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THE CABINET

**Tuesday, 6th September, 2016 at 8.15 pm in the Conference Room,
Civic Centre, Silver Street, Enfield, EN1 3XA**

Membership:

Councillors : Doug Taylor (Leader of the Council), Achilleas Georgiou (Deputy Leader of the Council), Daniel Anderson (Cabinet Member for Environment), Yasemin Brett (Cabinet Member for Community, Arts & Culture), Alev Cazimoglu (Cabinet Member for Health & Social Care), Krystle Fonyonga (Cabinet Member for Community Safety & Public Health), Dino Lemonides (Cabinet Member for Finance & Efficiency), Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection), Ahmet Oykenen (Cabinet Member for Housing and Housing Regeneration) and Alan Sitkin (Cabinet Member for Economic Regeneration & Business Development)

Associate Cabinet Members

Note: The Associate Cabinet Member posts are non-executive, with no voting rights at Cabinet. Associate Cabinet Members are accountable to Cabinet and are invited to attend Cabinet meetings.

Bambos Charalambous (Associate Cabinet Member – Non Voting), George Savva MBE (Associate Cabinet Member – Non Voting) and Vicki Pite (Associate Cabinet Member – Non Voting)

NOTE: CONDUCT AT MEETINGS OF THE CABINET

Members of the public and representatives of the press are entitled to attend meetings of the Cabinet and to remain and hear discussions on matters within Part 1 of the agenda which is the public part of the meeting. They are not however, entitled to participate in any discussions.

AGENDA – PART 1

1. APOLOGIES FOR ABSENCE

2. DECLARATION OF INTERESTS

Members of the Cabinet are invited to identify any disclosable pecuniary, other pecuniary or non pecuniary interests relevant to items on the agenda.

DECISION ITEMS

3. URGENT ITEMS

The Chair will consider the admission of any reports (listed on the agenda but circulated late) which have not been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012.

Note: The above requirements state that agendas and reports should be circulated at least 5 clear working days in advance of meetings.

4. DEPUTATIONS

To note, that no requests for deputations have been received for presentation to this Cabinet meeting.

5. ITEMS TO BE REFERRED TO THE COUNCIL

To agree that the following reports be referred to full Council:

1. Report No.61 – Scrutiny Annual Work Programme 2016/17
2. Report Nos.67 and 72 – Re-provision 2 – Care Home Capital Funding and Procurement
3. Report Nos.69 and 74 – Montagu Industrial Estate Redevelopment

6. ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE (Pages 1 - 16)

SCRUTINY ANNUAL WORK PROGRAMME 2016/17

A report from the Director of Finance, Resources and Customer Services is attached. This presents the Scrutiny Annual Work Programme 2016/17. (Non key)

(Report No.61)
(8.20 – 8.25 pm)

7. REVENUE MONITORING REPORT 2016/17: JULY 2016 (Pages 17 - 36)

A report from the Director of Finance, Resources and Customer Services is attached. This sets out the Council's revenue budget monitoring position based on information to the end of July 2016. **(Key decision – reference number 4365)**

(Report No.62)
(8.25 – 8.30 pm)

8. CAPITAL PROGRAMME MONITOR - 1ST QUARTER 2016/17

A report from the Director of Finance, Resources and Customer Services **will be circulated as soon as possible. (Key decision – reference number 4362)**

(Report No.63)
(8.30 – 8.35 pm)

9. REVIEW OF CONSERVATION AREA CHARACTER APPRAISALS AND MANAGEMENT PROPOSALS: PHASE 3 (Pages 37 - 52)

A report from the Director - Regeneration and Environment is attached. This seeks approval of the revised Appraisals and Management Proposals as set out in the report. **(Key decision – reference number 4222)**

(Report No.64)
(8.35 – 8.40 pm)

10. HOUSING GATEWAY LIMITED ANNUAL REPORT (Pages 53 - 64)

A report from the Director of Finance, Resources and Customer Services is attached. This presents the Housing Gateway Ltd. Annual Report. (Report No.70, agenda part two also refers) (Non key)

(Report No.65)
(8.40 – 8.45 pm)

11. MERIDIAN WATER IN PRINCIPLE COMPULSORY PURCHASE ORDER
(Pages 65 - 88)

A report from the Director – Regeneration and Environment is attached. This seeks approval in principle to use its compulsory purchase powers for acquisition of land necessary for the delivery of the Meridian Water Regeneration Scheme. (Report No.71, agenda part two also refers) **(Key decision – reference number 4348)**

(Report No.66)
(8.45 – 8.50 pm)

12. REPROVISION 2 - CARE HOME CAPITAL FUNDING AND PROCUREMENT (Pages 89 - 102)

A report from the Director of Health, Housing and Adult Social Care and Director of Finance, Resources and Customer Services is attached. This summarises the need to secure additional high quality nursing supply for Enfield residents which is affordable and compliant with Care Quality Commission standards. (Report No.72, agenda part two also refers) **(Key decision – reference number 4337)**

