



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. WHITEWEBBS PARK GOLF COURSE (Pages 1 - 6)**
- 2. EXETER ROAD SCRUBLAND PHASE 1 (Pages 7 - 20)**

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Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Portfolio Report

Report of: Mark Bradbury – Director of Property & Economy
Doug Wilkinson – Director of Environment & Operational Services

Subject: Whitewebbs Park Golf Course

Cabinet Member: Cllr Caliskan - Leader of the Council
Cllr Dogan - Cabinet Member for Environment & Sustainability

Executive Director: Sarah Cary - Place

Ward: Chase

Key Decision: KD5177

Purpose of Report

1. This report details the reasons for marketing Whitewebbs Park Golf Club (WPGC) due to the ongoing cost of operating the course and recommends that the golf course provision remains closed pending the announcement of next steps on the leasing of the site.
2. Whitewebbs Golf Course has been run at a significant cost to the Council for several years despite measures to reduce costs and attract more income. Continuing to absorb those costs is not financially sustainable especially when there is alternative provision for golf in the borough.
3. A robust marketing process to secure a tenant for Whitewebbs Golf Course; setting out clear requirements around the experience and financial standing of bidders and detailed requirements around securing enhanced public access; maintenance of woodland and open areas; a wider range of leisure activities; provision of refreshment and welfare facilities and public engagement; has been carried out. Conclusion of the process has been delayed due to both the council and some bidders prioritising other matters during the pandemic however it is expected that the Council will be able to announce next steps later this spring.
4. The golf course has been closed since 4th January and the Government's Roadmap out of Lockdown currently indicates that it could reopen from 28th March.

Proposal

5. In view of the ongoing cost to the Council of operating the course and the expected announcement regarding the leasing of the site it is recommended that:

- i) The Director of Environment & Operational Services is authorised to close the golf course with immediate effect.

Reason for Proposal(s)

6. Year on year WPGC has been run at a significant cost to the Authority. Since 2014/15 the service has reduced its annual expenditure by approx. £208k and during this time, significant measures have been taken to improve the online profile and accessibility of the golf course, whilst, new marketing campaigns have been undertaken. Despite these measures, the number rounds of golf played have continually fallen and annual income has fallen consistently since 2016/17.
7. Portfolio decision KD4849 in March 2019 delegated authority to re-market WPGC, taking a more flexible approach in order to achieve a sustainable future that optimises delivery of the Council's Corporate Objectives. On 11 April 2019, the Overview & Scrutiny Committee agreed to confirm the decision.
8. Following a two-phased marketing process, 6 bids were received and evaluated. The evaluation process identified a clear highest scoring bid which most closely met the Council's requirements.
9. Shortly following the evaluation process the implications of managing the Global COVID19 Pandemic meant that the priorities of both the Council and many of the bidders changed and progression of the marketing process was deferred. At this stage one of the bids was withdrawn.
10. Officers have recently been able to progress the evaluation process and it is expected that an announcement regarding next steps should be made shortly.
11. Closing the course whilst this is finalised will reduce ongoing operational losses. There are many courses in Enfield and the surrounding area, many of which will welcome new members and players. Pay and play golf is available at both Crews Hill and Trent Park courses.

Relevance to the Council's Plan

12. Financial resilience and good governance

Closure of the course will ensure that we target resources smartly and reinvest income wisely to deliver excellent value for money in all that we do.

Background

13. Whitewebbs Park Golf Course (WPGC), is an 18-hole course located at the northern border of Enfield. The golf course requires significant investment to bring it to modern standards.
14. The site has two basic club houses, one of which (Southern Clubhouse) is leased as a private members club and is dilapidated; a pro shop and a mobile catering concession. The property has significant challenges, including, but not limited to, Green Belt planning designation and licensing restrictions.
15. WPGC includes Whitewebbs Woods, and pockets of parkland adjacent to the golf course. Whitewebbs Woods is deemed ancient woodland and is classed as a Site of Metropolitan Importance for Nature Conservation.

