



Stacey Gilmour
Governance & Scrutiny Officer
Direct: 020 8132 1383

email: Democracy@enfield.gov.uk

REGENERATION & ECONOMIC DEVELOPMENT SCRUTINY PANEL

**Thursday, 12th October, 2023 at 7.00 pm in the Conference Room,
Civic Centre, Silver Street, Enfield, EN1 3XA**

Membership:

Councillors: Mahmut Aksanoglu (Chair), Hivran Dalkaya, Nelly Gyosheva, Ahmet Hasan, Mohammad Islam (Deputy Mayor), Joanne Laban, David Skelton and Edward Smith.

AGENDA – PART 1

- 1. WELCOME & APOLOGIES**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTES OF PREVIOUS MEETING (Pages 1 - 4)**
To agree the minutes of the previous meeting held on 26 April 2023.
- 4. TOWN CENTRES (Pages 5 - 46)**
To receive the report of Andrew Catcheside, Place Shaping Team Lead.
- 5. ECONOMIC CONDITIONS AND IMPACT ON HOUSING (Pages 47 - 54)**
To receive the report of Amena Matin, Head of Regeneration & Growth.
- 6. WORK PROGRAMME 2023/24 (Pages 55 - 56)**
To note the Regeneration & Economic Development Scrutiny Panel Work Programme 2023/24.

7. DATES OF FUTURE MEETINGS

To note the dates of future meetings as follows:

Wednesday 1 November 2023

Tuesday 30 January 2024

Tuesday 26 March 2024

All meetings will commence at 7:00pm and will be held in the Conference Room at the Civic Centre.

MINUTES OF THE MEETING OF THE REGENERATION & ECONOMIC DEVELOPMENT SCRUTINY PANEL HELD ON WEDNESDAY, 26TH APRIL, 2023

MEMBERS: Councillors Mohammad Islam (Chair), Josh Abey, Mahmut Aksanoglu, Ayten Guzel, Joanne Laban, David Skelton, Edward Smith and Nicki Adeleke

Officers:

Simon Gardener (Regeneration Director), Andrea Bugli (Place Shaping Delivery Manager) and Brett Leahy (Director of Planning and Growth)

Apologies: Cllr Thomas Fawns, substituted by Cllr Nikki Adeleke

1. WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were received from Cllr Thomas Fawns, who was substituted by Cllr Nikki Adeleke.

2. DECLARATIONS OF INTEREST

NONE.

3. MINUTES OF THE PREVIOUS MEETING

The minutes were agreed with the following amendments.

Item 4 – amendment for Local plan to look for at least 25km of industrial/logistics space.

4. TOWN CENTRES ACROSS THE BOROUGH

Andrea Bugli (Place Shaping Delivery Manager) presented this item, highlighting the key points from the report on the plans to develop town centres that are vibrant, healthy, and inclusive.

Members had queries on the Pearson's refurbishment, to which officers explained that Palace Gardens are considering a redesign, the Council's role is to provide planning permissions. The Council has held discussions with Palace Gardens and owner representatives on their proposals. The tower block is still a live consideration for them; however, the focus is on public realm works. Officers confirmed they are having active conversations to ensure that the proposals are attractive while offering a safe environment for all. Maintaining safer streets is a key consideration.

REGENERATION & ECONOMIC DEVELOPMENT SCRUTINY PANEL - 26.4.2023

Members raised concerns on possible plans to change the market square cobble stones which have been in place since Tudor times. Officers clarified that no changes would be made without a discussion with the Market Trust.

Members shared feedback they received from the Community regarding the town centre plans, that there needs to be more electric charging points.

Action: Officers to confirm to Members where the 2 electric charging points currently on Coleman Parade are moving to.

Members requested more information on Angel Yard, to which officers explained that the work has been completed and ready to open this May, 18 units have already been let to Enfield Residents aged 18-30. Launchit are covering the costs at Angel Yard.

Action: Officers to provide a list of tenants and what they do.

Officers explained that the Living Room Library space in Angel Edmonton is also being used by Fore Street For All and React. There is an option for community groups to book on the space on Thursdays. Officers clarified that Fore Street For All gained funding from GLA to organise events within the Library in support of local residents and businesses. Fore Street For All are actively seeking more funding as the GLA support will terminate in September.

Action: Officers to get data on number of visits since Living Room Library works.

In relation to Southgate, the Council has received support from the GLA to help local business in Ashfield Parade, including adding greenery and seating. The Council are also working in collaboration with TFL to improve the area by the station. TFL are upgrading all plants near the station and completing restoration work to the building. Officers have been meeting with Ashfield Parade business owners once a month to listen to their concerns and brainstorm ideas. Similar meetings will happen with Chase Side business owners in the coming months.

Members commented that the traffic has always been an issue in Southgate and the LTNs have made this worse.

REGENERATION & ECONOMIC DEVELOPMENT SCRUTINY PANEL - 26.4.2023

5. CULTURAL STRATEGY

Simon Gardener (Regeneration Director) presented this item highlighting the key points from the presentation.

The Council are supporting local Cultural businesses, through the grant funding it has received, such as Chicken Shed by commissioning them to do work.

Following a query from Members, Officers explained that some pubs have a license to include live music.

Members commented that the Forty Hall Café needs improvement. Officers confirmed the lease for the Café is coming to an end and they will be looking at new options for the Café and Banqueting suite. Members suggested that the brochure should be given at the beginning of the Forty Hall tour, rather than the end.

Officers explained that although the Month of Sundays was very popular it has been discontinued due to funding and capacity of the team decreasing. Large music events have also taken place in Trent Park. The company who run Drumsheds are looking to work with Ikea on a temporary basis to hold some events.

Museums have recently gained funding so that their catalogue of items can be digitalised.

Officers confirmed the newsletter is only provided in English but can be translated upon request. Members commented that this could be a barrier and it should be translated before the request to gain more attraction.

6. SKILLS ACADEMIES

Simon Gardener presented the item, detailing key points from the presentation.

Members held concern on the target of 500 trainees a year, to which Officers explained that the Council have been working with Vistry and CONEL to ensure local people can access the Skills Academy and suppliers can take trainees on to permanent roles. This includes giving the main developer a list of local suppliers to use. Officers are also looking to ensure good procurement by building into their contracts the requirement to take trainees from the Skills Academy. They are also looking to include all sub-contractors to be local suppliers.

Following Members questions Officers confirmed that Multi National Companies such as Warner Bros, Netflix and Amazon coming over to use the film studio facilities are looking to employ British based film crews, rather than bringing over their own. There is an opportunity to ensure local residents can make the most of these opportunities.

REGENERATION & ECONOMIC DEVELOPMENT SCRUTINY PANEL - 26.4.2023

Officers explained that learning from similar projects which haven't worked well meant that timing of running courses is important, so that they finish in time to work within the subcontracted work going on.

7. WORK PROGRAMME

Noted.

8. DATE OF NEXT MEETING

Noted.

The meeting ended at Time Not Specified.



London Borough of Enfield

| | |
|--------------------------------------|---|
| Report Title | Town Centre Update Presentation for Regeneration & Economic Development Scrutiny Panel Oct 2023 |
| Report to | Regeneration & Economic Development Scrutiny Panel |
| Date of Meeting | |
| Cabinet Member | Cllr Anyanwu |
| Executive Director / Director | Brett Leahy |
| Report Author | Andrew Catcheside Andrew.catcheside@enfield.gov.uk |
| Ward(s) affected | |
| Classification | Part 1 Public |

Purpose of Report

1. Update on latest activity within the Boroughs primary Town Centres including Enfield Town, Edmonton Green, Angel Edmonton, Palmers Green and Southgate. Town Centre development is led by the Place Shaping Team within the Journeys & Places programme.

Main Considerations for the Panel

2. The Place Shaping Team have continued to deliver a range of activities in our five priority town centres – Enfield Town, Edmonton Green, Angel Edmonton, Palmers Green and Southgate.
3. This activity is guided by a set of Action Plans which are place specific and capture the strategic direction of each centre and outline the opportunities,

challenges, goals and themes for each, along with a vision and set of actions to support their future success.