(Report No.67)
(8.50 – 8.55 pm)

13. EDMONTON FUTURES HOUSING ZONE 2 (Pages 103 - 108)

A report from the Director of Regeneration and Environment is attached. This outlines proposals to progress the award of a second Housing Zone in Edmonton. (Report No.73, agenda part two also refers) **(Key decision – reference number 4334)**

(Report No.68)
(8.55 – 9.00 pm)

14. MONTAGU INDUSTRIAL ESTATE REDEVELOPMENT (Pages 109 - 130)

A report from the Director of Finance, Resources and Customer Services is attached. This sets out the preferred option for the Estate's redevelopment. (Report No.74, agenda part two also refers) **(Key decision – reference numbers 4357)**

(Report No.69)
(9.00 – 9.05 pm)

15. CABINET AGENDA PLANNING - FUTURE ITEMS (Pages 131 - 136)

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

16. MINUTES (Pages 137 - 144)

To confirm the minutes of the previous meeting of the Cabinet held on 16 August 2016.

INFORMATION ITEMS

17. ENFIELD STRATEGIC PARTNERSHIP UPDATE

To note that there are no written updates to be received at this meeting.

18. DATE OF NEXT MEETING

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 19 October 2016 at 8.15pm.

CONFIDENTIAL ITEMS

19. EXCLUSION OF THE PRESS AND PUBLIC

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 excluding the press and public from the meeting for the items of business listed on part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).
(Members are asked to refer to the part 2 agenda)

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MUNICIPAL YEAR 2016/2017 REPORT NO. **61**

MEETING TITLE AND DATE:

OSC

-25 May 2016

CMB

-19 July 2016

Cabinet

- 6 September 2016

Council

-21 September 2016

REPORT OF:

Overview & Scrutiny Committee

Contact officer and telephone number:

Claire Johnson Interim Governance Manager Tel: 020 8379 4239

e-mail: Claire.johnson@enfield.gov.uk

Agenda - Part: 1	Item: 6
Subject:	
SCRUTINY WORK PROGRAMME 2016/17	
WARDS: None Specific	
Cabinet Members consulted: Cllr Georgiou Other Members consulted – Overview & Scrutiny Committee	

1. EXECUTIVE SUMMARY

- 1.1 This report and Appendix 1 sets out the Scrutiny work programme and workstreams for 2016/17 for the Council's Overview & Scrutiny Committee (OSC), Health Standing Panel and Crime Standing Panel.
- 1.2 The Council's Constitution requires that the work programme proposed by OSC is adopted by Council on the recommendation of the Overview & Scrutiny Committee, following consultation with the Cabinet and the Corporate Management Board (CMB).
- 1.3 In addition the report is also seeking approval from Council, to reassign the Council's Statutory Scrutiny Officer role in accordance with Section 9FB of the Local Government Act 2000.

2. RECOMMENDATIONS

- 2.1 Cabinet is being invited to comment on the Overview & Scrutiny Committee proposed work programme and workstreams for 2016/17, prior to approval by Council.
- 2.2 Council is asked to approve that the Head of Governance and Electoral Services is designated as the Council's Statutory Scrutiny Officer as detailed in section 6 of the report.

3. BACKGROUND

- 3.1 The Overview and Scrutiny Committee sets its own work programme for the year, taking into consideration wider consultation with Cabinet, CMB, and stakeholders.
- 3.2 OSC consists of one overarching Overview & Scrutiny Committee, 2 Standing Panels on Health and Crime, with an OSC Chair and 5 members, 4 majority and 2 opposition. Each member of the committee will lead on a workstream, therefore there will be up to 5 workstreams operating at any one time, with the option of 6 workstreams if the Chair decides to lead on an area.
- 3.3 Workstreams, being task and finish groups, are by definition of varying durations with some being more condensed than others. Therefore, to enable a wider span of effective coverage in each municipal year, subject to support resource capacity, OSC has an ongoing 'waiting list' of pre-agreed additional topics or themes ready to replace workstreams once they have been fully concluded. This provides continuity and ensures that a forward plan is in place from the start of and for the whole of the forthcoming year, as occurred in 2016/17.

4.0 Overview & Scrutiny Committee

- 4.1 OSC met on the 25 May 2016 and agreed the workstreams for 2016/17. The Crime Standing Panel and the Health Standing Panel met and agreed their work programme on the 5th July 2016 and the 6th July 2016 respectively. The OSC work programme, Crime and Health Standing Panel work programmes are shown at Appendix 1; the agreed workstreams are shown as Appendix 2.
- 4.2 Membership of the workstreams will be agreed with the OSC leads and party whips, allocating non-executive councillors to the workstreams who have expressed an interest in undertaking scrutiny in those areas. Membership of the workstreams is cross party and will reflect political proportionality. However membership numbers can be flexible on the workstreams, and once the workstream has finished, the membership is disbanded.
- 4.3 The workstreams on Health and Crime will particularly draw their members from an agreed pool of councillors who have expressed an interest to be involved in those areas. This will remain constant for the whole year and will be on a politically proportionate basis. This consistency in membership will allow these workstreams to develop a watching brief in these issues and build up a level of knowledge and expertise amongst members.