16. Whitewebbs House is located within the grounds of the WPGC site but is separated from the property titles and is not subject to this report. Whitewebbs House was leased to Whitbread PLC in 1998.
17. The Authority manages and maintains the entire WPGC site. The site's revenue streams including, green fees, golf membership, equipment hire, retail sales and a license income from a mobile catering concession.
18. Employment at the site is made up of pro shop staff and grounds maintenance staff. The Authority currently employs the following at WPGC:
- Golf Development Officer
 - Golf Shop Service Assistants x 2
 - Assistant Greenkeepers x 2
19. Year on year WPGC has been run at a significant cost to the Authority. Since 2014/15 the service has reduced its annual expenditure by approx. £208k. During this time, significant measures have been taken to improve the online profile and accessibility for the golf course, whilst, new marketing campaigns have been undertaken. Despite these measures, rounds of golf played has continually fallen and annual income has fallen by approx. £49k between 2016/17 and 2019/20.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total Expenditure	£626,764	£510,106	£505,505	£535,195	£497,574	£512,692
Total Income	-£337,376	-£340,750	-£364,650	-£342,870	-£329,169	-£315,857
Net Cost	£289,388	£169,355	£140,856	£192,326	£168,405	£196,835

20. Due to the Covid-19 pandemic, WPGC was closed from mid-March 2020 until 2nd June 2020 and again on 4th January 2021 and 28th March 2021. During these golf course closures, the maintenance schedule continued, so the site operational expenditure costs have generally continued to be incurred. Whilst there was an increase in bookings during the summer this was considered a temporary situation where existing golfers made up for lost rounds during lockdown, it is expected that the overall net cost of WPGC for the 2020/21 will remain similar to those of the previous years (shown in paragraph 18).

Main Considerations for the Council

21. Whitewebbs Golf Course has been run for several years at a cost to the Council. Closure of the course will reduce those costs and release funding to meet Council priorities.
22. There are several other courses in the borough, including three owned by the Council, and more in the surrounding area that offer opportunities for golfers and prospective golfers to enjoy or take up the sport.

Safeguarding Implications

23. It is not considered that there are any safeguarding implications arising from these decisions.

Public Health Implications

24. Closing the course and allowing greater public access to this site will encourage physical activity and provide added exposure to the natural environment which will also improve mental health. Enfield is well served with golf courses so it is not considered that there will be a significant impact on participation in this sport.

Equalities Impact of the Proposal

25. A scoping assessment has concluded that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.

Environmental and Climate Change Considerations

26. In the short term, the proposals are likely to reduce vehicle trips which will have a positive impact on carbon emissions given that transport (predominantly fossil fuel-based road transport) is accountable for 39% of the borough wide total (as measured in 2018).
27. Going forward, there are opportunities to look at the role the site can play in contributing to the Council's Climate Action Plan ambitions for additional tree planting and an increase in the quality of the biodiversity offered in the borough. It should be noted that the environmental and climate change implications of specific proposals will be considered as part of related decision-making reports.

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

28. If the Authority was to continue the operation of the golf course it would continue to be at a significant cost to the Council.

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

29. Closure of the Golf Course may reduce participation in the sport but as detailed in the report there are numerous courses nearby many of which will welcome new players and members to help ensure their ongoing viability. At least two of these, Crews Hill and Trent Park Golf Courses offer competitively priced pay and play options.

Financial Implications

30. The report recommends that the golf course provision remains closed. The closure of the Golf course will still require some maintenance of the area pending the decision on leasing the site, these costs will be met from the existing Parks and Open Space maintenance budgets.
31. Due to the Covid-19 pandemic, WPGC was closed from mid-March 2020 until 2nd June 2020 and again on 4th January 2021 and 28th March 2021. During these golf course closures, the maintenance schedule continued, so the site operational expenditure costs have generally continued to be incurred. Whilst there was an increase in bookings during the summer this was considered a temporary situation where existing golfers made up for lost rounds during lockdown, it is expected that the overall net cost of WPGC for the 2020/21 Will remain similar to those of the previous years (shown in paragraph 18).

