

Our senior management team are hands on, passionate and directly involved in the management of the all contracts we undertake. We are fiercely independent and involved in the management of our business - we react to any problems or issues with a flexibility that other companies cannot match.

Our administrative team is working tirelessly behind-the-scenes to ensure each event is run efficiently from both an operational and commercial perspective.

Our operational team comprises over 150 directly employed staff ranging from scaffolders through to contract managers. All our site-based personnel are CISCs cardholders as a minimum, trained in Layher system scaffold and have many years' experience in delivering high quality overlay solutions to world class events. We also train our staging operatives in relevant rigging qualifications.

## 2.4 LOGISTICS

To ensure our products and services are delivered in the most time and cost efficient manner, we own and operate a fleet of over 100 vehicles and specialist plant ranging from flatbed light goods vehicles right through to articulated trucks.

The majority of our heavy goods vehicles come equipped with Moffett M8 3 tonne all-terrain lorry mounted forklifts, which means we can be operational as soon as our trucks arrive on site while minimising down time and speeding up the install/strip by reducing manual handling.

## 2.5 HEALTH & SAFETY

In addition to achieving the highest levels of Health & Safety compliance with our ISOQAR accreditation (see below), We employ an independent health & safety specialist, Simian Risk, scaffolding safety and training experts based in Warrington, to ensure that at all levels and at all times we meet industry and statutory regulations, both on site and in our offices. Simian regularly audit our working practices and where required, assist in updating our Risk Assessments and Method Statements.

Copies of certificates all Health & Safety documentation are available on request.

We are continuously developing our products, services and workforce and in conjunction with Simian Risk, we are currently developing a recognised, formal training scheme for operatives and managers within our organisation.

To address the specific training needs of Acorn's event operatives, this training scheme will:

- Establish qualification standards
- Develop industry training and
- Administer a competence card scheme

Furthermore, Acorn took a proactive role in the formulation of an industry-backed 'Guidance for Best Working Practice for Staging and Temporary Event Structures' with regards to our methods of work and the management of structures during use.

The HSE have been involved in this process and we anticipate this being held up as an 'Adopted Code of Practice (ACOP)'. It's purpose is to create a reference framework that is acceptable to both the HSE and staging contractors, local authorities and clients as regards to the supply and use of staging structures. The guide was released in February 2015 and a copy can be [downloaded here](#) or viewed on our website at [www.acorn-events.com](http://www.acorn-events.com)

## 2.6 BUILD PROGRAMME & EVENT TEAM

Our approach is best described in the following key stages:

1. Once order is received, initial production meeting/site visit is held with all key stakeholders and is attended by representatives of Acorn from both sales and operational functions to ensure consistency and completeness.
2. Following this, site information obtained at tendering stage is analysed by the Acorn project manager is checked and verified for accuracy and any variances or irregularities are brought to the attention of the client for resolution.
3. The project manager will oversee all aspects of design and engineering of the structural solution to ensure is both fit for purpose and suitable for the environment in which it is being deployed.
4. Depending on the nature of the structure/s being provided, the project manager will select a team of operatives best suited for the type of structures being deployed.
5. Prior to arrival on-site, the project manager will supply all aspects of health and safety documentation to the client including schedules of work, RAMS and structural drawings/calculations.
6. Upon arrival on-site, the Acorn team, led by the project manager, will attend all relevant site inductions and commence work in accordance with the programme specification and pre-agreed milestones.
7. Once complete, the structures are handed over to the relevant client representative and on-site representation is maintained in the case of temporary demountable structures.

Details of the management and support team that will be directly involved in the performance of the contract are as below:

**Andy Nutter** – Managing Director

**Toby Shann** – Senior Sales & Projects

**Craig Morland** – Contracts Manager and CISRS scaffolder card holder

**Igor Pacejs** – Lead stage builder and rigger

**Carl Butler** – Lead stage builder and rigger

**Charlotte Scott** – Senior Project Coordinator, administration of the project

### 3. PROFESSIONAL ACCREDITATIONS

As part of our commitment to delivering high quality products and outstanding customer service, we are active members of a number of industry bodies to ensure these standards are maintained.

#### **ISOQAR**

We are committed to delivering the highest level of health and safety, and have also achieved accreditation for the following quality standards:

- *ISO 9001 - Quality Management*
- *OHSAS 18001 – Occupational Health & Safety*

#### **NASC (National Access & Scaffolding Confederation)**

The NASC is recognised as the national trade body for access and scaffolding in the UK, producing a wide range of industry guidance for scaffolding contractors, their operatives and their clients.

Members of the NASC are strictly regulated to ensure a continuous high standard of scaffolding practice.

**4. CASE STUDY (CLAD): FILM/TELEVISION STUDIO**  
**CLIENT: ITV**

Our brief was to design, engineer and build a Temporary Studio Structure to accommodate ITV's ambitious filming requirements.

Our challenge was to design a studio structure on an uneven site, which would provide unrivalled rigging capacity and height for production, together with an industrial load-bearing floor system and ambient working temperature for production crews and audiences.

We designed and engineered 2,500m<sup>2</sup> of cladded, waterproof and insulated Studio Space using our award-winning steel beam. Our Studio Structure boasts over 100 tonnes rigging capacity, creating endless possibilities for ITV's production and set design crews.

Our Studio Structure solution included a floor designed to carry HGV and the point load created by cherry pickers/scissor lifts whilst accommodating 2.0m fall in ground levels across the length of the structure. Public access compliant access walkways, stairs and ramps complemented the production facilities to provide audience access.

Acorn's design was chosen ahead of other suppliers because our modular system and our extensive knowledge base, gives us the flexibility to create unique structural solutions. ITV estimate an average of 4.3 million viewers per episode for Dancing on Ice and the reaction from our client and viewers on social media have been outstanding.

Since completing this ITV's project in 2018, we have designed, engineered and supplied two similar theatres structures for Bos Productions at White City in London.

Acorn is continually chosen ahead of other suppliers because of our ability to translate our clients' visions into reality and lead into new territories of structural design. Our unrivalled creative expertise and forward-thinking engineering solutions surpass those of other staging providers in the market.



4. CASE STUDY IMAGES: FILM/TELEVISION STUDIO PRODUCED FOR ITV



*ITV Build Exterior*



*ITV Build Interior*



*ITV Exterior Gable*



*ITV Exterior Side Exits*



*ITV Interior Production Load In*



*ITV Interior Show*

**4. CASE STUDY (PVC): FESTIVAL VENUE**  
**CLIENT: CREAMFIELDS**  
**BRIEF: To Push the Boundaries and Develop an Iconic Stage Setting at Creamfields**

Creamfields is the key player in the festival EDM (electronic dance music) movement, and our client, continues to push the boundaries of production to keep this event at the helm. Our brief was to expand the staging provision and create a unique festival environment that created genuine impact.

The objective was to ensure that each and every festival goer could enjoy the premium technical production and high end immersive technology, not just those at the front of the audience near the stage. The focus was to refresh the previous “big top tent” and create an indoor stage “nightclub experience” capable of accommodating festival-scale audio, lighting and AV effects.

We were chosen ahead of other suppliers because our flexible engineering solutions, coupled with our unrivalled creative expertise, surpasses those of other staging providers in the market. Our working relationship with Creamfields continues to flourish, here at Acorn we take time to fully listen and understand our clients’ needs before co-developing a solution to meet their objectives.

Months of collaboration, planning and design with our client led to the creation of Creamfields’ Steel Yard: a fully weatherproof, interchangeable Super Structure. Some 50m in width, 90m in length, 20m in height at its apex, it was spectacular in every sense.

The Steel Yard was built using HD Beams that were developed and engineered by Acorn and manufactured by Layher in Germany. The 100 tonne loading capacity facilitated the Kinesys production system to be flown, a first for the festival market.

The Steel Yard was met with enormous positivity from our client, production crews, the DJs, the Cream brand and festival goers alike. The reaction can be viewed on Social Media at #steelyard.

This positive response to Creamfields’ Steel Yard demonstrates an increase in demand from the events industry for temporary structures which meet increasingly ambitious production specifications.



4. CASE STUDY (PVC) IMAGES (CREAMFIELDS)



## 5. REFERENCES

Please see below details of existing customers, more information is available upon request.