4. The Action Plans were first published in 2022 and reviewed at a previous Economic & Regeneration Scrutiny Panel in Feb 2022. The Action Plans are live documents and the Place Shaping team are in the process of a review with a view to publishing revised plans in early 2024.

Activity

5. The attached presentation, which will be delivered at the Environment Forum, provides an update on the range of activity that is ongoing, including:
6. Enfield Town:
 - a. Palace Gardens development
 - b. Liveable Neighbourhood & Enfield Town Arts Trail
 - c. Curate Enfield Town
7. Edmonton Green:
 - a. Edmonton Green Development
 - b. The Green
8. Angel Edmonton
 - a. Good Growth funded programme: Living Room Library, Angel Yard & Fore Street Murals
 - b. Fore Street for All
 - c. Curate Angel Edmonton
9. Palmers Green
 - a. Devonshire Square
 - b. Arbeit Studios Workspace
10. Southgate
 - a. Public Realm Programme

Summary

11. Positive progress is ongoing across town centres. Significant community engagement is taking place and activity is focussed on enabling longer-term change. Officers welcome feedback from the Environment Forum and look forward to discussing the issues.

Relevance to Council Plans and Strategies

12. The Journeys & Places programme aims to deliver on the priorities set out in the Council Plan:
13. **Clean and green spaces** – projects include the delivery of improved public realm, including additional greenery and longer-term contribute towards greater levels of sustainable transport.

14. **Safe, healthy and confident communities** – projects help contribute towards creating a safer environment and through increasing transport choices helping enable healthier lifestyles.
15. **Thriving children and young people** – projects help improve the borough for future generations and individual project consultations actively seek the input of young people to help shape their design.
16. **More and better homes** – projects help create improved connections within and between local neighbourhoods.
17. **An economy that works for everyone** – projects contribute towards developing town centres and public places that are vibrant, healthy and inclusive.

Report Author: Andrew Catcheside
Place Shaping Team Lead
andrew.catcheside@enfield.gov.uk

Appendices

Town Centre Update Presentation for Regeneration & Economic Development
Scrutiny Panel Oct 2023

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journeys & places

Update on Town Centres
Regeneration & Economic Development
Scrutiny Panel

Oct'23



Action Plans



- Published in 2022
- Commissioning update of plans to be launched in new year 2024
 - Review work delivered to date
 - Engagement with key community stakeholders to review
 - Bring together Town Centre Development and Curate Enfield
 - Borough-wide **Place Shaping Action Plan**

Enfield Town

Palace Gardens

- Planning officers are considering proposals to Palace Gardens Square, which is located on the interior of the shopping centre site, between the rear of Pearsons and Marks & Spencer.
- Pearsons are proposing to infill their colonnade space - that faces the square - with expanded retail floorspace so the shop frontage can better engage with the open space.
- The Palace Gardens owner is proposing upgrades to resolve level changes and unify the landscape elements, with improved paving, planting, seating and lighting.
- Both applications have been subject to public consultation and decisions on the applications are anticipated in September/October.

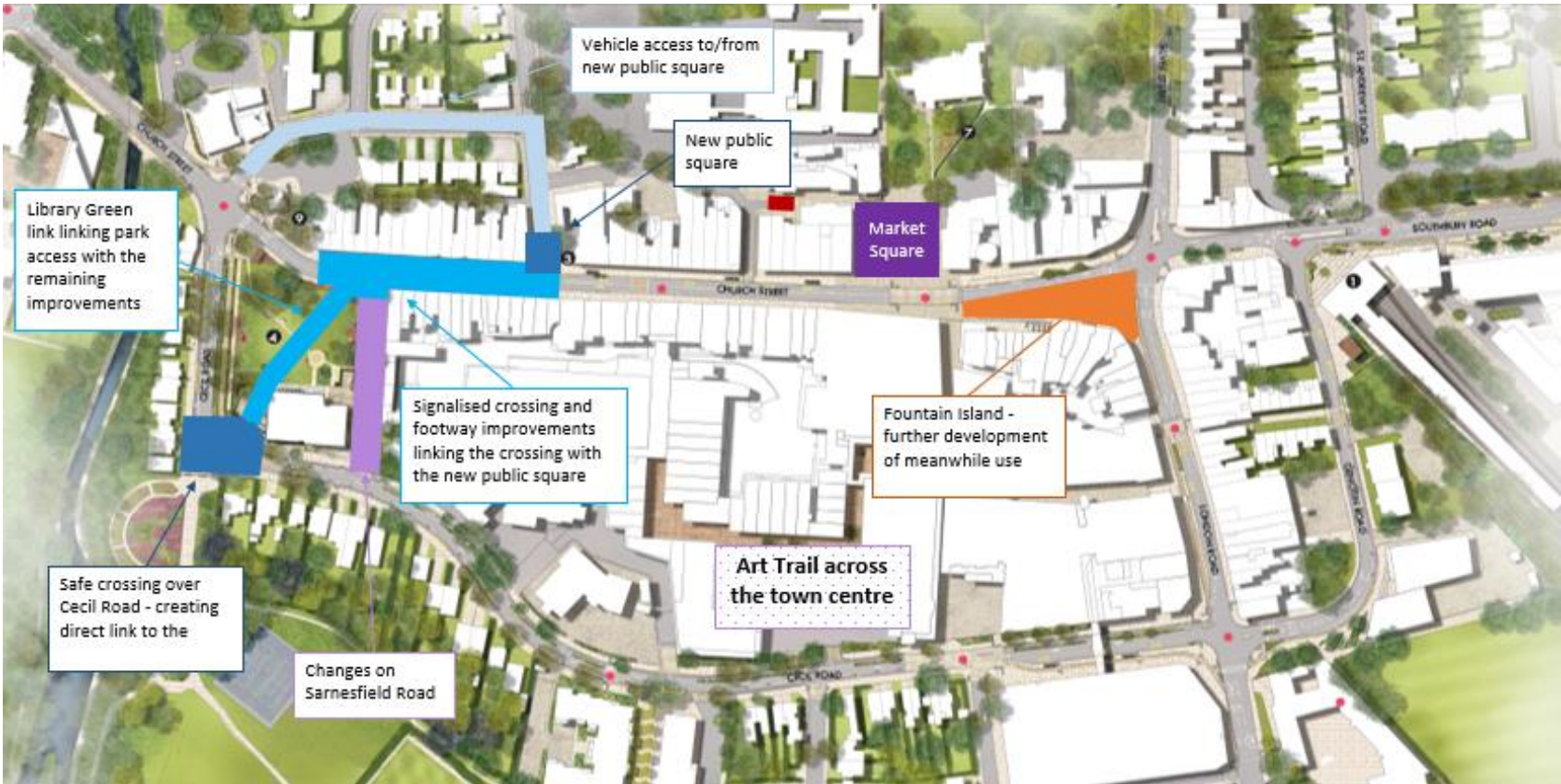


Enfield Town Liveable Neighbourhood



- Concept designs have been completed with 4 stages of community engagement held
- Detail designs for Phase 1 works are progressing well. Statutory consultation are expected in February 2024, with phase 1 works expected to start in the second half of 2024.