Legal Implications

32. There is no statutory legal duty to consult on the proposed closure of Whitewebbs Park Golf Club.
33. There is a however a public law duty to consider. Specifically, a duty may arise because parties to be consulted have a legitimate expectation of consultation, which results either from a promise or from an established practice of consultation.
34. The Council is required as a best value authority under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This report indicates that continuing to run at a loss is not financially sustainable for the Council and the benefits of the proposals need to be balanced against the loss of community interests.
35. The Council also 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. A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others.
36. Public law principles will apply to the decisions made by the Council, including the Council's duty to take account of its fiduciary duty and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably and show that its decisions are made after having given due and proper consideration to all relevant factors.

Workforce Implications

37. There are currently 5 staff directly employed by LBE at WPGC:
 - Business Development Officer-Golf
 - Golf Course Shop Assistants x 2
 - Assistant Greenkeepers x 2.
38. Under the proposed changes to the site due to there being potential redundancies a separate restructuring report will need to be produced and the Council's Principles of Managing Re-organisations will be applied. This would include consultation with staff and trade unions in accordance with statutory regulations and Council guidelines.
39. The Council will seek suitable alternative employment for staff to avoid/minimise redundancies. If redeployment proves unsuccessful, a redundancy payment and early retirement benefits will be payable as appropriate to eligible employees in accordance with the Council's current policy.

Property Implications

40. This report has been written with input from the Strategic Property Services team. Property implications are therefore embedded within the body of this report.

Other Options Considered

41. To continue to operate the golf course. Continuing to run this at a loss is not financially sustainable in a competitive market with many other courses in the surrounding area several which are struggling to be viable

Conclusions

42. The Council operates Whitewebbs Park Golf Course (WPGC) but this is at a cost to the Council. A robust marketing exercise has been carried out and an announcement on next steps is expected in the near future.
43. In the meantime, the course has been closed since 4th January due to the latest lockdown. Under the current Government Roadmap out of Lockdown it is possible that the course could be reopened from 28th March. In view of the ongoing cost to the council of operating the course and the alternate provision available in the borough it is recommended that the course is not reopened.

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Date of report: 10th March

London Borough of Enfield**Operational Report****Report of** **Joanne Drew**

Subject: Exeter Road Scrubland Phase 1**Executive Director** Sarah Cary**Ward:** Enfield Highway**Key Decision:** KD5286

Purpose of Report

1. This report seeks to approve the expenditure against the £15m capital budget allocated to Exeter Road Scrubland (Phase 1) in the HRA Business Plan.
2. Approval of this decision will allow progress on the delivery of the Exeter Road scheme, as part of the Council's Building Council Homes for Londoners programme.

Proposal

3. Approve the estimated expenditure of £15m against the allocated HRA budget to fund the development of up to 50 residential units for Phase 1 of the Exeter Road scheme) to be applied as follows:
 - a. Design and consultancy team for the full professional services; including cost consultancy, clerk of works and project management throughout the duration of the scheme at an estimated value of £1.5m. Note that the proposal is to appoint a Lead Architect and to appoint an Employer's Agent and cost consultants. Also note that additional design and consultancy services will be sub-contracted via these main consultants as required. The design team is proposed to be procured via the LHC framework and the Employer's agent is proposed to be procured via the CCS framework or other framework agreement in consultation with the procurement team. These awards are subject to further approval.
 - b. On-cost, including planning application, internal project management at 1.4% of scheme costs and contingency, equating to approximately £1.5m.

- c. Construction at an estimated value of £12m through to post occupation, including the defects liability period.
4. Approve the strategy to procure the Phase 1 contractor via a JCT Single Stage Design and Build contract through a Public Contracts Regulations 2015 compliant framework agreement in consultation with the procurement team, for an estimated contract value of £12m for an 18-month contract period.
5. Approval to progress the resident consultation set out in paragraph 26, which is required to submit the planning application for the scheme and ongoing consultation as the scheme progresses.