5.0 Engagement Protocol

- 5.1 The Protocol to engage and involve Directors, Chairs of Boards, statutory bodies and other key stakeholders was agreed by CMB in July 2013. Therefore CMB is consulted, and the Scrutiny work programme will be an item for information on the agenda for the Health & Wellbeing board and the Safer

and Stronger Communities Board. In addition, the work programmes will be sent to key stakeholders such as Health, the Police, CCG, and EVA.

5.2 Cabinet is asked to note that before beginning its work, each workstream will agree a scope for the review including:

- Terms of reference
- Desired outcomes
- Key stakeholders
- Training/information required for members to prepare for the review
- Timescale for the review
- Resources required (member and officer)
- Co-optees

6. Statutory Scrutiny Officer Role

6.1 Section 9FB of the Local Government Act 2000 makes provision for the appointment of a Statutory Scrutiny Officer. At present this falls under the remit of the Head of Electoral, Registration and Governance Services.

6.2 As a result of the previous Head of Service having left the Council, there is now a requirement to reassign this statutory role. Council approval is therefore being sought to place the Statutory Scrutiny officer role within the remit of the newly created Head of Governance and Electoral Services post, which has now replaced the previous Head of Electoral, Registration and Governance Services position.

7. COMMENTS FROM CMB

7.1 CMB noted the Overview and Scrutiny Committee proposed work programme and workstreams for 2016/17.

8. REASONS FOR RECOMMENDATIONS

To comply with the requirements of the Council's Constitution, as the work programme has to be formally adopted by Council. In addition, scrutiny is essential to good governance. It enables the voice and concerns of residents and communities to be heard, and provides positive challenge and accountability.

9. ALTERNATIVE OPTIONS CONSIDERED

No other options have been considered as the Overview & Scrutiny Committee is required, under the Council's Constitution, to present an annual scrutiny work programme to Council for adoption.

10. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

10.1 Financial Implications

Any cost implications of undertaking the Scrutiny workstreams must be contained within budgeted resources.

10.2 Legal Implications

The recommendations within this report for adoption of the annual Scrutiny Workstream Programme are lawful and will help support the Council in meeting its statutory obligations for effective overview and scrutiny.

The Council has statutory duties within an existing legal framework to make arrangements for scrutiny of its decisions and service delivery and the areas of crime and health, which are covered within these recommendations.

The setting of the annual Scrutiny Workstream Programme is a matter for the Council, following consultation with directors, members and key stakeholders within an agreed protocol. These requirements are set out in the Council's Constitution.

The Council should consider its ongoing duties under the Equality Act to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity between people who share a protected characteristic and those who do not and consider how its decisions will contribute towards meeting these duties.

The recommendation to designate the Head of Governance and Electoral Services as the statutory scrutiny officer will secure compliance with the Council's duty under s31 Local Democracy, Economic Development and Construction Act 2009 and Section 9FB of the Local Government Act 2000 to designate an officer as Statutory Scrutiny Officer.

10.3 Key Risks

There are no key risks associated with this report. Any risks relating to individual scrutiny workstreams will be identified and assessed through the scoping process.

11. IMPACT ON COUNCIL PRIORITIES

11.1 Fairness for All

OSC will monitor the scrutiny work programme to ensure that it addresses issues affecting a wide range of Enfield residents and that services provided are fair and equitable.

11.2 Growth & Sustainability

As part of the approach towards scrutiny, reviews will consider issues relating to sustainability.

11.3 Strong Communities

OSC will ensure that the work programme continues to include active participation from residents and that reviews contribute to building strong communities.

12. EQUALITIES IMPACT IMPLICATIONS

Equalities impact assessments relating to individual scrutiny workstreams and their recommendations will be assessed through the scrutiny process.

13. PERFORMANCE MANAGEMENT IMPLICATIONS

OSC will monitor the work programme and ensure that review recommendations are acted on and implemented by departments.

14. PUBLIC HEALTH IMPLICATIONS

There are no direct public health implications of this report, but rather what happens as a result of scrutiny.