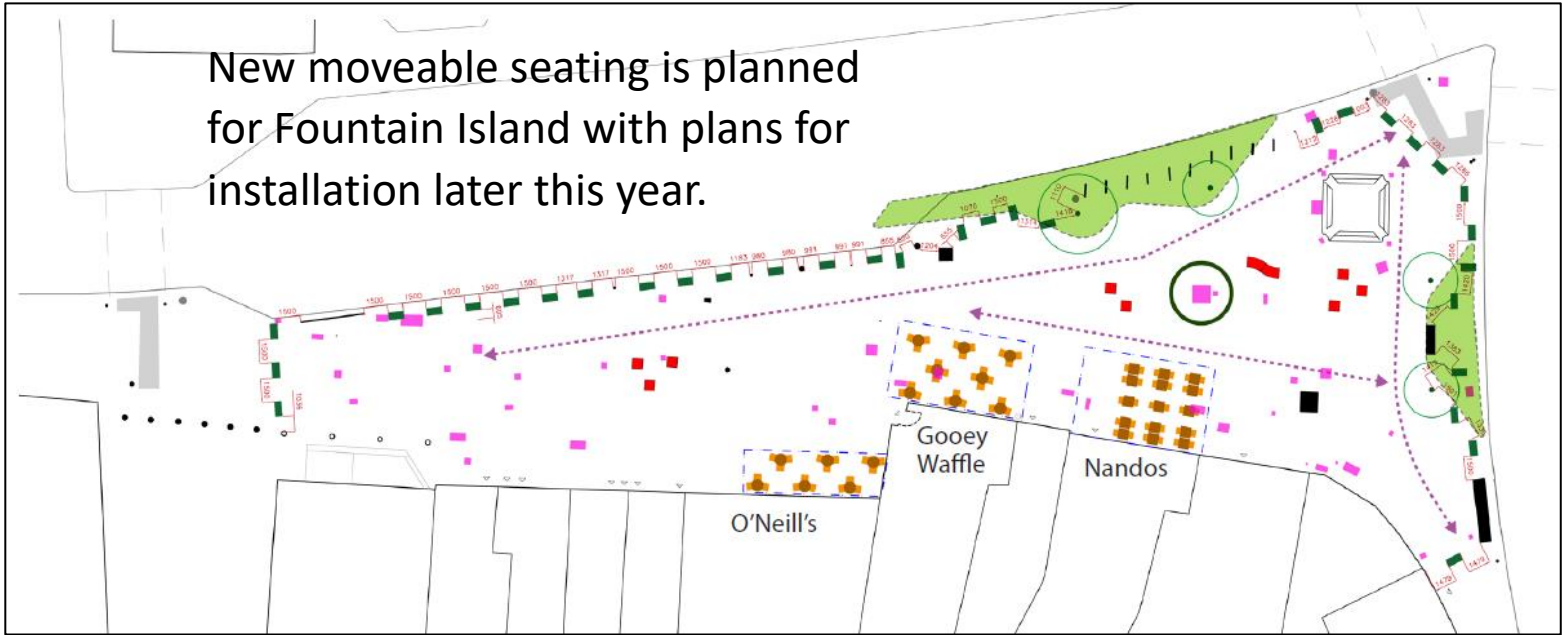
Enfield Town Liveable Neighbourhood



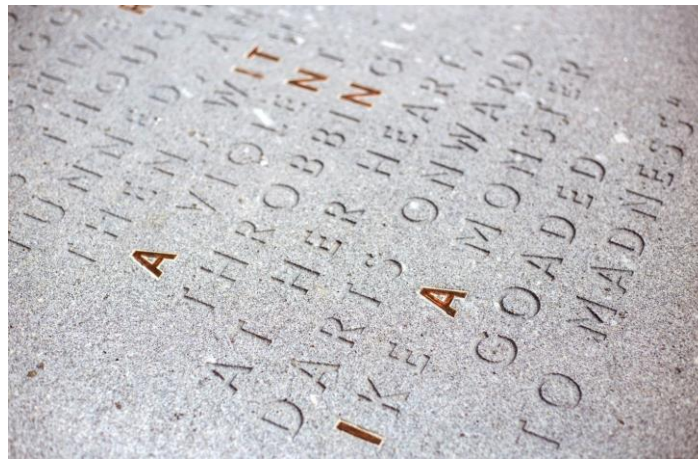
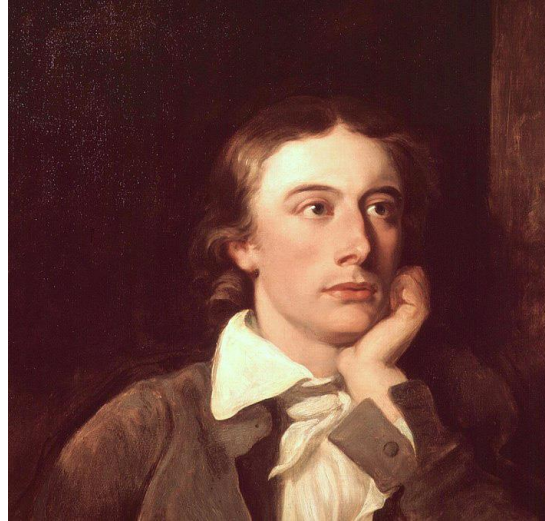
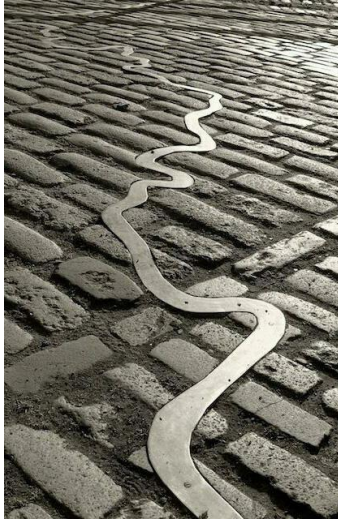
Phase 1 scope of works

Enfield Town Liveable Neighbourhood

New moveable seating is planned for Fountain Island with plans for installation later this year.



Enfield Town Arts Trail



Curate Enfield Town

- A public art project led by local residents
- Will generate a mural for the alleyway between Deichman's & M&S in Palace Gardens
- Wider residents & communities have participated in creative sessions & shared their favourite places/memories of Enfield Town, to inform the design of the mural
- Mural expected to be installed by end October 2023

Angel Edmonton

Angel Yard



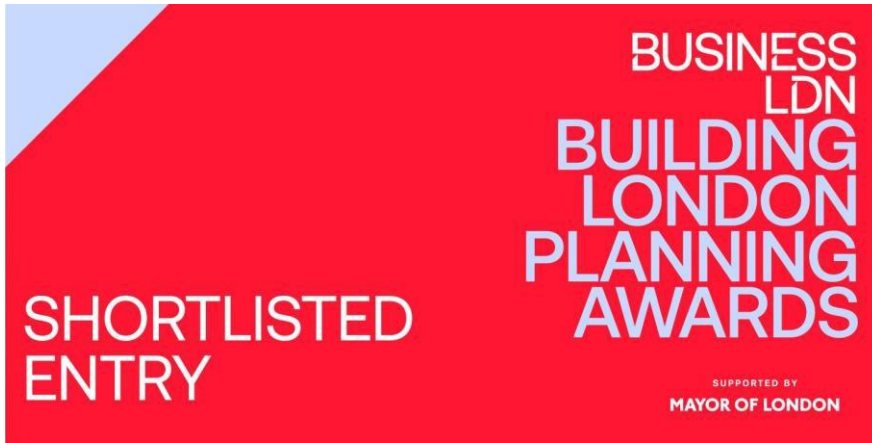
- 23 of 32 units taken
- 12 incubators, 11 commercial
- Bubble team, acting coach, fashion, beauty, accountants, microgreens, architects, photography, interior design, animation...
- X5 reserved for Trailblazers Hive (TBC)
- Bus fitout secured through UKSPF
- Community open day 14 Oct

Official Launch of Angel Yard at Open House 16 Sept 2023



Official Launch of Angel Yard – led by Cllr Anyanwu & key partners including GLA, Launch It, Jan Kattein, BLOQs etc.