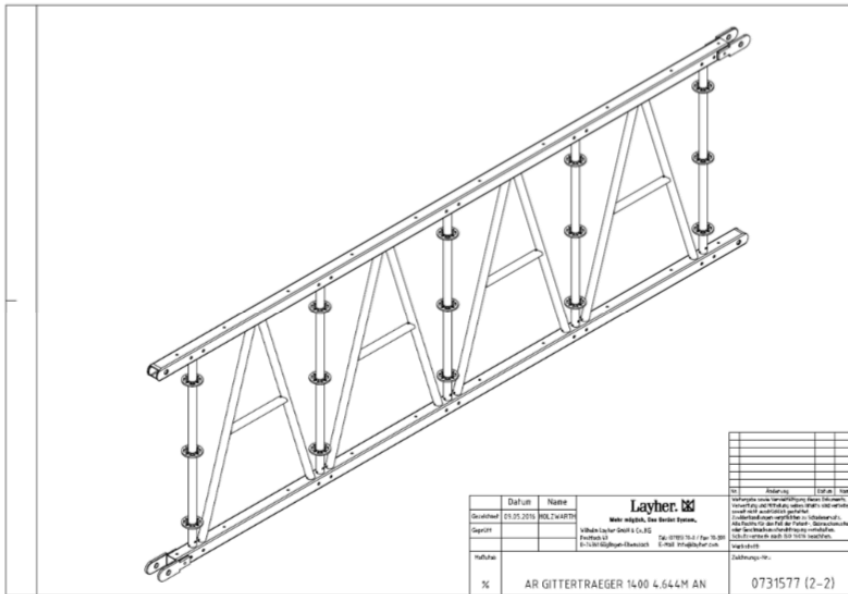
Customer	Contact
ITV Studios (ITV plc) 2 Waterhouse Square 140 Holborn London EC1N 2AE	Jeanette Moffat Executive in Charge of Production 020 715 74950 / 07971 587661 <a href="mailto:jeanette.moffat@itv.com">jeanette.moffat@itv.com</a>
Larmac Live – Production Magement, Creamfields Festival 241-245 Long Lane London, SE1 4PPR	Ian Greenway 0207 940 9820 <a href="mailto:ian@larmaclive.com">ian@larmaclive.com</a>

## 6.i TECHNICAL SPECIFICATION

### Enfield T1 & T2 Super Structure

#### DOME STRUCTURE

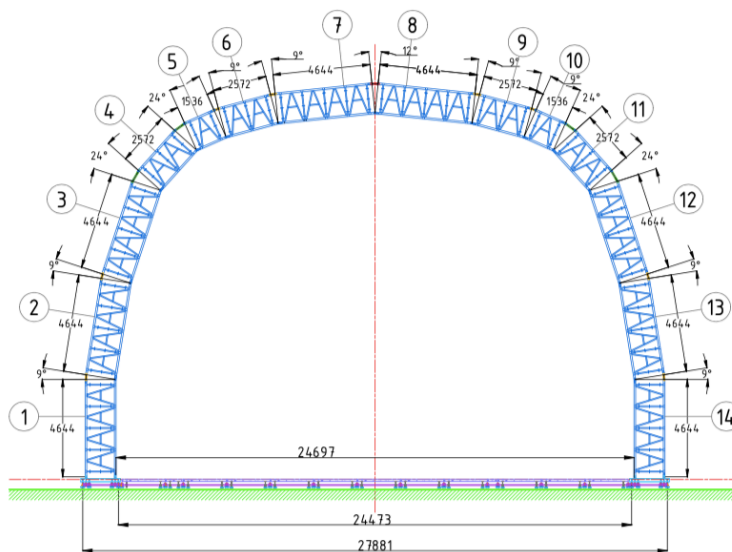
Award-winning Dome Structure, introduced to the market 2016, operating a beam system developed by Acorn, engineered by Krasenbrink + Bastians and manufactured by Layher.



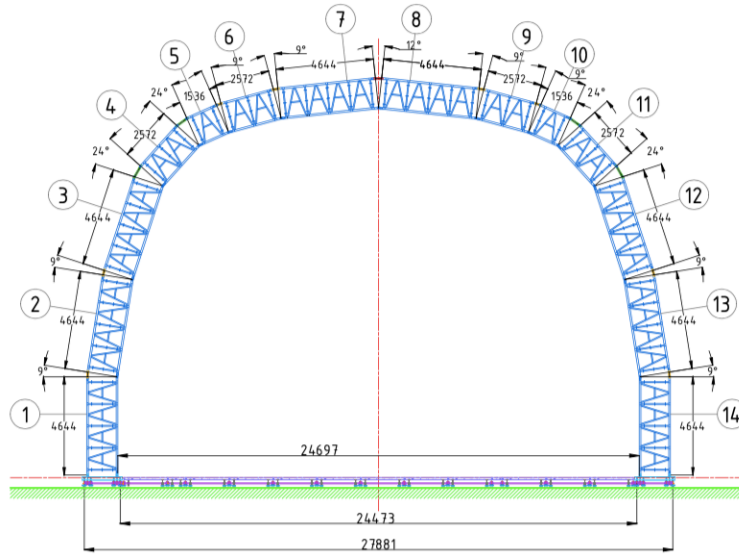
The structures design will be supported with a full set of structural calculations from Prime Scaffold and Structural Designs Limited (PSD) and Krasenbrink + Bastians.

#### STRUCTURE DIMENSIONS

T1 - 54m long x 28m wide x 19.3m high



T2 - 30.8m long x 25m wide x 16.6m high



#### CLADDING SYSTEM:

- Rw airborne sound insulation (C, Ctr) dB (EN 14509): 30
- 150mm panel thickness
- Mass kg/m<sup>2</sup> FTV: 23.90
- REI Fire resistance (EN 14509): REI120
- U Thermal transmittance W/m<sup>2</sup>k (EN 14509): 0.24
- Rw Airborne sound insulation (C;Ctr) dB (EN 14509): N/A
- Combustibility of insulant core (EN 13501-1): Mineral wool non combustible Class A1
- Water permeability (EN 14509): Class B (900Pa)







**ACCESS:**

- Insulated, double fire exit doors with internal push bars and exterior handle.



*fire exit doors exterior*



*fire exit doors interior*

**ROLLER SHUTTER DOORS:**

Roller shutter doors (option: powered, insulated)

3 phase direct drive (connection by others)

Fire classification: A1

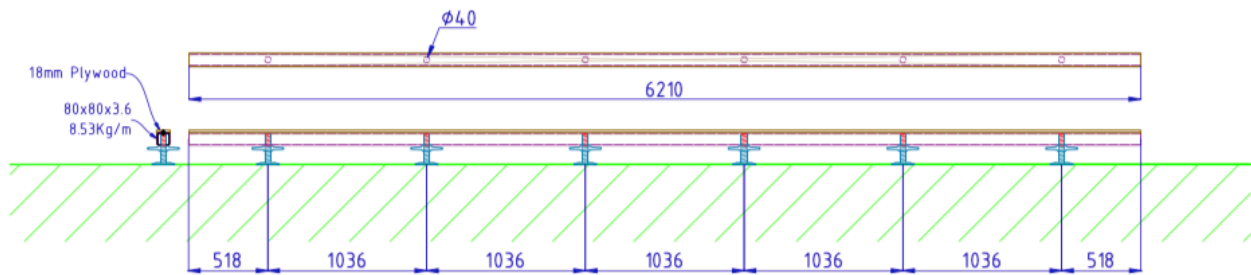


roller shutter door interior



roller shutter door external

**FLOOR:** Ground leveling platform constructed from Layher system scaffold, steel box member and finished with 45mm thick LVLx plywood surface.



**BUILD OVERVIEW**

See Appendices “Example Method Statement – Super Structure”