Background Papers

None

OSC WORK PROGRAMME 2016/17

Appendix 1

WORK	Lead Officer	25 May (Planning)	14 July	8 Sept	10 Nov	19 Jan	23 Feb	27 April
Work Programme								
Setting the Overview & Scrutiny Annual Work Programme 2016/17	Andy Ellis	Agree Work Programme						
Selection of New Workstreams for 2016/17 and 2017/18	Andy Ellis	Review and Approve Workstreams 16/17	Receive Scoping and discuss Enfield 2017 WS Scoping with Cllrs Georgiou and Lemonides					Consider/ Propose New Workstreams 17/18
Workstreams Update (standing and time-limited)	Andy Ellis			Update	Update		Update	Update on Adoption Workstream recommendations
Scrutiny Workstream Reports								
Agenda Planning	Andy Ellis							
Standing Items								
Children's and Young People's Issues	Tony Theodoulou / Julian Edwards			Looked After Children/Children in Need/ Child Protection - Tony Theodoulou, Julian Edwards Local Auth Designated Officer/	Fostering and Adoption		Troubled Families Maria Kelly SEND Janet Leech	Adoption Regionalisation

WORK	Lead Officer	25 May (Planning)	14 July	8 Sept	10 Nov	19 Jan	23 Feb	27 April
				Ind Review Officer Anne Stocker				
Enfield 2017	James Rolfe				Update		Update	
Monitoring/Updates								
Child Sexual Exploitation Task Group	Anne Stoker						Update	
Scrutiny Involvement in Budget Consultation 17/18	Andy Ellis			Cllr Lemonides to give an overview of progress – moved to a dedicated meeting in October.		Budget Meeting		
Safeguarding Annual Report - Adults Services	Marion Harrington (Independent Chair) Sharon Burgess (Head of Safeguarding Adults)				Report			
Safeguarding Annual Report - Children's Services	Geraldine Gavin (Independent Chair) Head of Safeguarding Children				Report/Action Plan			

WORK	Lead Officer	25 May (Planning)	14 July	8 Sept	10 Nov	19 Jan	23 Feb	27 April
Equality and Diversity Annual Report	Ilhan Basharan						Report	
Annual Corporate Complaints Report	Nicholas Foster						Report	
HR Issues – How do we recruit and support people with disabilities and mental health issues	Julie Mirmagh							Report
Scrutiny Monitoring								
Scrutiny Annual Report	Claire Johnson							
Other Items/Specific Topics:								
Care Act	Bindi Nagra				6 month update on Care Act 2014 –Bindi Nagra			Update
Better Care Fund	Richard Young			6 month update Richard Young				Update
Town Centres and High Streets	Ian Davis						Update on the Inward Investment Strategy	
Housing Repairs	Ian Davis		Update					
Female Genital Mutilation	Dr Allison Duggal		Report					
Housing Allocations Policy	Sally McTernan				REPORT			

Note: Provisional call-in dates:- 7th & 30th June, 26th July, 3rd & 24th August, 29th September, 11th & 26th October, 22nd November,
13th December, 17th January, 16th February

Additional Items to be considered:- Local Plan Review/ Housing Benefit

Please note that the above programme may be subject to change during the course of the year

CRIME STANDING WORKSTREAM: WORK PROGRAMME 2016/2017

WORK	Lead Officer	Tuesday 5 July (Work Planning)	Thursday, 20 Oct	Wednesday 11 Jan	Wednesday, 22 Mar
Work Programme					
Panel Work Programme 2016/17 – To consider the work programme	Sue Payne	Agree work programme			
Standing Items					
SSCB Partnership Plan & Strategic Priorities – To review and participate in the development of the Plan and strategic priorities for 2017 – 18.	Andrea Clemons/ Sue Payne		6 month update- on current plan and progress update –		Progress Update –
SSCB Performance Management – provide a monitoring overview on performance of SSCB	Andrea Clemons/ Sue Payne		Monitoring Update	Monitoring Update	Monitoring Update
Update on Police numbers	Supt Carl Robinson		Update	Update	Update
Briefings, Monitoring & Updates:					
Prostitution	Andrea Clemons			Report	
Gangs	Andrea Clemons				Report
Begging	Andrea Clemons			Report	
Domestic Abuse	Andrea Clemons		Report		
Update on the effects of the 24 hour tube	Andrea Clemons, Carl Robinson				Update
Hate Crime	Andrea Clemons		Report		

Update on the effectiveness of MOPAC Estate Policing Contract	Andrea Clemons, Carl Robinson			Update	
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Please note that the above programme may be subject to change during the course of the year.