Celebrating Angel Yard/Living Room Library & Fore Street Murals as exemplar projects as part of Open House weekend 2023



**‘Highly Commended’
in Best Borough-led
Project category**

Winner of
Fostering a
healthy town
centre

**PLANNING
AWARDS 2023
SHORTLIST**

Living Room Library



The Pineapples
**Creative
Retrofit 2022
winner**

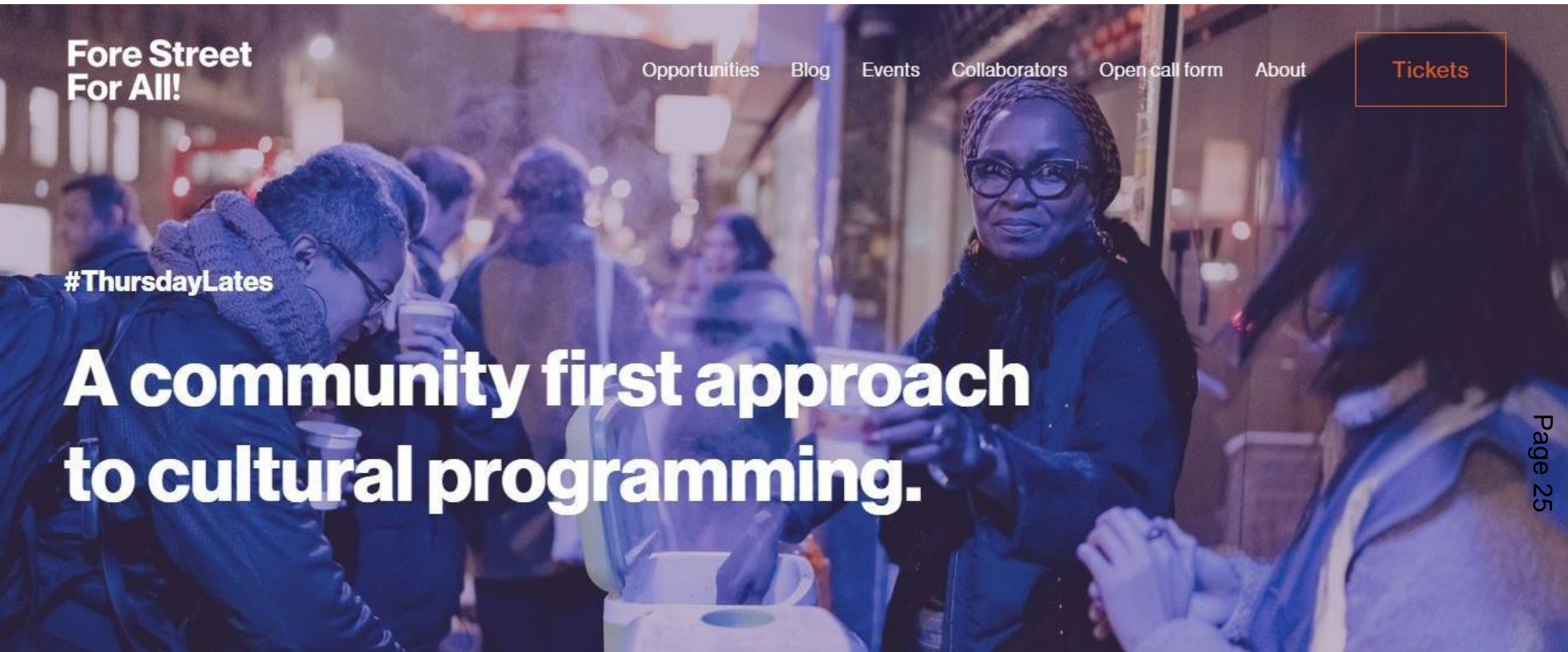
**Fore Street
Living Room
Library,
Enfield**



Fore Street Murals



Fore Street for All



- High Street for All funded programme now complete
 - Brought together over 8,500 members of the community
 - 12 evening events and three festivals.
 - Supported 16 other high street venues and as well as 128 creatives, individuals and businesses to host and deliver the programme.
- UKSPF funded commission to support strategy and next steps

Curate Angel Edmonton



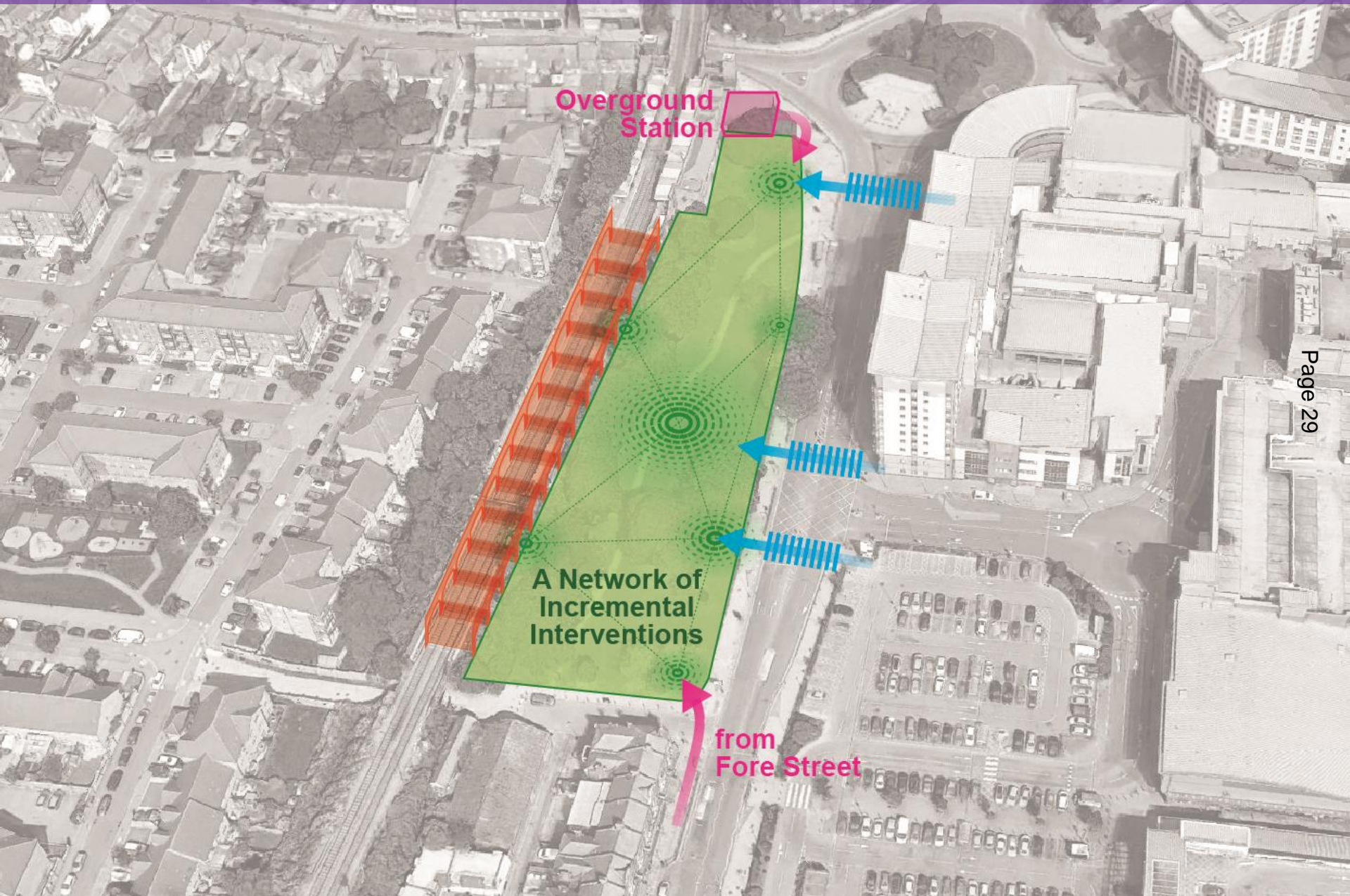
- A public art project led by local residents
- Wider residents & communities have participated in workshops creatively responding to the theme of 'Angel'
- Their ideas will be incorporated in to a sculptural artwork which will provide a public welcome for residents and visitors to Angel Edmonton
- Due to be installed Oct/Nov 2023