Reasons for Proposal

6. The 12th February 2020 Cabinet report approved an overall budget envelope for the development programme. Exeter Road Phases 1 – 3 was allocated £31.5m to delivery of 150 affordable units, 50 of these units will be delivered in Phase 1.
7. The proposal is to develop the unused Scrub land for phase 1 to create 50 new homes plus improvements to landscapes. Phases 2 and 3 will provide up to 90 new affordable homes by extending the two low rise blocks on the estate including bringing two abandoned parking podiums back into use. The total number of unit will be between 100-140 across the three phases.
8. The development, which is being part funded by the GLA's Building Council Homes for Londoners programme, will provide much needed affordable family housing and wheelchair accessible units. It will also provide shared ownership units as a route to homeownership and environmental improvements to the estate.
9. The number of units has reduced from 150 to around 140 units as the scheme progressed through the design and planning process. Also, the allocated budget was based on a build cost per unit of £250k but due to build cost inflation and the high portion of family housing projected, the build cost per unit has risen to £300k taking the total scheme budget to £42m. As approved under the Better Council homes cabinet report KD5219.
10. To meet GLA's Building Council Homes for Londoners programme funding deadline, we propose to undertake a single stage design and build procurement through a framework.

Relevance to the Council's Corporate Plan

11. The scheme delivers on the priorities of the 2018-2022 Corporate Plan, "Creating a lifetime of opportunities in Enfield", by providing Good homes in well-connected neighbourhoods. Located in the Enfield Highway ward it is a scheme that will serve to improve the housing offer and the quality of the environment.
12. The 13th February 2019 Cabinet "Better Council Homes Workplan and Budgets 2019/20" (KD4830) decision to approve the bid for the Building Council Homes for Londoners, the HRA 30 year Business Plan 2020

(KD4969), the Housing and Growth Strategy (KD4841) considered by Cabinet on 22th January 2020 and Council on 29th January 2020, and the Better Council Homes (KD 5219) of 03 February 2021 recognise the role the Council can play in increasing housing supply in the borough – both in its role of directly delivering new build homes (or acquiring them for affordable rent) and in enabling the delivery of homes by housing associations, developers and private landowners. The scheme currently proposes the delivery of 35 homes of London Affordable Rent and 15 units for shared ownership in Phase 1. This will increase the supply of both affordable rent and shared ownership homes in the borough. The homes will be delivered to the highest possible standard and so providing quality housing options for residents.

13. Infrastructure investment is a key component of the scheme. The development will improve existing highway layout – making it clear, defined, and with safer pedestrian and cycle route connections through to Ponders End and Brimsdown stations. This will encourage these modes of transport, strengthening and connect the development into the local neighbourhood.

Background

14. The Exeter road estate has four tower blocks and two maisonette blocks, with two disused parking podiums and an unused patch of scrubland
15. Levitt Bernstein Architects was commissioned through the Notting Hill Genesis framework to assess the feasibility of developing on infill sites on the estate and the possibility of rooftop extensions on the existing low-rise blocks.
16. The proposals, following the feasibility studies, are to develop and improve the estate as below:
 - a. Phase 1 – construction of new affordable homes on the unused patch of scrubland at the south-eastern end of Exeter Road.
 - b. Phase 2 – construction of affordable homes along Exeter Road in front of the tower blocks, including refurbishment of the parking structures and extension of Ashburton House to provide new affordable homes
 - c. Phase 3 – construction of affordable homes along Exeter Road in front of the tower blocks, including refurbishment of the parking structures and extension of Crediton House to provide new affordable homes
17. The proposals do not require the demolition of any existing homes.
18. It is proposed that existing estate residents be given priority on moving into the new homes through a local lettings plan.
19. It is proposed that the Council submits a hybrid planning application by May of this year, with detailed for the first phase and outline for phases two and three. This will give the Council the opportunity to accelerate the development of phase 1 and start on site in 2021. This will ensure the

Council is able to drawdown GLA funding by the Feb 2022 deadline. Not progressing the scheme would lead to slippage and risk of funding loss.