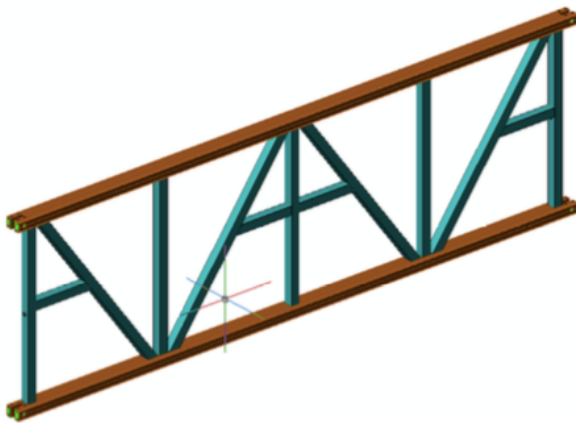
**6.ii TECHNICAL SPECIFICATION**

**Mega Structure**

**DOME STRUCTURE:**

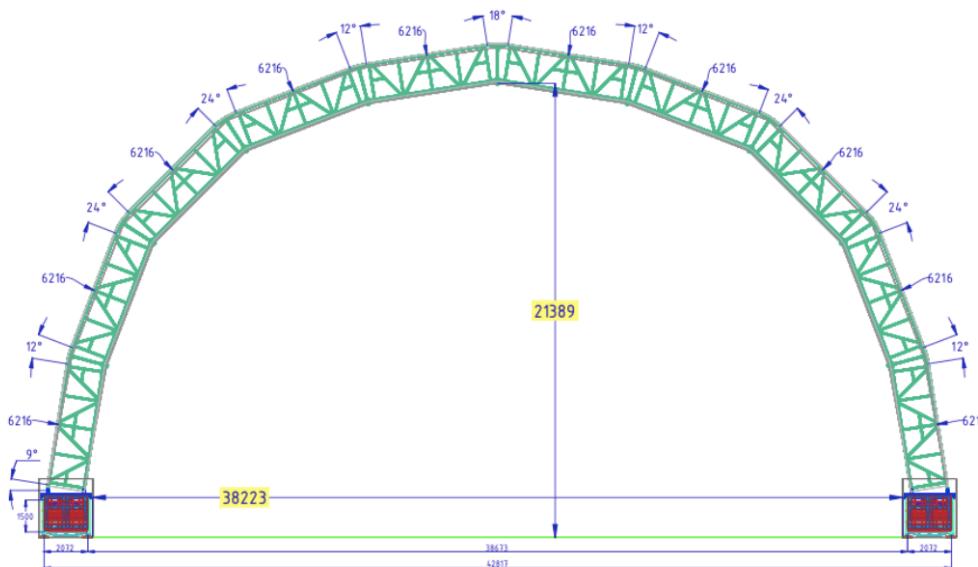
Following the success of the Super Structure, the Mega Beam was the next development allowing greater spans up to 80m and superior rigging loads.

The structures design will be supported with a full set of structural calculations from Scott WhiteandHookins and PSD.



**DIMENSIONS**

- 40m wide x 50m long



### CALDDING SYSTEM

PVC membrane that meets the highest standards for UV and fungicide resistance together with long term durability.

- Weight: 650 g/m<sup>2</sup> (EN ISO 2286-2)
- Tensile Strength: 2500/2500 N/50mm DIN 53354 / DIN EN ISO 1421 V1
- Tear Strength: 250/250 N (DIN 53363)
- Adhesion: 20N/cm (PA 09.03 intern)
- Temperature Resistance: -40°C / 70°C (DIN EIN 1876-1 PA 07.04 intern)
- Crack Resistance: 100.000 x DIN 53359 A
- Fire Behaviour: DIN 4102:B1 / UI 91778: CL.2 / NFP 92507: M2 / BS 7837 / UNI 23 7236-90 1R: M2 / EN 13501-1: BS2-D0 CALIFORNIA T 19 NFPA 701 TEST 2 GOST: G1



*Acorn's Mega Structure @Bristol Airfield, March 2019*

### BUILD OVERVIEW

See Appendices "Example Method Statement – Mega Structure"

### 6.iii TECHNICAL SPECIFICATION

#### Back of House

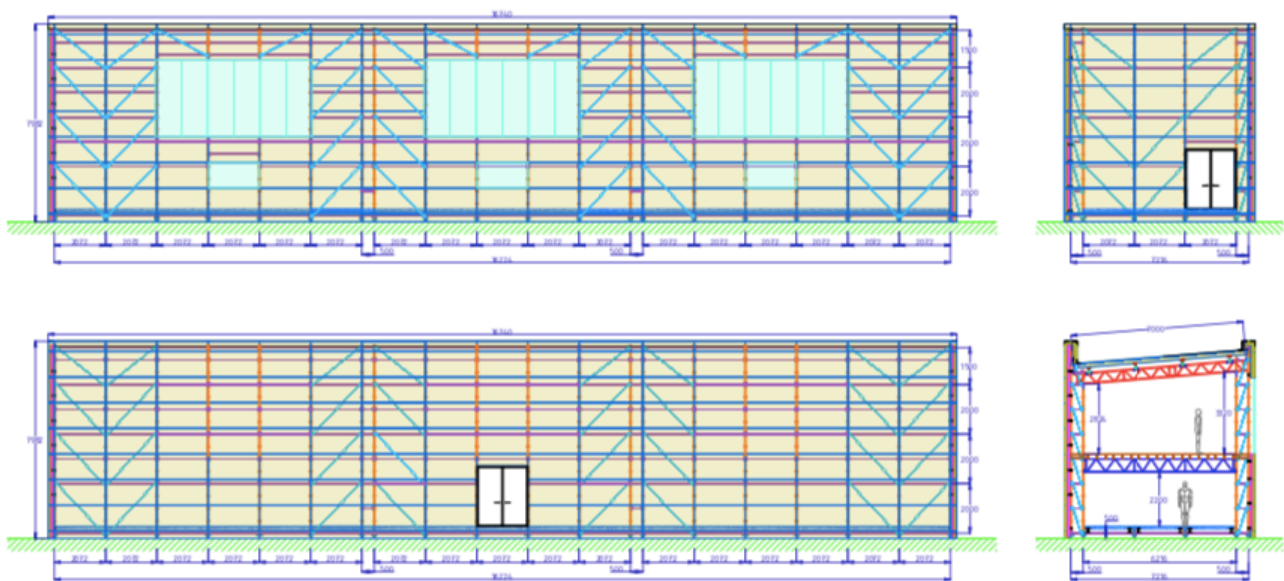
#### STRUCTURE

Constructed using Layher System scaffold components to provide a two-story building.

The structures design will be supported with a full set of structural calculations from Layher.

#### DIMENSIONS

36m wide x 8m Depp x 8m high



#### CLADDING SYSTEM:

This will use the same cladding materials as on T1 and T2.

- Rw airborne sound insulation (C, Ctr) dB (EN 14509): 30
- 150mm panel thickness
- Mass kg/m<sup>2</sup> FTV: 23.90
- REI Fire resistance (EN 14509): REI120
- U Thermal transmittance W/m<sup>2</sup>k (EN 14509): 0.24
- Rw Airborne sound insulation (C;Ctr) dB (EN 14509): N/A
- Combustibility of insulant core (EN 13501-1): Mineral wool non combustible Class A1
- Water permeability (EN 14509): Class B (900Pa)



Cladding Sample

### ACCESS & GLAZING

Glazing panels and Fire Exit Doors are the same specification as those shown below.

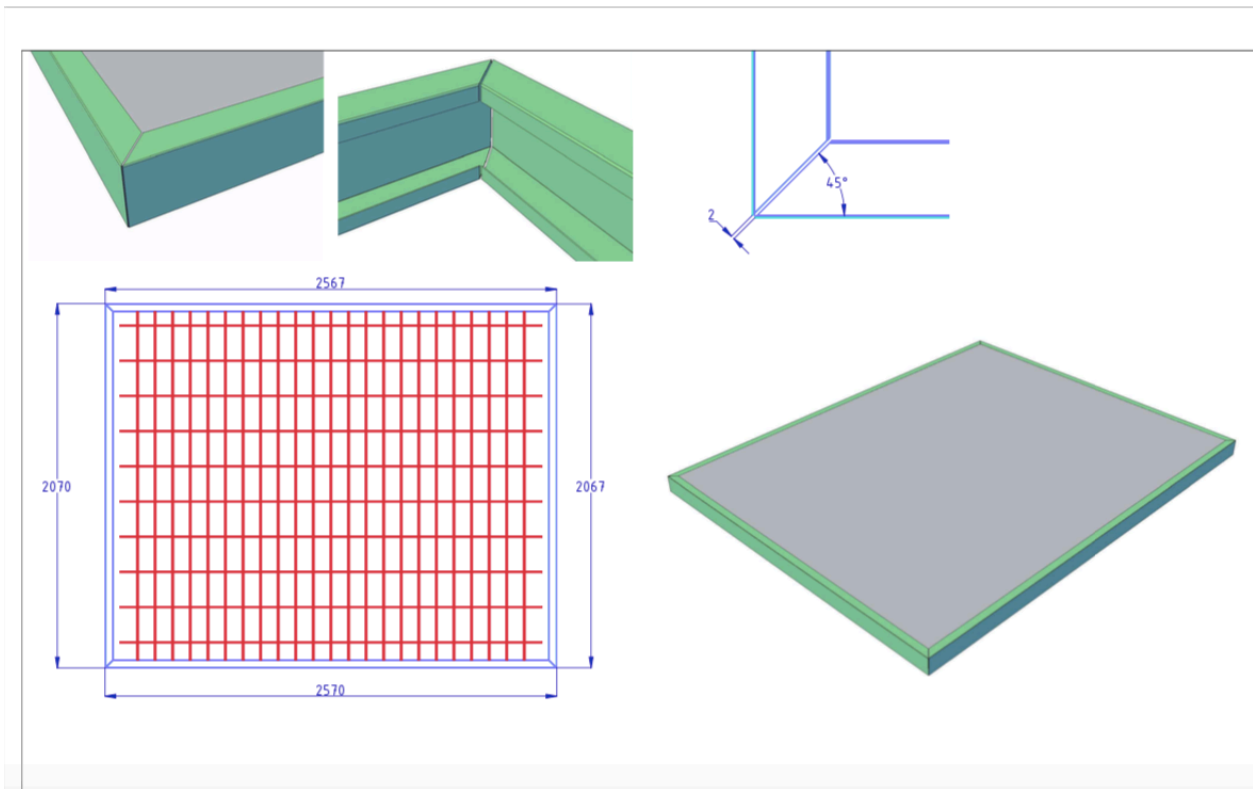


**FLOOR:**

Supporting Layher system scaffold framework with 'I' beam steels, secured using bespoke load bearing couplers fixing the bottom web of the beam to the Layher ledgers.