Edmonton Green

Edmonton Green Development Update



The Green



Overground
Station

A Network of
Incremental
Interventions

from
Fore Street

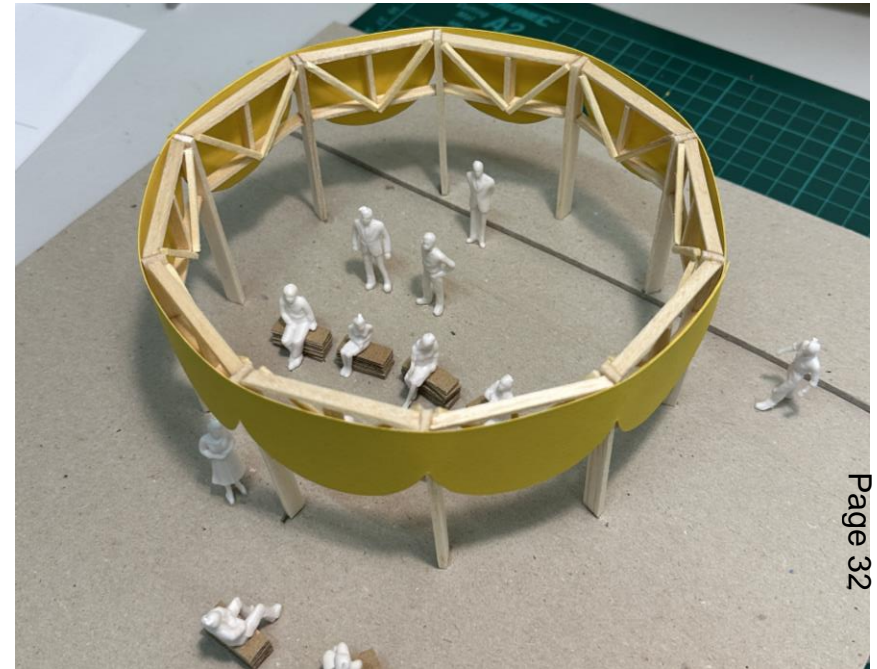
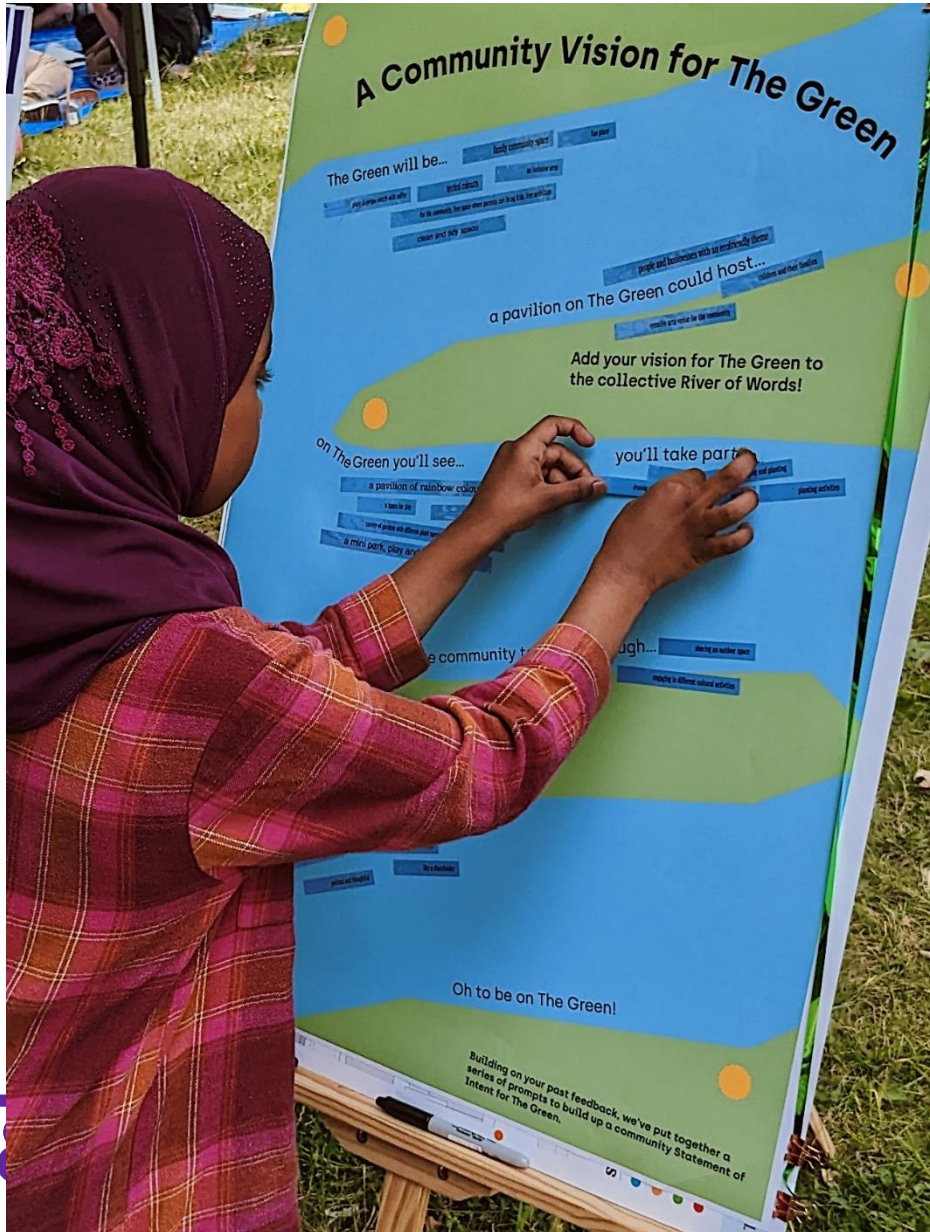
The Green



The Green



The Green



Palmers Green

Devonshire Square



- UKSPF capital allocated to deliver permanent scheme to develop Devonshire Square for markets, alfresco dining delivered by local cafes and cultural/community events
- Engagement expected to commence at autumn market on 14 Oct
- Completion by Feb'25



Arbeit Studios: Green Lanes

Arbeit – an Additional Restrictions Grant Recipient, are delivering a 3 year programme including:

- Community & Local Makers Market in their workspace & Devonshire Square
- Artist Residencies celebrating the High Street/local communities
- Local Creative Industry Support
- High Street and Community and Creative Programme - including curating a programme for Devonshire Square



Curate Palmers Green



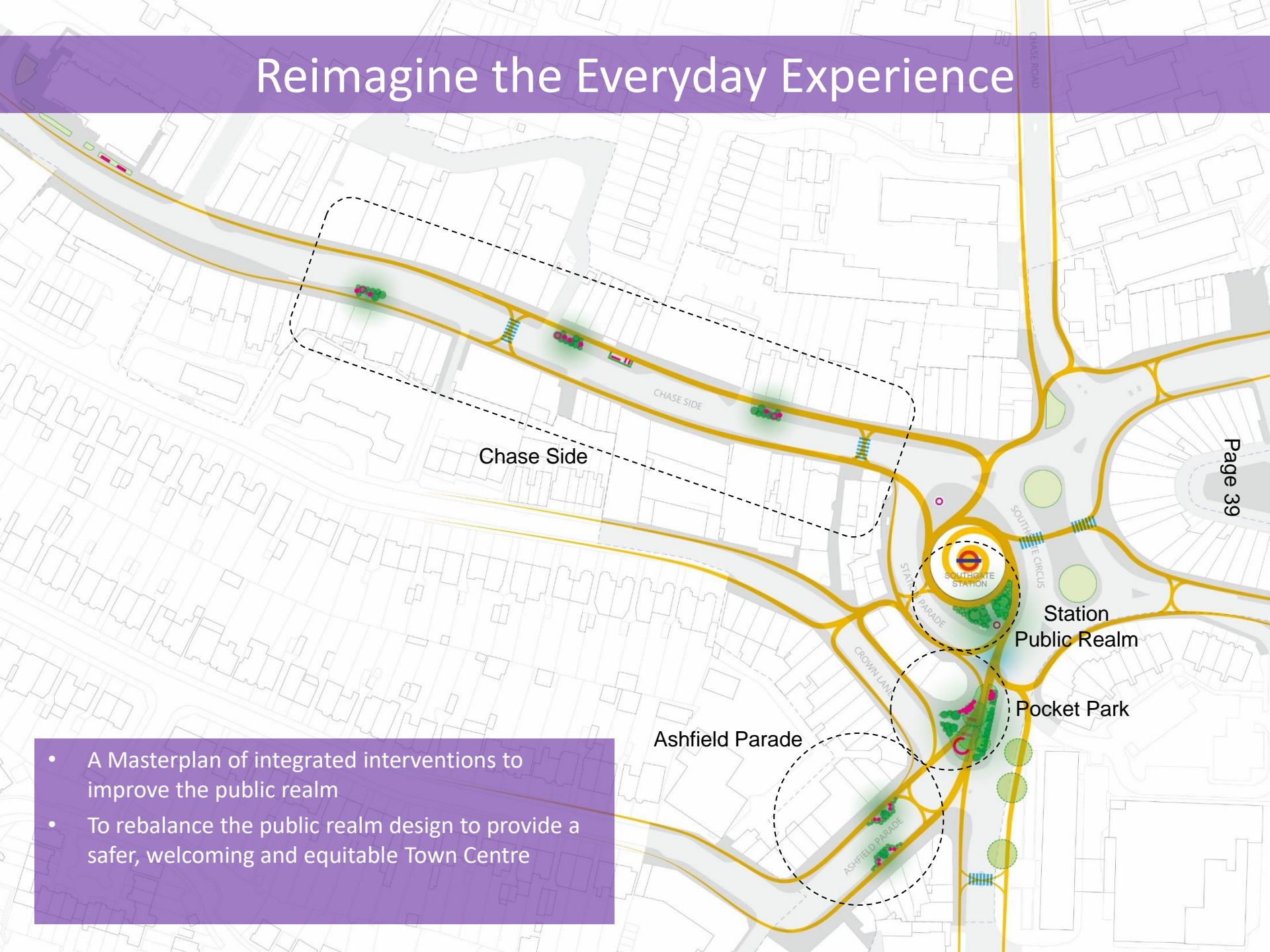
- A public art project led by local residents
- Will generate an arts trail in/around Green Lanes & Aldermans Hill
- Design of murals informed by residents creative responses to the cultural & bio-diversity of Palmers Green
- Arts Trail expected to be installed by end October 2023