20. The present iteration of the massing and capacity studies suggests that the overall phases will deliver about 100-140 units. These units will be 100% affordable – a mix of London Affordable Rent and Shared Ownership and will achieve 46% of family homes.
21. The Housing Development team is proposing to consult with the estate residents over the next few months on the first phase, and how it sits within the wider estate masterplan.

Main Considerations for the Council

22. Already agreed as part of the HRA 30-year Business Plan, the delivery of Exeter road is a major scheme that delivers the objectives of The Housing and Growth Strategy 2020-2030 and Council's development delivery strategy milestones.
23. The Maximising the Council's Direct Development Delivery report (KD 4998) and the Better Council homes report (KD 5219) sets an ambitious direct delivery/acquisition programme of 3,500 Council owned homes over the next 13 years funded from within the HRA business plan. This includes the following key milestones:
 - a. A programme of approximately 1000 homes through the GLA Building Council Homes for Londoners programme;
 - b. A 5-year programme which will see the start of new homes being built on Joyce and Snells subject to a successful resident's ballot;
 - c. By the end of 13 years we will have delivered 3,500 homes on a range of different tenures and product types to meet the needs of local residents and help to create balanced local housing markets;
 - d. Explore all green options. Environmental impact of the development will be considered and assessment of the energy provision of the site will be undertaken.
24. The TRA, estate residents and residents in the neighbouring homes have been consulted on the masterplan and will have further opportunity to feedback as the scheme develops. Following are the most frequent comments thus far:
 - a. Improvement to estate is welcomed
 - b. Opposed to opening up Brookfield Road onto the estate (this is primarily from residents on the road)
 - c. Concerns about increase in traffic and reduced parking
 - d. Opposed to having play amenity on podium
 - e. Want more information on design of the scheme
25. The design is being reviewed in response to the feedback. In particular, the proposal to open Brookfield Road has been abandoned and we will not place play amenity on podium.

26. A further consultation event will be held prior to planning submission in addition to the statutory consultation undertaken during the determination period by the Local Planning Authority. The format will be leaflets to estate and surrounding area, an online meeting, with boards on site and an on-site feedback drop box.
27. As shown in the following project plan, there is need to progress Phase 1 of development in order to maintain GLA funding.

Project Milestones	Deadline
Investment Decision DAR (implementable)	Mar 2021
Planning Submission	May 2021
Contractor Procurement (Issue ITT)	May 2021
Planning Consent	Aug 2021
Contract Award DAR	Aug 2021
Contract Signed	Oct 2021
Start on Site & Grant Draw Down Deadline	Feb 2022

28. The current proposals for the development of phase 1 comprise the delivery of 50 new homes; 35 will be set at London Affordable Rent (LAR) levels and 15 will be offered as shared ownership. The total number of units and tenure mix delivered are subject to on-going discussions with the Local Planning Authority and to viability based on market conditions.

Housing Type	Size	LAR	Shared Ownership
1B2P	50m2	10	6
2B3P	61m2	2	3
2B4P	70m2	8	3
3B5P	86m2	7	0
3B6P	95m2	8	3
TOTAL	N/A	35	15

29. The estimated total scheme costs are outlined below

Summary	£m
Total Construction Costs	12,000
Fees and other costs	3,000
Total Capital Cost	15,000

30. Based on indicative cost assumptions, the scheme's performance against financial benchmark are as follows:

	Scheme Hurdle Rates	Enfield's Hurdle Criteria
Build cost per property	£300k	300k
NPV per property	£2.6k	-£50k
IRR	3.58%	3.50%
Loan repaid in year	39	40

31. The Council considered the use of its own energy company, Energetik, however outcome of development appraisal was that it is not feasible to connect at this time. As noted in paragraph 44, an assessment of energy provision found that an Air Source Heat Pump is both a cheaper and more sustainable option.