100mm deep pre cast M40/50 concrete slabs with reinforced are positioned onto the supporting steels to create the finished surface.

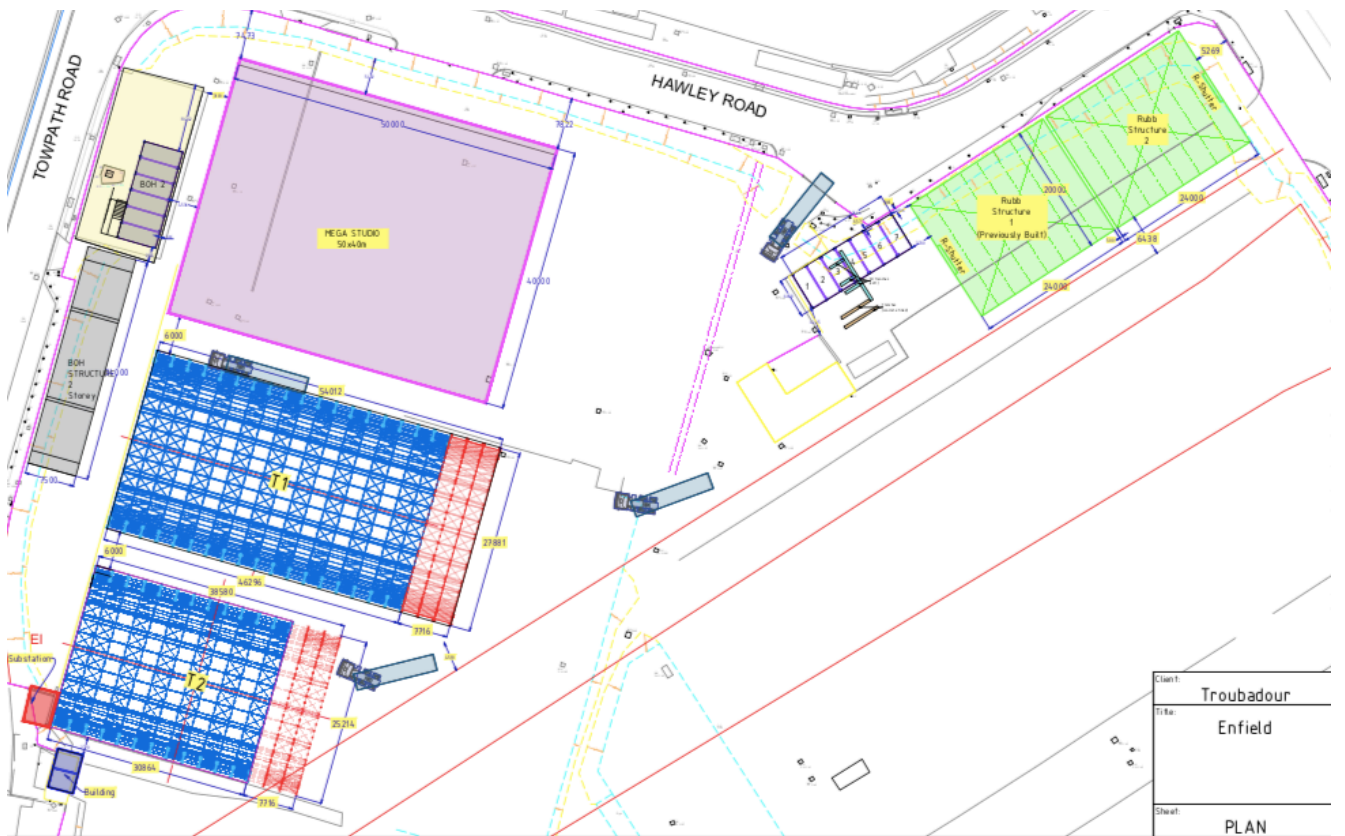
System is designed to withstand an imposed load either UDL 15.0kN/m<sup>2</sup> or 40kN concentrated load over 300mm x 300mm

**BUILD OVERVIEW**

See Appendices "Example Method Statement – BOH Structure"



### 7. Site Plan: Enfield



The logo for Lambert Smith Hampton, featuring the company name in white, bold, sans-serif font on a red rectangular background.

**Lambert  
Smith  
Hampton**

**Heads of Terms - REV D**

**Agreement to Lease & Lease – Lease A**

Between

**The Mayor & Burgesses of the London Borough of Enfield**

And

**Meridian Water Studios Ltd**

**Re; Stonehill**

Prepared by  
Lambert Smith Hampton

Tel: 01245 215537/07788 744411

Fax:

Date: Nov 2020

Ref: GAS/MW

**Strictly Private & Confidential  
Subject to Contract**



<b>Section 1:</b>	The Parties
<b>Section 2:</b>	Transaction Details
<b>Section 3:</b>	Conditions
<b>Section 4:</b>	Advisors
<b>Section 5:</b>	Circulation



**SECTION 1 – THE PARTIES**

---

**Landlord:** Mayor & Burgess the London Borough of Enfield

**Tenant:** Meridian Water Studios Ltd(MWS), 3 Fulton Road, Wembley  
Co Registration No:12527635

**Guarantor: (if applicable)** No Guarantor



**SECTION 2 – TRANSACTION DETAILS**

---

**Lease Term & Demise:**

a. A new Lease (A) of the Demised Premises for a term of 4 years as shown edged red on the attached for information purposes only MWMP2-5TH-XX-XX-DR-A-S306 and comprising 12,474 sq m (134,269 sq ft).

But to include;

b. Initial Structures – on **Phase 1 and** buildings to comprise Stages 2 & 3 of the Proposed Scheme.

**General Terms:**

a. Access rights over the demise on the attached are to be provided to the Landlord together with rights of access to the Landlords Neighbouring Property.

b. The parties' intention is to enter into an Agreement to Lease subject to Condition Precedents initially and simultaneously via a further Agreement to Lease and Lease (B) over the area edged red, orange, green and shaded orange as shown on MWMP2-5TH-XX-XX-DR-A-S307 for information purposes and comprising approximately 36,099 sq m (388,562 sq ft) of which the area edge green is 5,729 sq m (61,666 sq ft). Net lettable therefore 30370 sq m (326,900 sq ft).

c. Lease will commence on discharge of Conditions Precedents. The parties will simultaneously enter into a second Agreement to Lease and Lease, Lease B, on the whole of areas A+B. On completion of Lease B Condition Precedents, Lease A will be surrendered and Lease B will come into effect.

Otherwise the parties to keep each other regularly updated on programme and time frame to minimise impact on business and income.

d. The Lease(s) will be excluded from the Security of Tenure and Compensation provisions of the Landlord & Tenant Act 1954

**Surrender of Lease A and Commencement of Lease B.**

Lease A will run for a minimum of term of 3 years. Thereafter it will be terminated subject to the Conditions Precedent as set out in the Agreement to Lease for Lease B being satisfied. Termination will be on service of a minimum 3 months' notice to expire no sooner than the next relevant usual Quarter Day.

Termination of Lease A ,and the commencement of Lease B can occur on any usual Quarter Day following the commencement of Lease A

**Tenant Pre Emption on Initial Structures:** The tenant will have the right to acquire the Initial Structures at any time during the term on payment of the outstanding Capital and Interest as calculated on the schedule to be attached to the lease.

The tenant right to acquire is on the anniversary of lease commencement on the service of a notice minimum 3 month prior to expire on the next usual Quarter Day.

The Lease will provide a schedule of anticipated outstanding payment, capital and interest calculated on the Quarter Days to clearly highlight the Capital Funding Rent element at that point in time.