HEALTH STANDING SCRUTINY WORKSTREAM: WORK PROGRAMME 2016/2017

Work Programme	Lead Officer	Wednesday 5 th October 2016	Thursday 5 th January 2017	Thursday 23rd March 2017
Deadline for sending papers to Scrutiny Team		26th September	16th December	10th March
Annual Items				
Agree Annual Work Programme 2015/16	Andy Ellis	To agree		
NHS Trust Quality Accounts B&CF(RF), NMUH, BEHMHT, NL Hospice (in liaison with NCL JHOSC)	Trust Reps			If papers available
Monitoring Items				
Dental Services				Report
Community Pharmacy Services			Report	
North Middlesex Hospital	Libby McManus	Single item meeting		update
CCG Item	Sarah Thornton		Urgent Care Review. PAU review	Sustainability and Transformation Plan
Agenda Planning	Andy Ellis			
Scrutiny Workstream Reviews				
Sensory Impairment - Access to Services		Update	Update	Update

Agreed Scrutiny Workstreams 2016/17

APPENDIX 2

Subject	Scope	Workstream Lead and membership	Scrutiny contact
Quality of Communications	<ul style="list-style-type: none"> • Assess how we can compose letters to residents, partners and stakeholders that have a more personal feel. Letters should show our appreciation, respect and empathy when conveying bad or negative information. • Review the standard guidance available to all staff, is it appropriate? • Is there a role for Councillors – should they return poor communications back to the author? • Eradicate jargon from written correspondence and reports • Is our initial contact with personal visitors or telephone callers of an appropriate standard? 	<p>Derek Levy (Chair) Dinah Barry, Chris Bond, Erin Celebi (Vice Chair), Nick Dines, Vicki Pite</p>	Andy Ellis
Housing Repairs	<p>To understand any issues and suggest improvements and solutions, including looking at:</p> <ul style="list-style-type: none"> • Key performance indicators • Benchmarking with similar boroughs • Members case work examples • The involvement of the Customer Voice • The reporting process • Examples of good practice 	<p>Katherine Chibbah (Chair), Erin Celebi, Lee Chamberlain (Vice Chair), Bambos Charalambous, Jansev Jemal, Mary Maguire</p>	Sue Payne
Child and Adolescent Mental Health Services (CAMHS)	<p>To understand any issues and suggest improvements and solutions, including looking at:</p> <ul style="list-style-type: none"> • Are any children referred for mental health support turned away without help in Enfield • Reducing waiting times for assessment and treatment and improving access to service • To ensure best use of resources and equal access to services • To explore ways of reducing the stigma associated with mental health 	<p>Nneka Keazor (Chair), Nesil Cazimoglu, Christiana During, Mike Rye, Ozzie Uzoanya, Glynis Vince</p>	Sue Payne

Enfield 2017	<ul style="list-style-type: none"> • Project Management of Enfield 2017 up to going live • Is this demand driven? Are customers getting access to the services they need? • Rate of return on investment- financial analysis 	Edward Smith (Chair) , Vicki Pite, Don McGowan, Andrew Stafford, Claire Stewart	Sue Payne
Property Services	<p>The aim of the workstream is to review the strategic direction of the LBE property portfolio. Members will require information on the following</p> <ul style="list-style-type: none"> • Income generation • Vacancy factors • The billing process • The property register • The process for sales and acquisitions • Contract arrangements with the 3 property management companies (agricultural, retail and industrial) 	Joanne Laban (Chair) , Ali Bakir, Adeline Kepez, Mary Maguire, Toby Simon	Andy Ellis

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MUNICIPAL YEAR 2016/17 REPORT NO: 62**MEETING TITLE AND DATE:**

Cabinet
6th September 2016

AGENDA PART 1**ITEM 7**

**Subject: Revenue Monitoring Report
2016/17: July 2016**

Wards: All

Report Of:

Director of Finance, Resources and Customer Services

Contact:

Isabel Brittain: 0208 379 4744

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of July 2016. The report forecasts an outturn position of a £7.9m overspend for 2016/17. The report also seeks Cabinet approval to apply for the Government's multi-year settlement offer which guarantees a minimum level of funding over a four year period to provide greater certainty in financial planning.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the £7.9m overspend revenue outturn projection.
- 2.2 Agrees that departments reporting pressures should formulate and implement action plans to ensure that all possible actions are undertaken to remain within budget in 2016/17.
- 2.3 Agrees to an application being made to the Government to accept the multi-year settlement offer. Application for the multi-year settlement requires the Council to publish an efficiency plan on its website. Responsibility for preparing and publishing the efficiency plan should be devolved to the Director of Finance, Resources & Customer Services in consultation with the Cabinet Member for Finance & Efficiency. Further information on the application process, as well as the information expected in an efficiency plan is provided in Appendix D.