Safeguarding Implications

32. N/A

Public Health Implications

33. Housing is fundamental to human health as evidenced by that life-expectancy in the homeless is some 30 years below the national average. Housing can also influence health through its effect on active travel (including cycle lanes and storage), social mixing by design, climate (the energy needs of the house) and build quality. The construction of additional housing is therefore encouraged within the above parameters.

Equalities Impact of the Proposal

34. The Public-Sector Equality Duty (introduced by the Equality Act 2010) places a duty on local authorities to have due regard, in its decision making to; eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act
35. Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
36. Foster good relations between people who share a relevant protected characteristic and those who do not share it.
37. This duty applies to all decisions relating to services, policies or functions and the implementation of those decisions, made by the council.

38. Whilst the decisions sought in this report are not directly relevant to the Public-Sector Equality Duty the scheme to which they relate is, including consultation with residents and the procurement of relevant contracts.
39. A full EQIA on the proposed scheme to identify and mitigate any negative impact on people sharing protected characteristics and those who do not will be carried out, and every opportunity will be taken to meet the aims of the Public-Sector Equality Duty.
40. Equality considerations will be included in our procurement strategy to promote the council's equality aims and meet the requirements of the Public-Sector Equality Duty.

Environmental and Climate Change Considerations

41. The intensification of use and redevelopment of elements of this site, including repurposing currently underutilised scrub land, will have an impact on the total carbon emissions, both in delivery and use.
42. However, the development will have to comply with the London Plan and so demonstrate that proposed climate change mitigation measures comply with London Plan energy policies, including the energy hierarchy. It also ensures energy remains an integral part of the development's design and evolution.
43. The development will have to demonstrate how the zero-carbon target for residential developments will be met, with at least a 35% on-site reduction beyond Part L 2013 and proposals for making up the shortfall to achieve zero carbon, where required.
44. An assessment of energy provision on the site has been undertaken as part of the scheme feasibility, the study has found that an Air Source Heat Pump is both a cheaper and more sustainable option than either a Ground Source Heat pump or connecting to Energetik's heat network, so this is now the proposed heating strategy
45. Greater energy efficiency created through compliance with the London Plan energy requirements and installation of an Air source heat pump will in turn lead to a relative reduction in carbon emissions and energy bills for residents.
46. The four towers on the estate are fed by Ground source heat pumps which is also a low carbon and sustainable energy option. Overall, the in-use energy on the estate will be reduce. This will contribute to the Council's and London wide commitments.
47. An energy/carbon emissions reduction assessment will be completed for the scheme by the appointed engineer as part of the planning submission.
48. Environmental impacts of site maintenance/management regimes will be considered as proposals are finalised. This will include bin storage and waste collection routes, surface water drainage systems and public realm cleansing. Any potential environmental impacts and mitigation measures will be highlighted in the planning submission.

49. The impact of climate change will be considered as part of the energy strategy and will include over heating calculations that will take account of future climate change impacts. Future climate change impacts will also be considered as part of the Sustainable Urban Drainage Strategy.

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

50. The key risk would be the missed opportunity to develop additional affordable rented homes that are within the Council's financial parameters.
51. A delay to decision making could also result in delay to start on site and risk of loss of GLA funding.

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

Risks	Likelihood & Impact	Mitigation
Planning constraints and requirements could delay planning submission	M/H	There is a signed PPA for the scheme which should assist in working through any planning constraints and enable a timely submission of a compliant and viable scheme.
That build costs could rise excessively prior to starting on site on this scheme.	M	A Quantity Surveyor's report has been completed on this site to ensure costs have been correctly benchmarked against current market trends. That, combined with possible design changes, will minimise but not eliminate this risk
Resident objection to infill development	M	Ongoing consultation with TRA and wider community
Low demand for 15 x Shared Ownership units	M	Early off-plan marketing to local residents once contractor award is secured. This will include commission

		estate agent at start of contract, early hoarding erection and ads in local news outlets.
Risk of uncertain market conditions due to Brexit and COVID 19	L	This is mitigated by developing affordable product with GLA funding
Underground obstructions/contaminated ground could delay and/or make the scheme unviable to deliver.	L	Adequate site investigations are being commissioned to de-risk the site.
Inability to connect to Energetik in the future when estate's ground source heat pump replaced	L	Energy system future proofed to enable connection at later date
Council able to register on small strip of unregistered land on Brookfield Road	L	The unregistered land can be readily omitted from proposal but will preclude opening the road in future