<b>Proposed Scheme:</b>	<b>Phase 1- North FRC</b>	<b>SIZE (SQ FT)</b>
	STAGE 1 (Mega)	27,265
	STAGE 2	14,305
	STAGE 3	11,033
	Office Accommodation( 1&2)	4,746
	Workshop 1	5,000
	Prop Store 1	5,000
	<b>Office/Production 3</b>	3,500
		<b>70,849</b>

**Landlord's Covenant for Quiet Enjoyment:**

The Landlord covenants with the Tenant that, so long as the Tenant pays the rents reserved by and complies with its obligations in this Lease, the Tenant will have quiet enjoyment of the Property without any lawful interruption by the Landlord or any person claiming under the Landlord. The Tenant acknowledges that the Landlord will be carrying out development and construction works to the adjoining and neighbouring land forming part of the Estate and as such, the carrying out of these works shall not constitute a breach by the Landlord, of this clause.

**Tenants Scheme Obligations:**  
(Via Side Agreement)

- Within 24 months of the Lease Commencement the Tenant;
- a. Will provide, open and operate an initial Media Training Academy appropriate for the Phase 1 facilities.
  - b. Gain accreditation as a London Living Wage Employer.

**Landlords Break Option**

a. In the event that the Tenant has not provided a Media Training Academy delivering externally accredited training by a recognised body the Landlord has an option to break on 12 months prior notice at the end of year 4.

**Termination by Efflux of Time:**

Tenant to be given up to a 6 month period post lease termination date to decant from site at nil rent Tenant acting reasonably to vacate at the earliest opportunity.

**Rent:** Initial Annual Rent (IAR) is made up of two elements: (i) Base Rent (BR) and (ii) Capital Funding Rent (CFR).

Where:

- i) Base Rent equals the rent the site only &
- ii) Capital Funding Rent is equal to the projected capital and interest payable in respect of the Initial Structures.

Initial Annual Rent payable is;

Year	IAR £	BR £	CFR £
1	100,000	100,000	0
2	381,000	50,000	331,000
3	374,000	50,000	324,000
4	525,333	50,000	475,333

Base Rent based payable on exercise of Tenants Pre Emption option on Initial Structures; i.e Base Rent only.

Year	BR £
1	100,000
2	50,000
3	50,000
4	50,000

Noting that the Tenant can exercise the Pre-emption option at the anniversary of the lease, at the exercise of that option, the rent payable would change from the Initial Annual Rent to the Base Rent at the start of the following year.

Otherwise exclusive of business rates, service charge, insurance rent and VAT.

The rent on Lease is to be paid quarterly in advance on the usual quarter days.

VAT is payable.

**Rent Review(s):** None. Fixed rent as per the above schedule.

**Rent Deposit:** £75,000 to be held through the lease term.

**Bank Guarantee:** No guarantees.

**Lease Commencement Date:** The Lease Commencement Date will be the completion of formal documents on the discharge of Condition Precedents.

**Rent Commencement Date;** From Lease commencement

**Repair:** Tenants to have full repairing and insuring obligation subject to an appropriate written or photographic Schedule of Condition prior to lease commencement and to provide a base line to future re instatement.

Obligations to include full site reinstatement on termination.  
(NB Drafting to provide generally for the removal of structures to ground level only where appropriate)

**Estate Service Charge:** A percentage, basis of apportionment to cover the repair and maintenance of none adopted roadways and open areas, security and estate management. Lease A represents 11% of overall estate costs. Calculation to be provided.

**Insurance:** The Tenant shall at its own expense procure and maintain public liability insurance in respect of all third party liability risks in relation to the Property with an insurance company to provide cover in respect of each and every claim of not less than £10,000,000 (ten million pounds). The Tenant shall within 14 days of written demand supply to the Landlord a copy of the insurance policy together with a receipt or other evidence of payment of the latest premium due under it.

To effect and maintain insurance of the Property (with reputable insurers) at its own cost in the joint names of the Landlord and the Tenant. Such insurance shall be against loss or damage caused by any of the Insured Risks for the full Reinstatement Cost subject to:

(a) any reasonable exclusions, limitations, conditions or excesses that may be imposed by the insurer; and

(b) insurance being available on reasonable terms in the London insurance market.

<b>Rates and Outgoings:</b>	The Tenant will be responsible for the payment of business rates and any other statutory outgoings as a result of its occupation of the Demised Premises from the Lease Commencement Date or occupation under any other legal form whichever is the earlier.
<b>Alterations:</b>	<p>Structural and non-structural alterations, including the reduction of current site levels will not be permitted, without Landlord consents and appropriate conditions including reinstatement and Landlord cost where appropriate.</p> <p>Plans and written specification to be provided prior to works and Landlords License to Alter.</p>
<b>Signage:</b>	<p>External corporate signage is permitted Subject to Landlords approval of details to be submitted and planning approvals.</p> <p>Conditions, consents, plans and specifications will be required.</p>
<b>Tenants Works</b>	Full Details of Tenants proposed building works are to be submitted to the Landlord for approval and subsequently to be undertaken with all the appropriate statutory, planning, highways, building regulations etc approvals at the tenants cost. And undertaken under License to Alter.
<b>Landlords Works</b>	The tenant will permit the Landlord site access, via license, to undertake the works of the proposed "Initial Structures" as per a Schedule of Works to be agreed and attached to the Agreement.
<b>Alienation:</b>	<p>No assignment or underletting or sharing of the whole or part.</p> <p>The tenant shall be permitted to grant none exclusive licenses occupation of parts, in accordance with the Tenants proposed business model with Tenant acting as Guarantor. Acknowledged that Tenants business model will require third party occupation but to exclude occupiers from security of tenure.</p>
<b>User Clause:</b>	Use as film, tv and media productions studios,D2 theatre, assembly and leisure, sound stages, post production facilities, associated workshop, storage and offices and ancillary uses including catering, design , makeup and wardrobe ,education and training and such other uses subject to landlords consent.



- Access:** Permitted 24 hours a day 7 days a week.
- Security;** The Tenant shall be responsible for securing the Demise Area, including the site entrance gate at all times and appropriately fenced. The Tenant is to indemnify the Landlord against any incidents that occur as a result of the security being breached.
- The Tenant to erect signage on all entrances to the Demised Area advising of the Landlord of any works and giving a contact number for enquiries.
- The Tenant shall keep all site gates locked at all times. When deliveries are taking place the Tenant shall ensure the gates are manned at all times.
- The Tenant shall take all reasonable steps to prevent entry on to the site or on to the access to the site by third parties and if such entry is taken then to take all reasonable steps to remove them promptly.
- Agreement to Lease  
Planning Consents, & Others:**
- a. The Tenant shall be responsible, using reasonable endeavours, for obtaining all planning permissions and consents, statutory or otherwise from the local planning authority or any other relevant bodies or authority
  - b. Planning Consent definition in accordance with the submitted application and any agreed subsequent variations and Ref 20/02475/FUL - Redevelopment of the site in association with the use of the site as a film studios involving erection of three studio buildings, two ancillary storage buildings, two ancillary office buildings, one ancillary multi-function work-space building and associated works including refuse area, cycle storage and vehicle parking (E (g) (i), E (g) (iii) and B8). At: Meridian Studios Hawley Road London N18 3QU.
  - c. Planning applications to be prepared and submitted by the Tenant in consultation with and the approval of the Landlord at the Tenants expense.
  - e. Tenant to keep LBE regularly updated and advised and to provide copy documents and correspondence.
  - f. Suitable onerous planning conditions for both parties are to be agreed.
  - g. The tenant is not obliged to Appeal the application

**Agreement & Planning Long Stop date:** The Agreement & Planning Long Stop date is 18 months from completion of the Agreement to Lease.

To provide for the agreement of and annexure of:

- a. Proposed Lease
- b. Rent Deposit Deed
- c. License to Alter on agreed works

**Health & Safety Obligations;** The Tenant is required to inform himself of all statutory obligations in relation to the occupation, operational plant, equipment and work activities undertaken within their demise.

The Tenant is further required to ensure that they, at all times, retain or obtain all relevant and current knowledge of statutory obligations to include for Health and Safety and Environmental Law.

**Tenant to Indemnify Landlord:** The Tenant shall indemnify the Landlord and keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Property and loss of amenity of the Property) suffered or incurred by the Landlord arising out of or in connection with (a) the use of the Property in connection with the Use Allowed; (b) any breach of any Tenant covenants in this Lease, or (c) any act or omission of the Tenant, or any other person on the Property with the Tenant's actual or implied authority.

**Landlords Right to Access:** The Tenant is to give the Landlord, or anyone authorised by him in writing, access to the property for the purposes of, but not limited to, inspecting and complying with statutory obligations and specifically in respect of the proposed FRC & SIW including any ground investigations and continued monitoring and long term repair and maintenance on reasonable notice save for immediate access on an emergency.