3. BACKGROUND

- 3.1 The Council's revenue expenditure against budget is monitored by regular monitoring reports to the Corporate Management Board and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council as a whole, and provide details of any projected additional budget pressures and risks, or any significant underspends.
- 3.2 The Revenue Monitoring Report is a result of the monthly monitoring process carried out by Departments, which is based on the following principles to ensure accuracy, transparency and consistency:

- Risk assessments, to enable greater emphasis to be placed on high-risk budgets throughout the year.
 - Comparisons between expenditure to date, current budgets and budget profiles.
 - Expenditure is predicted to the year-end, taking account of seasonal fluctuations and other determinants of demand.
 - The ‘Key Drivers’ that affect, particularly, the high-risk budgets are monitored and reported to Department Management Teams.
 - Action plans to deal with any areas that are predicting or experiencing problems staying within agreed budgets are produced.
- 3.3 This report provides information on the main budget variances and their causes that are affecting the Council across all departments. Although a full budget monitor is carried out each month, the variations in this report are deliberately limited to +/- variances of £50,000 or over in order to provide a greater strategic focus.
- 3.4 A summary overview of financial performance is outlined below in Table 1. The intention of this is to provide the key highlight messages in a “dashboard” style summary. It is designed to capture the key messages across the Council's main financial areas, namely:
1. Income and expenditure;
 2. Balance sheet (liquidity, debtor/creditor management, investments and use of balances); and
 3. Cash flow forecasting and management.

Table 1: Summary performance overview

Area of review	Key highlights	Risk Rating		
		June	July	Aug
Income and expenditure position	<ul style="list-style-type: none"> • Year-end forecast variances of £7.9m overspend have been identified to date in relation to General Fund net controllable expenditure. Budget variances identified to date will need to be managed closely to ensure timely appropriate action can be taken. 	Red	Red	
	<ul style="list-style-type: none"> • Budget profiling across all departmental budgets will continue to be applied in order to better reflect predicted net spending patterns throughout the year. Budget holders now profile individual budgets based on anticipated spend across the year. 	Green	Green	
	<ul style="list-style-type: none"> • The HRA is projecting a level spend position for year-end outturn against budget. 	Green	Green	
Balance Sheet	<ul style="list-style-type: none"> • The current profile of cash investments continues to be in accordance with the Council's approved strategy for prioritising security of funds over rate of return. 	Green	Green	
	<ul style="list-style-type: none"> • The year-end outturn projection for the General Fund balances will meet the Council's Medium Term Financial Strategy target levels based on the use of uncommitted reserves to meet the one-off overspends in 2016/17. 	Green	Green	
Cash flow	<ul style="list-style-type: none"> • The Council's cash balances and cashflow forecast for the year (including borrowing) will ensure sufficient funds are available to cover planned capital and revenue commitments when they fall due. 	Green	Green	
	<ul style="list-style-type: none"> • Interest receipts forecast for the year are on target with budget. 	Green	Green	

4. July 2016 Monitoring – General Fund

4.1 Below is a summary of the projected outturn variances broken down between departments:

Table 2: Forecast Projected Departmental Outturn Variances

July 16 Department	Net Controllable Budget				
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	July Variation
	£000s	£000s	£000s	£000s	£000s
Chief Executive	4,307	(42)	4,265	4,265	0
Regeneration & Environment	24,956	1,187	26,143	25,720	(423)
Finance, Resources & Customer Services	53,449	(6,432)	47,017	49,198	2,181
Health, Housing and Adult Social Care	78,003	(1,590)	76,413	80,757	4,344
Children's Services	44,935	250	45,185	46,983	1,798
Enfield 2017	(14,650)	7,008	(7,642)	(7,642)	0
Total Department Budgets	191,000	381	191,381	199,281	7,900
Contribution from reserves	0	0	0	0	0
Collection Fund	(1,319)	0	(1,319)	(1,319)	0
Corporate Items	46,791	(381)	46,410	46,410	0
Government Funding	(128,557)	0	(128,557)	(128,557)	0
Council Tax Requirement	107,915	0	107,915	115,815	7,900

4.2 The comparison to the position at this stage last year shows a marked increase overall mainly due to the increase in the FRCS & HHASC departmental variances. The 2015/16 outturn was eventually contained within budget although it should be noted that General Fund Earmarked Reserves reduced by £19.8m.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & PROJECTED SAVINGS

5.1 Chief Executive's Department (Appendix A1)

The department is currently projecting an overall level spend position; explanations for variances over £50k are detailed in Appendix A1.

5.2 Regeneration & Environment (Appendix A2)

The department is currently projecting a favourable variance of £0.423m; explanations for variances over £50k are detailed in Appendix A2.

5.3 Finance, Resources & Customer Services (Appendix A3)

Finance Resources and Customer Services are currently projecting an overspend position of £2.1m; explanations for variances over £50k are detailed in Appendix A3.

5.4 Health, Housing & Adult Social Care (Appendix A4)

The department is currently forecasting a projected budget overspend of £4.3m;

explanations for variances over £50k are detailed in Appendix A4.

5.5 Children's Services (Appendix A5)

Children's Services are currently projecting an overspend position of £1.8m; explanations for variances over £50k are detailed in Appendix A5.

5.6 Schools Budgets (Appendix A6)

These variations do not form part of the General Fund position but are reported for information in Appendix A6.