Southgate

Southgate @ 90



Reimagine the Everyday Experience



Chase Side

Ashfield Parade

Station
Public Realm

Pocket Park

- A Masterplan of integrated interventions to improve the public realm
- To rebalance the public realm design to provide a safer, welcoming and equitable Town Centre

Ashfield Parade Parklets



- GLA grant to support engagement with local businesses
- Make Ashfield Parade greener, more attractive to families and customers

Ashfield Parade Parklets



Station Pocket Park



- Pocket Park selected as priority site during walkabout in May '22

Station Pocket Park

The outlined proposal comprises of two key actions:



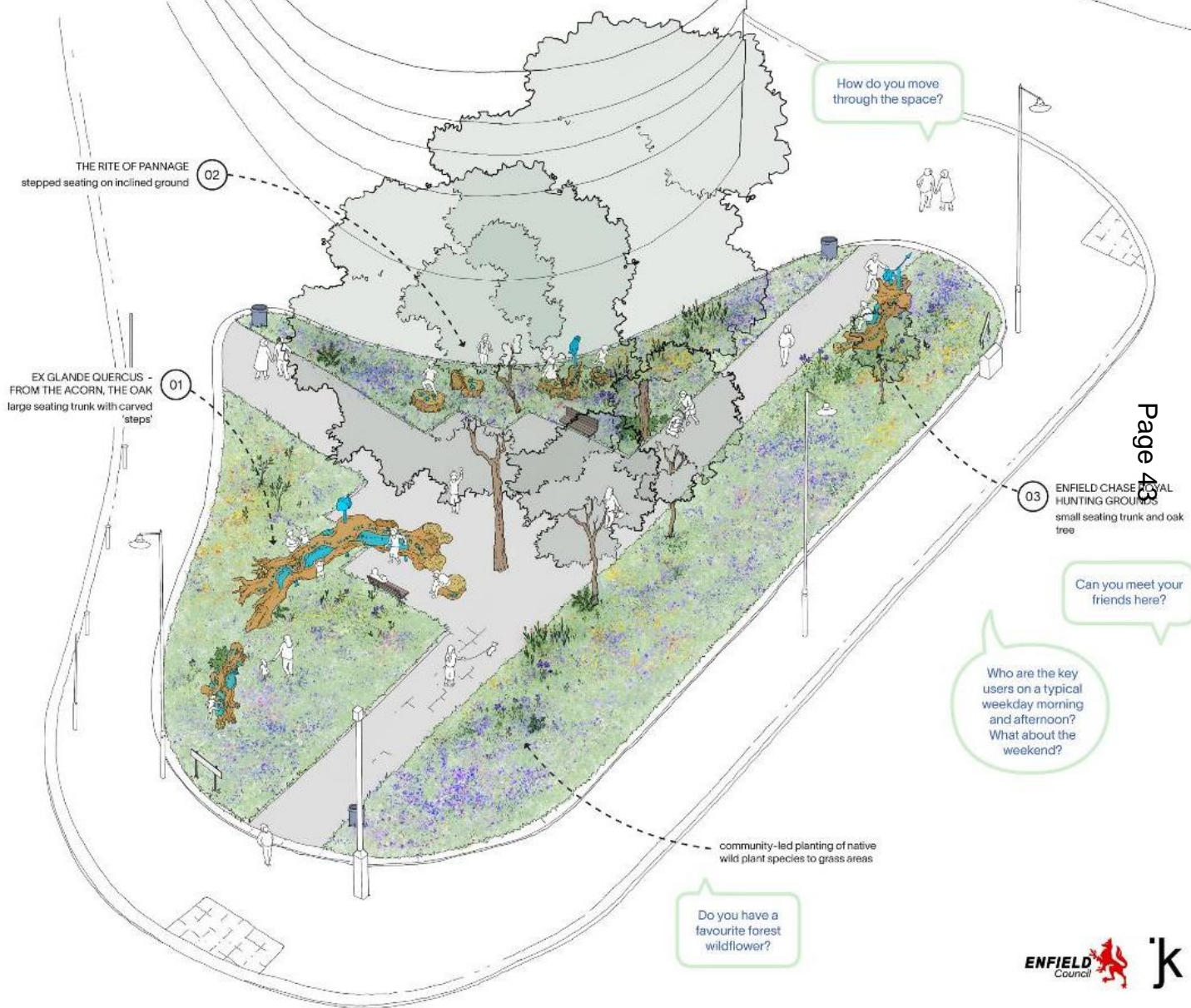
reference: Tree Trunk Bench by Jürgen Bey, Droop Design



Introduce new seating carved out of natural oak felled tree trunks, with inscribed quotes and sculptural elements that celebrate the history of the Enfield Chase in three key moments.



Support educational community-led planting workshops to enhance biodiversity of micro-forest and re-introduce native species from ancient woodland.



Chase Side – Engagement & Public Realm



- Create spaces where people can feel at ease in the midst of a heavily congested environment
- Walkabout with businesses and local community groups w/c 18th Sept

Thank you

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London Borough of Enfield

| | |
|--------------------------------------|--|
| Report Title | Economic Conditions |
| Report to | Regeneration and Economic Development Scrutiny Panel |
| Date of Meeting | 12 October 2023 |
| Cabinet Member | Leader |
| Executive Director / Director | Joanne Drew |
| Report Author | Amena Matin |
| Ward(s) affected | |
| Classification | Part 1 Public |
| Reason for exemption | N/A |

Purpose of Report

1. This report is an overview of the current economic conditions and impact on housing (Joyce an Snells).

Main Considerations for the Panel

2. The Joyce Avenue and Snell's Park (J&S) estates, built in the late 1950s and 1960s, are located in the east part of the Borough in Upper Edmonton and provide housing for a diverse community. Many residents have lived on the estate for many years and are proud of their neighbourhood, however, there has been a gradual rise in antisocial behaviour and crime. The layout of the existing estate has many unseen areas and the flatted blocks have little or no security on stairwells.
3. Dated design has contributed to the rise in crime and the outdoor spaces are not welcoming and underused. The outdated design also means that Joyce Avenue and Snell's Park sides of the estate are poorly connected and have limited points of access between each area. This has separated the communities and made it challenging for residents to interact and develop the community spirit that could exist across the whole estate. In addition, the estate is severely lacking the social infrastructure necessary with Boundary Hall being the only community facility available.

4. The placemaking vision for Joyce Avenue and Snell's Park is based on five key principles linked to the Council Plan:
 - ✓ An attractive and green neighbourhood, connecting to the wider Angel Edmonton area.
 - ✓ A healthy and strong community, with good homes and welcoming spaces that create a sense of belonging.
 - ✓ A lifetime of opportunities for children and young through active play, enhanced open space and access to more jobs and community spaces
 - ✓ A home that tenants can be proud of for generations to come
 - ✓ A inclusive and vibrant economy with a high street within easy reach and new spaces which reflect the diversity of our communities.