**Timetable:** These Heads of Terms are valid for 3 month from formal issue.

**VAT:** Rent, insurance and service charges will be subject to VAT.

**Date:** **12 Nov 2020**

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### **SECTION 3 - CONDITONS**

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**Landlord's Conditions:**

- i) Subject to Contract.
- ii) Subject to the Landlord being satisfied with the financial information/accounts and references in respect of the Tenant.
- iii) Subject to Landlord's Board/Governance Approval

**Tenant's Conditions:**

- i) Subject to Contract.
- ii) Satisfactory Planning Consent for and as per Planning Application 20/02475/FUL.

**Confidentiality:**

The Parties agree that the terms of this transaction shall remain confidential between the Parties and any press release shall be agreed prior to circulation Save for the release of such information necessary under the Landlords duties as a public authority and the Freedom of Information Act. This agreement is personal to the parties and not transferable or assignable.

**None Transferable;  
Notes:**

- i) This Memorandum of Letting is not intended to be legally binding.
- ii) The plan attached to this Memorandum of Letting has been attached for illustrative purposes only and has not been based on the plans contained in the title deeds to the Property. Lambert Smith Hampton does not warrant the accuracy and/or correctness of the attached plan and it is recommended that the Tenant inspect the title deeds in order to obtain an accurate and correct plan of the Property.
- iii) The agreement is to be subject to any additions, deletions or omissions as required by the Council's Head of Legal Services.

**SECTION 4 – ADVISORS**

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<b>Landlord's Solicitor:</b>	Melanie Dawson Solicitor Legal Services, Enfield Council Silver Street Enfield EN1 3XY  DX 90615 Enfield 1  Telephone: 020 8379 2178 Fax: 020 8379 6492 Email;melanie.dawson@enfield.gov.uk
<b>Landlord's Agent:</b>	Lambert Smith Hampton  Gary A Smith BSc. MRICS  Direct - 01245 215 537 Office - 01245 215 521 Mobile - 07788 744 411 Email - gxsmith@sh.co.uk
<b>Tenant's Solicitor:</b>	Margaret Stretton Sheridan & Stretton Solicitors Riverside House, 22a Bradmore Park Road, London W6 0DT  <b>Tel:</b> 020 8748 7340 Email; margaret@sheridanstretton.co.uk
<b>Tenant's Agent/Contact:</b>	Attention: Rowley Gregg – Chief Operating Officer Tel: 07850 051850 Email: rowley@troubadourtheatres.com

**SECTION 5 - CIRCULATION**

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**Copies to:**

- Landlord
- Tenant
- Landlord's Solicitor
- Landlord's Agent
- Tenant's Solicitor
- Tenant's Agent
- Guarantor

The logo for Lambert Smith Hampton, featuring the company name in white, bold, sans-serif font on a red rectangular background.

**Lambert  
Smith  
Hampton**

**Heads of Terms – Rev D**

**Agreement to Lease & Lease - Lease B**

Between

**The Mayor & Burgesses of the London Borough of Enfield**

And

**Meridian Water Studios Ltd**

**Re; Stonehill**

Prepared by  
Lambert Smith Hampton

Tel: 01245 215537/07788 744411

Date: Nov 2020

Ref: GAS/MW

**Strictly Private & Confidential  
Subject to Contract**



<b>Section 1:</b>	The Parties
<b>Section 2:</b>	Transaction Details
<b>Section 3:</b>	Conditions
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<b>Section 5:</b>	Circulation



**SECTION 1 – THE PARTIES**

---

**Landlord:** Mayor & Burgess the London Borough of Enfield

**Tenant:** Meridian Water Studios Ltd(MWS), 3 Fulton Road, Wembley  
Co Registration No:12527635

**Guarantor: (if applicable)** No Guarantor



**SECTION 2 – TRANSACTION DETAILS**

---

**Lease Term & Demise:**

a. A new Lease (B) of the Demised Premises for a term of 12 years and shown edged red, orange, green and shaded orange as shown on MWMP2-5TH-XX-XX-DR-A-S307 for information purposes and comprising approximately 36,099 sq m (388,562 sq ft) of which the area edge green is 5,729 sq m (61,666 sq ft). Net lettable therefore 30,370 sq m (326,900 sq ft).

The parties' intention is to enter into an Agreement to Lease subject to Condition Precedents initially and simultaneously via a further Agreement to Lease and Lease (A) over the area edged red on plan MWMP2-5TH-XX-XX-DR-A-S306 for information purposes.

The Demised Premises includes the green edged area Flood Relief Channel (FRC) on the attached for information purposes only.

And to include the ;

b. Initial Structures - **Phase 1** buildings comprising Stages 2 & 3 only.

**General Terms:**

a. On completion of the full term and no outstanding rental payment the "Initial Structures" will revert to MWS ownership unless the tenant has previously trigger the Pre Emption.

b. Any outstanding Capital and Interest payments to be paid at termination of the lease or end of the term if appropriate.

c. Access rights over the demise to the FRC coloured green on the attached is to be provided to the landlord. Access rights over the FRC to be provided post Strategic Infrastructure Works (SIW). The FRC is excluded for rental purposes but within intended demise. Access rights to be reserved to LBE or their agents, contractors etc for the repair, maintenance etc of the FRC.

d. The area shaded orange will be subject to a Design Charter. Public access rights shall be accorded over the public realm (landscaped) portion of this area.

e. The parties' intention is to enter into an Agreement to Lease subject to condition precedents over the whole site (Phases 1 & 2). Once condition precedents are discharged the Lease B will commence and provide for the surrender of the initial Lease A

The parties to keep each other regularly updated on programme and time frame to minimise impact on business and income.

f. The Lease(s) will be excluded from the Security of Tenure and Compensation provisions of the Landlord & Tenant Act 1954

**Tenant Pre Emption on Initial Structures:**

The tenant will have the right to acquire the Initial Structures at any time during the term on payment of outstanding capital and interest.

The tenant right to acquire is on the anniversary of lease commencement on the service of a minimum notice of 3 month prior to expire on the next Quarter Day..

The Lease will provide a schedule of anticipated outstanding payment, comprising capital and interest calculated on the Quarter Day to clearly highlight the Capital Funding Rent element as that point in time.

**Proposed Scheme:**

<b>Phase 1 - North FRC</b>	<b>SIZE (SQ FT)</b>
STAGE 1 (Mega)	27,265
STAGE 2	14,305
STAGE 3	11,033
Office Accommodation( 1&2)	4,746
Workshop 1	5,000
Prop Store 1	5,000
<b>Office/Production 3</b>	<b>3,500</b>
	<b>70,849</b>
<b>Phase 2 - South FRC</b>	
STAGE 4	24,273
STAGE 5	24,273
STAGE 6	24,273
Workshop 2	5,000
Workshop 3	5,000
Art Dept	4,500
	<b>87,319</b>
<b>TOTAL(Phase1 &amp; 2)( Proposed)</b>	<b>158,168</b>

**Landlord's Covenant for Quiet Enjoyment:**

The Landlord covenants with the Tenant that, so long as the Tenant pays the rents reserved by and complies with its obligations in this Lease, the Tenant will have quiet enjoyment of the Property without any lawful interruption by the Landlord or any person claiming under the Landlord. The Tenant acknowledges that the Landlord will be carrying out development and construction works to the adjoining and neighbouring land forming part of the Estate and as such, the carrying out of these works shall not constitute a breach by the Landlord, of this clause.

**Tenants Scheme Obligations:**  
(Via Side Agreement)

Within 12 months of the Lease B Commencement the Tenant

a. Will commit to provide, open and operate an “expanded” Media Training Academy commensurate with the size of the enlarged scheme Phase 1 & 2.

b. Will gain accreditation as a London Living Wage Employer across the Phase 1 & 2.

and

c. The tenant will use reasonable endeavours to establish a Theatre for Performance Arts no later than year 7 of overall occupation under Lease A & B. The Theatre use must provide for access to local community users, other uses, and visitors at affordable rates for use and admission to be agreed in further discussions with LBE. The tenant obligation is subject to the following conditions being met (by the Landlord);

1. Completion of the wider Site Infrastructure Works (SIW) proposals for the Meridian Water by the Landlord.

2. The establishment and operation of improved public transport service bus, train and pedestrian routes to the property with a minimum 4 trains per hour plus improvements to the bus network to meet the definition set out in the Phase 2 planning conditions

3. The completion and occupation of 1000 residential units within the wider MW scheme.

**Landlords Break Option**

In the event that the Tenant has not provided a Theatre for Performance Arts the Landlord has an option to break on 12 months prior notice at the end of year 8 of the overall occupation i.e. Commencement of Lease A.

This break is only exercisable and subject to the Landlord discharging the conditions as set out in the Side Agreement being met.

**Termination by Efflux of Time:** Tenant to be given up to a 6 month period post lease termination date to decant from site at nil rent Tenant acting reasonably to vacate at the earliest opportunity.