6. OTHER GENERAL FUND ITEMS

6.1 Treasury Management and cash flow analysis

The Bank of England reduced the base rate to 0.25% on 4th August 2016. Public Works Loan Board (PWLB) long term and short term rates fell significantly following the announcement. We are advised by Capita, our Treasury Consultants, that yields are now at historic lows and borrowing should be considered if appropriate to the Council's strategy. There is particular value in the 40 to 50 year range at present but other periods will also be considered if more appropriate locally. As the outlook continues to be uncertain we are advised that borrowing should be made in tranches to benefit from the current rates but also to provide some flexibility if rates fall further. A summary of this year's Treasury management activity is set out in Appendix B.

6.2 Corporate Items (Including Contingency & Contingent Items) General Fund

The Council maintains a general contingency of £1.0m. It is expected that £0.8m of this contingency will be utilised for the funding of expenditure in Schools & Children's Services relating to No Recourse to Public Funds costs agreed by Cabinet in 2014-15.

7. Housing Revenue Account (HRA) – Projected Nil Variance

The HRA projection for July shows no major variances. It is too early in the year to predict a variance to the Day to Day Repairs and Maintenance budget, but this continues to be monitored closely.

This year, any identified underspends which are deemed to be ongoing will continue to be removed from managers' budgets in order to assist in addressing the impact of the Government's social rent policy and Housing and Planning Act requirements. There is a target to find £2m of ongoing savings during 2016/17, of which a net £652k has been found to date. This is in addition to the savings of £1.955m identified in 2015/16.

8. ACHIEVEMENT OF SAVINGS

8.1 The 2016/17 Budget Report included new savings and the achievement of increased income totalling £12.9m to be made in 2016/17.

8.2 Information on the progress in achieving the departmental savings is included in Appendix C of this report.

9. ALTERNATIVE OPTIONS CONSIDERED

Not applicable to this report.

10. REASONS FOR RECOMMENDATIONS

To ensure that Members are aware of the projected budgetary position, including all major budget pressures and underspends which have contributed to the present monthly position and that are likely to affect the final outturn.

11. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

11.1 Financial Implications

As the Section 151 Officer, the Director of Finance, Resources & Customer Services is required to keep under review the financial position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets.

11.2 Legal Implications

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

11.3 Property Implications

Not applicable in this report.

12. KEY RISKS

There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the Medium Term Financial Plan:-

- Achievement of challenging savings targets.
- State of the UK economy - which impacts on the Council's ability to raise income from fees and charges and on the provision for bad debt.
- Uncontrollable demand-led Service Pressures e.g. Adult Social Care, Child Protection etc.
- Potential adjustments which may arise from the audit of various Grant Claims.
- Movement in interest rates.

Risks associated with specific Services are mentioned elsewhere in this report.

13. IMPACT ON COUNCIL PRIORITIES

13.1 Fairness for All – The recommendations in the report fully accord with this Council priority.

13.2 Growth and Sustainability – The recommendations in the report fully accord with this Council priority.

13.3 Strong Communities – The recommendations in the report fully accord with this Council priority.

14. EQUALITIES IMPACT IMPLICATIONS

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

The Council does not discriminate on grounds of age, colour, disability, ethnic origin, gender, HIV status, immigration status, marital status, social or economic status, nationality or national origins, race, faith, religious beliefs, responsibility for dependants, sexual orientation, gender identity, pregnancy and maternity, trade union membership or unrelated criminal conviction. The Council will promote equality of access and opportunity for those in our community who suffer from unfair treatment on any of these grounds including those disadvantaged through multiple forms of discrimination.

Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

15. PERFORMANCE MANAGEMENT IMPLICATIONS

The report provides clear evidence of sound financial management and efficient use of resources.

Appendix A1

Chief Executive	Budget Variation July 2016 (£'000)
No variances to report.	
Chief Executive Total	0

Appendix A2

Regeneration & Environment Department	Forecast Budget Variation July 2016 (£'000)
Regeneration & Environment Department – July 2016 Budget Monitoring projected outturn position is a favourable variance of £423k; explanations for variances over £50k are detailed below:	
Director's Office - Savings identified through on-going service efficiency reviews across the department.	(115)
Community Safety - Salary underspend.	(59)
Regulatory Services - External legal costs £80k (prosecutions) and £32k salary overspend.	112
Planning Applications - Salary underspend and pre-application income.	(236)
Highways Services - Reduced New Roads Street Works Act receipts of £133k and £35k on additional tree works.	168
Street Lighting - Overspend.	70
Traffic & Transportation - Additional Temporary Traffic Order income.	(116)
PRS – AD (Waste Client) - Overspend due to 'invest to save' communications campaign (£220k) targeting reductions in recycling contamination.	162
Waste Client - £347k pressure on dry recycling contract due to contamination issues. £21k underspend in salary costs.	326
Vehicles Leasing and Equipment Replacement - Continued focus on targeting vehicle and equipment replacement programmes.	(100)
Commercial Services - Salary underspend.	(56)
Cemeteries Operations - Cemeteries income overachievement.	(158)
Commercial Waste - Additional income generated from the successful marketing of the commercial waste services.	(142)
Commercial Service (Parks) - Parks events additional income.	(109)
Waste Operations Service - Salaries overspend (bank holiday).	68
Skills For Work Service - The service is currently projected to overspend by £297k. This has been offset by a £200k one-off contribution whilst a restructure has commenced which will prevent future overspends beyond this financial year.	97
Regeneration - Rental income derived from 'meanwhile uses' created on regeneration schemes.	(103)
Other variances under £50k not reported	(232)
Regeneration and Environment Total	(423)