5. The scheme is split into a number of different phases that address both the requirements of Greater London Authority (GLA) grant conditions of delivering net new affordable housing and commitments to residents about decant and single move wherever possible.

6. The Council has committed to direct-delivery of the first three phases of the development, details of which are set out later in this report. Significant work has been undertaken to ensure the project does not lose momentum. However, in common with all regeneration schemes, there have been external factors which have put the viability of the J&S masterplan under pressure.

7. In September 2021, Cabinet approved the following budgets for the estate regeneration of Joyce and Snell's :
 - £55m for Buybacks related to Phases 0-3 (2022-2032)
 - £10m for project and professional fees related to the delivery of the regeneration scheme, including the design and planning preparation.
 - Estimated £ 449.3m for the first ten years of the capital programme against a total budget of £635.4m.

| Financial Year | HRA | GF | Total |
|------------------------|----------------|---------------|---------------|
| 2021/2022 to 2030/31 | £416.0m | £33.3m | £449.3 |
| 2031/2032 to 2037/2038 | £219.4m | £19.1m | £238.5m |
| Total | £635.4m | £52.4m | £687.4 |

8. Cabinet also approved the recommendation to proceed to Ballot, complete a S105 consultation with council tenants and the preparation and submission of a hybrid planning application.

9. Authority was granted by Cabinet to the Director of Housing and Regeneration and Executive Director of Resources in consultation with the Leader and Cabinet Members for Finance and Social Housing to make changes to the programme, Landlord Offer, tenure mix and phasing in line with the approved financial base case.

10. Since the September 2021 Cabinet approval, the following are key successes:
 - ✓ Ballot completed with an 85% turnout of which 78% voted yes for regeneration
 - ✓ Mobilisation of the professional services team to progress the masterplan for up to 2000 homes over 10 phases.

- ✓ The hybrid Planning application was submitted in Sept 2022 and was on track for a Feb 2023 planning committee/decision.
- ✓ In October 2021, the GLA allocated grant for 338 homes of which 88 will be for existing leaseholders who wish to stay and take up a new shared ownership home and 250 social rented homes for tenants who wish to remain on the estate. The grant funding approved is £54.4m. A revised bid was submitted in March 2023 to offset the changing inflationary pressures and approved. This increased the grant allocation to £64,476m (an uplift of £10,060m)
- ✓ The Council was awarded £50m from the GLA Land Fund for buybacks (subject to contract). This is additional subsidy which will be applied to purchase of leaseholder properties, which overall reduces borrowing call on capital in the early years of the HRA Business Plan
- ✓ Procurement commenced last year to secure a start on site as per the GLA grant conditions and was on programme for a contractor to be appointed by March 2023. However, in Dec 2022, the Mayor of London indicated that he would require second staircase in all new high-rise buildings above 30m and more recently Government has announced an intention to move to a secondary stair exit at 18m which has impacted on the scheme progressing through planning as the Council intends to redesign and future proof the homes. Therefore, the tender processed was abandoned pending a new procurement.
- ✓ The Council has developed a Void strategy for the properties it has acquired back from leaseholders which will provide increased flexibility on the phasing strategy. The acquisition also allows for properties to be let for temporary accommodation (TA) thus helping to reduce costs to the General Fund and generate income back to the HRA.
- ✓ Concurrently with the main application, work is underway to bring Florence Hayes back into use for members of the public to access and improve the provision for play in the local area.
- ✓ In terms of wider placemaking, the Angel Yard affordable workspaces has completed and is open for businesses and customers. Residents on the estate (18-30) were prioritised for the units and over 60 have expressed an interest, with 4 residents allocated spaces to date. The mix of businesses on offer reflect the community of Joyce and Snell's and surrounding areas. This will generate a rental income to the HRA as the Angel's Yard is meanwhile use on Council housing land. In line with the construction phasing, the Angel Yard will be in situ for over 10 years which is a positive to the community and the Council budgets.
- ✓ The council is also looking at bringing back into use the former Boundary Court GP surgery and a vacant shop unit on the estate which will help to generate income for the HRA.

Economic conditions

11. The significant change is that the cost of borrowing has increased from 3.5% to 5.5% which has impacted on affordability and viability for the scheme. The other changes since Cabinet relate to enhanced building regulatory standards which were not known in September 2021. The Council is continuously reviewing the affordability and viability of the scheme and exploring delivery routes to offset the call on debt and respond to market conditions.
12. The requirement for a secondary means of exit and the subsequent reduction in height requirement has had implications on costs with redesigns incurring additional fees for design and planning and increasing build costs. Work is currently

progressing to review the scheme to include these requirements and as a result to review height, tenure, typology and phasing.

Cost pressures

13. 2022 saw rampant inflation drive construction output to record levels. Whilst the value of work increased, once the effects of inflation were stripped away, however, the actual volume of work remained around 2019 levels. The UK hovered on the brink of a recession as part of the global downturn caused by inflationary pressures and the reduced demand following the recovery from the pandemic. UK Inflation has been compounded by high energy costs, increased commodity prices and a weak sterling, which has resulted in the consumer price inflation (CPI) peaking in October 2022 at 11.1%, a 40-year high, resulting in the Bank of England (BOE) increasing bank borrowing rates before slipping back slightly to 6.7% in August 2023.
14. The start of the Ukrainian conflict coincided with increasing inflationary pressures and its effect on energy and food costs across the whole global economy has accelerated the slowdown.
15. This has driven the BOE to increase rates to combat inflation. The objective is that once inflation is reduced investment and consumer spending will return and the economy will grow. Since the emergence of the UK construction industry from the pandemic there has been rapid increases in tender prices. The amount of risk has increased, whether this is material shortages, caused by a combination of rapid demand causing supply chain issues, the Ukrainian conflict affecting energy and food costs, or labour shortages with the sector having seen a significant amount of the workforce either depart the country, leave the industry or retire.
16. This risk has translated into increased tender prices as all links in the supply chain look to insulate themselves by increasing costs or extending contract periods to try and alleviate delays. Since Cabinet 2021, there has been a steady increase in the cost of materials. The rate of material increase peaked at over 25% falling to 16% in 2022 and rising again.
17. The HRA Business Plan includes £358.64m for the first three phases of Joyce and Snell's including contingency. The Capital requirements for the General Fund have also been revised down since the 2021 Cabinet.

Scheme Viability

18. The regeneration programme includes a continuous process of assessment including risk mitigation for the economic conditions. There are key considerations which have a bearing on the financial and viability performance of the regeneration of the estate. It is important to acknowledge these considerations, or 'levers', and how these impact on the viability and affordability of the regeneration proposals.

Design approach - scale / building mass and heights

19. Since 2020, the design of the emerging regeneration scheme has been reduced in scale and mass by circa 18% as a result of the planning process. Building height and scale has also reduced, although the amended proposal for the masterplan is to increase the height to accommodate the loss of units linked to a second staircase. The original approval to proceed with Joyce and Snell's was based on a scheme of 3000 homes (2019) to replace the 795 homes and therefore improve cross subsidy overall.

Affordable housing percentage

20. The overall affordable housing provision percentage and breakdown of unit typology has an impact on the viability of the scheme. Changes in these levels are usually sensitive and result in significant changes in the overall viability performance of the scheme. The target to deliver 50% affordable housing overall has been maintained but there is a need to rephase the sales to improve overall income in the early years.

Decant move strategy

21. The overall estate layout is fixed and delivered over 10 phases with over 30 blocks to be demolished. Phasing and decant strategies have significant impacts on the viability of a scheme. Where possible the Council is committed to keeping residents on the estate unless they choose to move. The provision of new homes at Meridian Water has seen council tenants bidding to move from Joyce and Snell's. The GLA Land fund will accelerate the buyback of leaseholders which in turn will assist with identifying an alternative phasing programme to improve delivery.

The Landlord offer

22. The current baseline model keeps rents for existing residents the same and proposes a minimum equity stake of 25%. This approach is aligned with the Landlord Offer but generates limited revenue to service debt. Sensitivity test shows uplifting rents would improve the performance for the scheme, but it should be noted this is equivalent to a 50% increase for some households, which the Council does not intend to do.

23. *Values*

The market values have been reviewed and in line with the GLA viability team advice, assumptions on regeneration uplift have been applied to show annual HPI growth of 2.5% (from completion of newbuild homes).