Financial Implications

53. This scheme is part of the Building Council Homes for Londoners (BCHL) programme, with the updated programme and budget envelope of £15m for this scheme agreed as part of the updated 30-year Business Plan report and Rent Setting report agreed at Cabinet in February 2021.
54. This report is proposing to progress phase 1 of the Exeter Road scheme to planning and request to spend the allocated budget of £15m to development 50 residential units.
55. As part of the Development programme a budget was set based on the standard build cost assumptions of £300k per unit. The current business plan includes £15m build costs with assumed GLA grant of £3.9m. The remaining balance will be funded from receipts from the shared ownership sales and approved HRA borrowing.
56. The estimated total scheme costs are outlined below:

Summary	£000's
Total Construction Costs	12,000
Fees and other costs	1,500
Contingency @ 10%	1,500
Total Capital Cost	15,000
Subsidy – GLA grant	3,920
Net scheme cost	11,080

57. Based on indicative cost assumptions, the scheme's performance against financial benchmark are as follows:

	Scheme Hurdle Rates	Enfield's Hurdle Criteria
Price per property	£300k	300k
NPV per property	£129.9k	-£50k
IRR	3.58%	3.50%
Loan repaid in year	39	40
Annual Interest charge	3.5%	3.5%

58. The Proval analysis and validation of construction cost are based on a cost report from Mott McDonald as Employer's Agent, a council appointed cost consultant. These costs remain as estimated costs and once this project has been to planning a further report to award contract is required and this will represent the actual costs of the project.

59. The table above shows that the overall programme is within the approved NPV hurdle rate, IRR and loan repayment period.

60. It is estimated that the scheme will deliver 35 affordable and 15 shared ownership units. The affordable units will be set at London Affordable rents. The shared ownership units will have a minimum entry level of 30% with 2.75% rent paid on the balance owned by the Council.

61. Shared ownership receipts are expected to be c. £1.2m if 30% was purchased at point of sale.

62. The GLA grant is part of the BCHL funding and is set at £100k per affordable unit and £28k per shared ownership unit.

63. A contingency of 10% of construction cost has been factored in the financial analysis to absorb any cost constraints. However, value engineering is deemed necessary should tendered price goes above approved budget.

64. Finance will complete a full financial assessment at contract award stage to ensure the scheme remains within budget and agreed hurdle rates.

Legal Implications

65. The Exeter Road housing estate is registered at the Land Registry with title number MX420035. The Council is the registered proprietor. A small part of the scrubland at its southern end is not registered at the Land Registry. The Council is in the process of seeking to register itself at the Land Registry as proprietor of this small strip of unregistered land. Whilst the Council will seek to register itself as proprietor of the small strip of unregistered land with full title guarantee, it may be that the Land Registry will register the Council as proprietor with possessory title which has a lower level of title guarantee.

66. Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations.

This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. In addition, pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of further housing accommodation. The Council has the power under section 9 of that Act to provide housing accommodation and under s17 of that Act to acquire land for housing purposes. Further, under s.111 Local Government Act (1972) local authorities may do anything, including incurring expenditure or borrowing which is calculated to facilitate or is conducive or incidental to the discharge of their functions.