**Rent:**

Initial Annual Rent| (IAR) is made up of two elements: Base Rent (BR) plus Capital Funding Rent (CFR).

Where;

- i) Base Rent equals the rent site only &;
- ii) Capital Funding Rent is equal to the projected capital and interest payable in respect of the Initial Structures.

Initial Annual Rent (IAR) payable is;

Year	Total (IAR)	BR	CFR
1	457,250	0	457,250
2	716,067	276,900	439,167
3	697,983	276,900	421,083
4	956,800	553,800	403,000
5	938,717	553,800	384,917
6	920,633	553,800	366,833
7	1,179,450	830,700	348,750
8	1,161,367	830,700	330,667
9	1,143,283	830,700	312,583
10	1,166,735	872,235	294,500
11	1,148,652	872,235	276,417
12	872,235	872,235	0

**OR**

Base Rent payable on exercise of Tenants Pre Emption option on Initial Structures; i.e Base Rent only.

Year	BR
1	0
2	276,900
3	276,900
4	553,800
5	553,800
6	553,800
7	830,700
8	830,700
9	830,700
10	872,235
11	872,235
12	872,235

### Changes to Rent Payment Structure

In the event of any changes to the proposed programme(s) of SIW works currently set on known data; that either;

- i) Advances or delay the commencement of Lease B;  
And
- ii) The early or late surrender of Lease A, the parties will review the rental structure, Base Rent & Capital Funding Rent, if appropriate, to re structure rent payments for any changes to anticipated programme(s) and lease term length of A & B but on the basis that on the balance of the unexpired term via Lease B ;

a. The aggregate capital and interest on Capital Funding Rent of £5,156,500 is repaid before Lease B expiry (the tenant having not exercised the option of Pre Emption on the Initial Structures).

b. The tenant to pay, if any, the outstanding balance at Lease B expiry;

And

c. The aggregate term rental income (Lease A & B) is achieved of £12,739,505 (Base Rent plus Capital Funding Rent or, the tenant having exercised the Pre Emption on Initial Structures, the aggregate sum of £7,574,005 as Base Rent."

Noting that the Tenant can exercise the Pre-emption option at the anniversary of the lease, at the exercise of that option, the rent payable would change from the Initial Annual Rent to the Base Rent at the start of the following year.

Otherwise exclusive of business rates, service charge, insurance rent and VAT.

The rent on Lease is to be paid quarterly in advance on the usual quarter days.

VAT is payable.

<b>Rent Review(s):</b>	None. Fixed rent as per the above schedule.
<b>Rent Deposit:</b>	£75,000 to be held through the lease term.
<b>Bank Guarantee:</b>	No guarantees.



- Lease Commencement Date:** The Lease Commencement Date will be the completion of formal documents on the discharge of Condition Precedents and surrender of Lease A.
- Rent Commencement Date;** From Lease commencement.
- Repair:** Tenants to have full repairing and insuring obligation subject to an appropriate written or photographic Schedule of Condition prior to lease commencement and to provide a base line to future re instatement
- Obligation to include site reinstatement on termination. (NB Drafting to provide generally for the removal of structures to ground level only where appropriate)
- Estate Service Charge:** A percentage, basis of apportionment to cover the repair and maintenance of none adopted roadways and open areas, security and estate management. Lease B represents 21.5 % of overall estate costs. Calculation to be provided.
- Insurance:** The Tenant shall at its own expense procure and maintain public liability insurance in respect of all third party liability risks in relation to the Property with an insurance company to provide cover in respect of each and every claim of not less than £10,000,000 (ten million pounds).The Tenant shall within 14 days of written demand supply to the Landlord a copy of the insurance policy together with a receipt or other evidence of payment of the latest premium due under it.
- To effect and maintain insurance of the Property (with reputable insurers) at its own cost in the joint names of the Landlord and the Tenant. Such insurance shall be against loss or damage caused by any of the Insured Risks for the full Reinstatement Cost subject to:
- (a) any reasonable exclusions, limitations, conditions or excesses that may be imposed by the insurer; and
- (b) insurance being available on reasonable terms in the London insurance market.

- Rates and Outgoings:** The Tenant will be responsible for the payment of business rates and any other statutory outgoings as a result of its occupation of the Demised Premises from the Lease Commencement Date or occupation under any other legal form whichever is the earlier.
- Alterations:** Structural and non-structural alterations, including the reduction of current site levels will not be permitted, without Landlord consents and appropriate conditions including reinstatement and Landlord cost where appropriate.
- Plans and written specification to be provided prior to works and Landlords License to Alter.
- Signage:** External corporate signage is permitted Subject to Landlords approval of details to be submitted and planning approvals.
- Conditions, consents, plans and specifications will be required.
- Tenants Works** Full Details of Tenants proposed building works are to be submitted to the Landlord for approval and subsequently to be undertaken with all the appropriate statutory, planning, highways, building regulations etc approvals at the tenants cost. And undertaken under License to Alter.
- Alienation:** No assignment or underletting or sharing of the whole or part.
- The tenant shall be permitted to grant none exclusive licenses occupation of parts, in accordance with the Tenants proposed business model with Tenant acting as Guarantor. Acknowledged that Tenants business model will require third party occupation but to exclude occupiers from security of tenure.
- User Clause:** Use as film, tv and media productions studios,D2 theatre, assembly and leisure, sound stages, post production facilities, associated workshop, storage and offices and ancillary uses including catering, design , makeup and wardrobe ,education and training and such other uses subject to landlords consent.

**Access:  
Security;**

Permitted 24 hours a day 7 days a week.

The Tenant shall be responsible for securing the Demise Area, including the site entrance gate at all times and appropriately fenced. The Tenant is to indemnify the Landlord against any incidents that occur as a result of the security being breached.

The Tenant to erect signage on all entrances to the Demised Area advising of the Landlord of any works and giving a contact number for enquiries.

The Tenant shall keep all site gates locked at all times. When deliveries are taking place the Tenant shall ensure the gates are manned at all times.

The Tenant shall take all reasonable steps to prevent entry on to the site or on to the access to the site by third parties and if such entry is taken then to take all reasonable steps to remove them promptly.

**Agreement to Lease  
Planning Consents, & Others;**

- a. The Tenant shall be responsible, using reasonable endeavours, for obtaining all planning permissions and consents, statutory or otherwise from the local planning authority or any other relevant bodies or authority including access over the planned FRC where appropriate.
- b. Suitable planning application definition and detail to be agreed between the parties prior to the submission of additional planning application on Phase 2 and including any subsequent variations and modifications to Phase 1 if appropriate.
- c. In respect of the area coloured orange on the attached plan at the corner of Towpath Road and proposed High Street, the tenant will have full regard in consultation with the Landlord to the attached MWS Place Brief – 5<sup>th</sup> Studio to be attached to the lease to achieve an acceptable street scene, place making, use and access integration into the wider MW Project Objective including an element of public access and integration.
- d. Planning applications to be prepared and submitted by the Tenant in consultation with and the approval of the Landlord at the Tenants expense.
- e. Formal Pre-Application discussions and submission with the local planning authority to be submitted within 18 months of exchange of the Agreement to Lease and a full planning application submitted within 6 months thereafter unless otherwise agreed between the parties.
- f. Tenant to keep LBE regularly updated and advised and to provide copy documents and correspondence.
- g. Suitable onerous planning conditions for both parties are to be agreed.
- h. The tenant is not obliged to Appeal the application

<b>Agreement &amp; Planning Long Stop date:</b>	The Agreement & Planning Long Stop date is 48 months from completion of the Agreement to Lease B.
<b>Agreement to Lease;</b>	<p>To provide for the agreement of and annexure of:</p> <ul style="list-style-type: none"> <li>a. Proposed Lease</li> <li>b. Rent Deposit Deed</li> <li>c. License to Alter on agreed works.</li> </ul>
<b>Health &amp; Safety Obligations;</b>	<p>The Tenant is required to inform himself of all statutory obligations in relation to the occupation, operational plant, equipment and work activities undertaken within their demise.</p> <p>The Tenant is further required to ensure that they, at all times, retain or obtain all relevant and current knowledge of statutory obligations to include for Health and Safety and Environmental Law.</p>
<b>Tenant to Indemnify Landlord;</b>	<p>The Tenant shall indemnify the Landlord and keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Property and loss of amenity of the Property) suffered or incurred by the Landlord arising out of or in connection with (a) the use of the Property in connection with the Use Allowed; (b) any breach of any Tenant covenants in this Lease, or (c) any act or omission of the Tenant, or any other person on the Property with the Tenant's actual or implied authority.</p>
<b>Landlords Right to Access:</b>	<p>The Tenant is to give the Landlord, or anyone authorised by him in writing, access to the property for the purposes of, but not limited to, inspecting and complying with statutory obligations and specifically in respect of the proposed FRC &amp; SIW including any ground investigations and continued monitoring and long term repair and maintenance on reasonable notice save for immediate access on an emergency.</p>
<b>Public Right of Access</b>	<p>Public right of access will be accorded over the public realm area within the orange shaded area on the attached demise plan by reference to the Design Charter,</p>

**Timetable:** These Heads of Terms are valid for 3 month from formal issue.

**VAT:** Rent, insurance and service charges will be subject to VAT.

**Date:** 12 Nov 2020

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### SECTION 3 - CONDITONS

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**Landlord's Conditions:**

- i) Subject to Contract.
- ii) Subject to the Landlord being satisfied with the financial information/accounts and references in respect of the Tenant.
- iii) Subject to Landlord's Board/Governance Approval
- iv) Surrender of Lease A
- v) The landlord has no obligation to enter into Lease B if Lease A has been terminated prior.