Background and Options

24. To offset the market conditions, there is a continuous review of the Joyce and Snell's financial model and underpinning objectives to ensure the Council does not exceed the capital committed to the scheme. This includes reviewing the way the scheme is delivered to reduce the Council's financial exposure and by transferring the risk to a developer.

25. Direct delivery

This means the Council takes all responsibility for the delivery of the scheme, including taking development risk. However, in doing this it would benefit from all rewards including grant subsidy for affordable homes. Risks would be mitigated through a series of contractual arrangements including appointing and potentially novating an architect, appointing a third-party contractor to deliver the construction works, procuring development management support and also where relevant sales and marketing expertise.

26. Currently the Council is seeking to deliver Phases 0-3 in accordance with the GLA grant conditions. Additionally, the Landlord Offer states that the Council will remain the landlord which means Phases 4 and 5 are material in terms of costs. The Council is exploring alternative delivery routes for these phases including purchasing the newbuild homes either via a Development Agreement or Joint Venture (where homes are in lieu of a land receipt).

27. Partnership model

The Council would act as master developer securing planning consent and land value and parcelling phases for sale and build via a private sector partner. This will

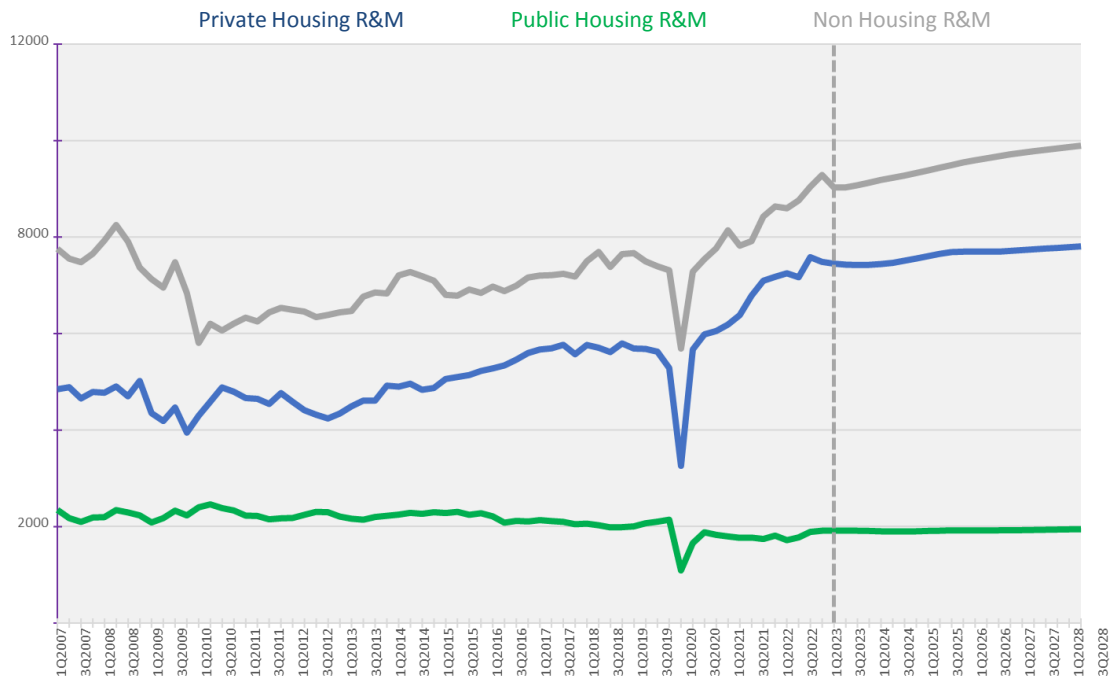
ensure the Council is able to progress the scheme during the next 5 years while establishing a mechanism for forward funding and land receipts from disposals. The strength of the rental market, and the emergence of the build-to-rent model, offers an alternative route to getting properties built and minimising sales risk. Institutional investors remain keen on this sector; it is likely to remain attractive for capital compared to most other sectors. Given the current market conditions the analysis demonstrates that there are significant benefits the Council to steward the regeneration of Joyce and Snell's, and kickstart the regeneration as counter cyclical to the current market conditions.

Affordability

28. Based on the current procurement and construction programme, expenditure is within the approved ten-year capital programme. Additionally, if we proceed to procurement and start works next year, the project and buyback costs will be offset by GLA grant up to **2028/2029**.

Relevance to Council Plans and Strategies

29. Despite the economic conditions, there is an opportunity for the Council to deliver transformation in Upper Edmonton and capitalise on future growth, while mitigating call on capital by using external funding. The key relevance to the Council plan can be summarised as:
- a. The Council has been awarded over £100m in grant from the GLA which is a reflection of their confidence in Council's track record to deliver more and better homes.
 - b. The drawdown of grant will help to fund the costs of infrastructure such as the heat network and a new pedestrian crossing at Sterling Way.
 - c. The Land Fund (£50m) will fund all acquisitions on the estate, including fees and compensation. This is a significant benefit in the early years of project delivery, reducing pressures on borrowing. Currently we are anticipating expenditure of c.£39m (including compensation payable) over the next 10 years for the acquisition of leaseholder interests to de-risk the project delivery. There are several leaseholders who are looking to move off the site and therefore we anticipate a high response rate when we formally commence offers this year. Additionally, there are freeholders and leaseholders in later Phases who would like to sell early. This would help to accelerate the construction phasing and enable the Council to enter into partnerships sooner.
30. If the Council did not proceed, it would be required to fund the works to all existing (over 30) blocks across the two estates. However, the economic conditions are also impacting existing repairs and maintenance and major works contracts. Currently there are a number of blocks which fall below decent homes and require investment of £10m. The costs of blocks are well in excess of £125m, indexed in future years. Additionally, there is no grant for decent homes works which would mean the Council carries the full cost and cost of borrowing. No borrowing is assumed in the HRA business plan which would impact revenue (repairs and maintenance) and Major works. This will worsen over time as costs will increase but revenue will remain the same or stagnate.



31. There is an opportunity to create a resilient, strong and safe community by maintaining delivery of Joyce and Snell's. The economic conditions remain challenging. Total output is stagnating, and future demand is forecast to soften and likely remain subdued over the next five years by the private sector. The Council is working to lobby for the right funding and support to ensure the viability and continuation of this scheme which is key to delivering the new homes residents need.

Report Author: Amena Matin
 Head of Regeneration and Growth
Amena.matin@enfield.gov.uk

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REGENERATION & ECONOMIC DEVELOPMENT SCRUTINY PANEL WORK PROGRAMME 2023/24

| Date of meeting | Topic | Report Author | Lead Members | Executive Director/ Director | Reason for proposal | Other committee/ Cabinet/Council approvals? |
|----------------------------------|--|-------------------------------------|---------------------|-------------------------------------|--|--|
| 26th June 2023 | Work Planning | | | | | |
| 12 OCT | Town Centres | Andrew Catcheside/ Richard Eason | | Brett Leahy | Regeneration – How will investment impact the Borough? Enfield Town & Edmonton Green | |
| | Economic conditions (Estate regeneration .eg Joyce & Snells) | TBC- Amena Matin to be included | | Joanne Drew/ James Wheeler | Market conditions and impact on housing i.e. Joyce & Snells. | |
| 1st NOV | Local Plan | May Hope | | Brett Leahy | | |
| 30TH JAN | Planning Performance | Brett Leahy | | Sarah Cary | Peer Review, Backlogs & improvements should be monitored. | |
| | Strategic Industrial | May | | Brett Leahy | Private and Council. Land | |

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|------------------------------|---------------------------------------|------------------------------------|--|---------------------|--|--|
| | land | Hope/Jennifer Gutteridge | | Penny James Wheeler | value, CIL and what it means for jobs & development in the borough. How do we maximise opportunities? To include an update on on Montague and Claverings | |
| 26TH MARCH | Partnerships & Skill gaps and funding | Ann-Marie Liddiard/ Nat Buckeridge | | Brett Leahy | Are we using the money received to get the best we can for skills? Aligned to our Council Plan. Skills gaps | |
| | Meridian Water | TBC | | Penny Halliday | | |