67. Public law principles apply to the decisions made by the Council in relation to any project, including the Council's duty to take account of its fiduciary duties and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably, properly and accordance with best value and to show that its decisions in relation to the delivery of its projects are made after having given due and proper consideration to all relevant factors. The Council must also consider the results of any public consultation undertaken.
68. In letting contracts and entering into property transactions, the Council must comply with the provisions of its constitution, including but not limited to its Financial Regulations, Contract Procedure Rules (CPR) and Property Procedure Rules. When procuring the design and consultancy team and the Phase 1 contractor referred to within this Report, the Council must also comply with the Public Contracts Regulations 2015 where applicable. The use of a framework is a compliant route, provided that a due diligence exercise has been carried out by the Procurement and Commissioning Hub into the framework in question, and both the contract award process and form of call-off contract are in accordance with the framework terms.
69. The contracts must be in a form approved by Legal Services for and on behalf of the Director of Law and Governance. CPR 6 (Insurance) states that contracts for direct advice and/or design services (including all consultancy and construction arrangements) must have a requirement for professional indemnity insurance. The Service Department must undertake a risk assessment to ensure that the levels of insurance are adequate (seeking advice from the Council's Insurance team). In addition, CPR 7.2 states that requiring 'sufficient security' (such as a performance bond or parent company guarantee) from the supplier/contractor should be considered for contracts with a value above £500K, and must be obtained where the contract value is £1,000,000 or above (if not obtained, then the Executive Director of Resources must approve the financial risk prior to any award).

Workforce Implications

70. This report explicitly references that a Clerk of Works is employed by the Council on the construction site. If this requires the recruitment of an

additional Clerk of Works then consideration needs to be given to the cost of this additional resource.

71. There are increased workload implications across other support services such as legal and procurement. These may or may not require additional resource depending on the ongoing volume of work in these support functions.
72. Creation of new posts and recruitment to them should be completed in accordance with standard Council processes.
73. This proposal has no adverse impact on the current workforce and there is no direct redundancy or TUPE implications at this time.

Property Implications

74. Title checks have been carried out on the site and the Council is the unencumbered freehold owner site except for an unregistered strip of land within the scrubland boundary. The legal team have now been commissioned to register this piece of land, as it has been within the ownership of the Council for a very long time. If the land cannot be registered the design will be amended to omit this strip of land.
75. All new or revised asset data arising out of the proposed works will need to be entered into the Asset Management Data System, including revised site plans, floor plans, asset information and maintenance regimes.

Other Implications

Procurement implications

76. All Procurement must be carried out in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules (CPRs) using the London Tenders Portal.
77. Due Diligence of any Frameworks Agreements used must be carried out by Procurement Services. This has been completed for the LHC and CCS Framework Agreements.
78. A Business Cases will need to be presented to Procurement Services for approval to agree the route to market.
79. Social value must be considered due to the value of this contract
80. The awarded contract must be promoted to the Contract Registered and Contracts Finder.

Options Considered

Direct Delivery

81. The site is developed through a 1 stage Design and Build contract through a competitive procurement and funded through grant and borrowing.

82. The proposal is to establish a Public contracts regulations 2015 compliant route to the market in consultation with the procurement team
83. The Council will need to sufficiently resource the development activities. This include resources within its development management, legal, and procurement services.
84. The Council has the greatest level of control of the delivery objectives through the construction contract and Employer's Requirements (ERs).

Do nothing

85. The Council would miss out on the opportunity to utilise significant levels of GLA grant to develop additional affordable housing at a reasonable cost to the Council. The Council will also miss out on maximising the use of the land within their ownership for development.

Let the private market develop the site:

86. This would lead to fewer units of affordable housing and the site may not be developed, but simply be land banked.

Conclusions

87. This investment decision will transform an area that is currently blighted with anti-social behaviour and an unappealing public realm while delivering much needed affordable homes.
88. The development of the site will bring forward schemes that would not be attractive to developers seeking headline profit margins of 20-25%.
89. Increase the portion of affordable housing achieved and to maximise the number of family sized homes as required to meet housing need
90. Create successful places through high quality tenure blind place management
91. Support the HRA through the income from rents and sales
92. Ensure the socio-economic benefits of development are fully realised and equitably distributed.

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Appendices

Background Papers

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