**Tenant's Conditions:**

- i) Subject to Contract.
- ii) Satisfactory Planning Consent for use as film, tv and media productions studios, D2 theatre, assembly and leisure, sound stages, post production facilities, associated workshop, storage and offices and ancillary uses including catering, design, makeup and wardrobe, education and training.
- iii) Surrender of Lease A
- iv) Completion of the Relevant SIW by the Landlord

The Relevant SIW is defined as the Flood Relief Channel (FRC) and that part of the Central Spine Road (CSR) forming the southern boundary of the Lease B demise and the bridge crossing over the River Lea Navigation only. Extent of HIF works to be delivered as shown on the plan to be attached to the Agreement to Lease.

**Confidentiality:**

The Parties agree that the terms of this transaction shall remain confidential between the Parties and any press release shall be agreed prior to circulation. Save for the release of such information necessary under the Landlords duties as a public authority and the Freedom of Information Act.

**None Transferable;**

This agreement is personal to the parties and not transferable or assignable.

**Notes:**

- i) This Memorandum of Letting is not intended to be legally binding.
- ii) The plan attached to this Memorandum of Letting has been attached for illustrative purposes only and has not been based on the plans contained in the title deeds to the Property. Lambert Smith Hampton does not warrant the accuracy and/or correctness of the attached plan and it is recommended that the Tenant inspect the title deeds in order to obtain an accurate and correct plan of the Property.
- iii) The agreement is to be subject to any additions, deletions or omissions as required by the Council's Head of Legal Services.

**SECTION 4 – ADVISORS**

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**Landlord’s Solicitor:** Melanie Dawson  
Solicitor  
Legal Services, Enfield Council  
Silver Street  
Enfield EN1 3XY  
  
DX 90615 Enfield 1  
  
Telephone: 020 8379 2178  
Fax: 020 8379 6492  
Email;melanie.dawson@enfield.gov.uk

**Landlord’s Agent:** Lambert Smith Hampton  
  
Gary A Smith BSc. MRICS  
  
Direct - 01245 215 537 Office - 01245 215 521  
Mobile - 07788 744 411  
Email - gxsmith@sh.co.uk

**Tenant’s Solicitor:** Margaret Stretton  
Sheridan & Stretton Solicitors  
Riverside House,  
22a Bradmore Park Road,  
London W6 0DT  
  
**Tel:** 020 8748 7340  
Email; margaret@sheridanstretton.co.uk

**Tenant’s Agent/Contact:** Attention: Rowley Gregg – Chief Operating Officer  
Tel: 07850 051850  
Email: rowley@troubadourtheatres.com

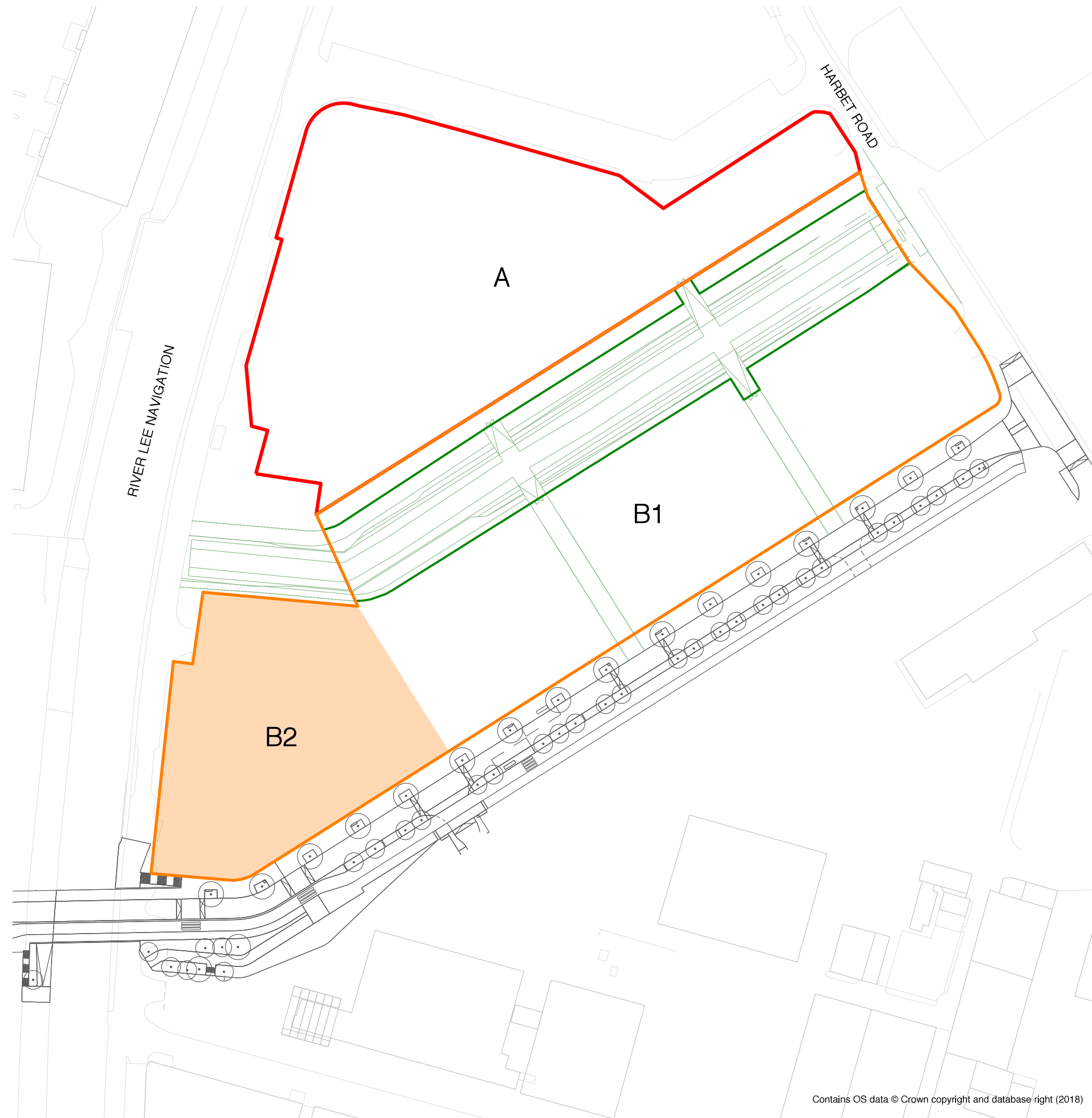
**SECTION 5 - CIRCULATION**

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**Copies to:**

- Landlord
- Tenant
- Landlord's Solicitor
- Landlord's Agent
- Tenant's Solicitor
- Tenant's Agent
- Guarantor





NOTES:

Indicative site boundary area for discussion only. Site area to be agreed with LBE and verified on site.

Drawing based on the following information:

- LSH Stonehill Business Park Site Plan A dated 24.02.20 provided by LBE on 09.10.20

- Land ownership boundaries DWG provided on 8/3/19

- Topographical Survey by Survey Solutions drawing 19705se

- Meridian Water Strategic Infrastructure Works drawing 382-KCA-P1-00-DR-A-1002-P Rev, 27/6/19

RIVER LEE NAVIGATION

HARBET ROAD

A

B1

B2

0 5 10 20 50m 1:1250@A3

REV	DATE	NOTES
-	27.10.20	For Information
P01	28.10.20	For Information
P02	28.10.20	For Information

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Project: Meridian Water Meanwhile Masterplan

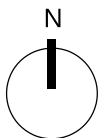
Drawing Title: Meridian Water Studios Lease Plan Areas A and B

Scale: 1:1250@A3

Status: FOR INFORMATION

Drawg No:

DRAFT



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