Appendix A3

Finance, Resources & Customer Services	Budget Variation July 2016 (£'000)
Information & Communications Technology (ICT) - Overspend is due to continued revenue pressure as ICT picks up all revenue costs for new projects with no new revenue budget identified, i.e. Enfield 2017 Platform. A review of the capital programme will be undertaken to see whether any re-profiling could take place to pick up any of the revenue pressures.	850
Unfunded MFD costs	250
Legal & Corporate Governance Services - Overspend within this service area is due to staffing cost overspends in Legal and Corporate Governance (£229k)	229
Property Services Variance due to shortfall in income and loss of income from vacant properties.	852
Other Items	
Use of reserves and other control measures	
Finance, Resources & Customer Services Total	2,181

Health, Housing & Adult Social Care

Appendix A4

Health, Housing and Adult Social Care	Forecast Budget Variation July 2016 (£'000)
Adult Social Care Key assumptions within the forecast are based on projected activity and year to year trends. In future years there are increased budget pressures due to demographic pressures, provider cost pressures and a growing demand for social care services.	
Strategy & Resources - There is a minimum of £110k of transport pressures. This is dependent on all the savings being achieved.	110
Mental Health - The service is currently projecting an overspend for the year on care packages.	409
Learning Disabilities - The service continues to project an overspend position as a result of managing demand led services. Not included in the monitor are additional risks of £600k for Ordinary Residence.	2,103
Older People and Physical Disabilities (the Customer Pathway) - The service is projecting care purchasing overspends against a net budget of £30.4m, due to demand led services. This position is consistent with last year's care purchasing overspend.	2,652
Independence & Wellbeing Services - Client income at the two in-house residential homes is less than expected. With the provision of the new home, running costs will be reduced in the longer term.	200
Public Health Grant The Departmental forecast also includes ring fenced Public Health Grant. Public Health grant allocated in 2016/17 is now £17.7m, this reflects a reduction in grant of £409k, with additional reductions of £1.3m planned over the next three years. The Public Health grant is ring fenced and used as per the Department of Health guidance.	0
Other control measures - Use of the Better Care Fund £1.5m and the use of one off monies and further management actions £1.5m.	(3,000)
Adult Social Care & Public Health	2,474
Community Housing	
Housing Related Support. - The savings in 2016/17 were £2.6m in Housing Related Support. The overspend is from Housing Related Support contracts. Savings have already been made in this area in 16/17 and the variance is a result of delayed savings. This service will be closely monitored to ensure the achievement of future year savings.	1,300
Homelessness & Temporary Accommodation - There is a net overspend of £570k over these areas. This is predominantly made up of a £455k overspend resulting from an increase in rents paid in the Private Sector Leased portfolio and Private Leased Annexe portfolio. There is also a projected overspend on Bad Debt of £245k. These are partially offset by a decrease in HRA recharges (£30k) and a projected £100k collection of Amenity charges.	570
Transfer back to reserve to fund initiatives - The reserve opening balance at 1 April 2016 is £566k, £536k will be utilised to fund PSL and PLA incentives and £30k to fund further work by RMG.	0
Community Housing	1,870
Health, Housing and Adult Social Care Total	4,344

HHASC Overall Summary Position

Appendix A4

<p>The HHASC Department is currently forecasting a projected budget overspend of £4.34m, which is made up of £2.36m in Adult Social Care, £0.11m in Strategy & Resources, £1.3m in Housing related support and £0.57m in Temporary Accommodation. The table below shows the ASC pressures and savings.</p> <p>The July monitor contains a level of uncertainty on risks and pressures which will be crystallised in future months. The main forecast pressures are in Learning Disabilities £2.1m, Older People and Physical Disabilities £2.65m, Mental Health £409k and Independence & Wellbeing Services £200k. £3.0m of planned control measures reduce the overspend position being reported on Adult Social Care. These figures include the allocation of 2016/17 Better Care Fund monies and the Adult Social Services Precept. The Department delivered savings of £6.7m last year and contained in year pressures using £3m of one-off resources. Further budget control actions are being taken, along with exploring opportunities to maximise BCF allocations which should reduce the projection in the August Monitor.</p>	
ASC Pressures and Savings	£m
Savings for 16/17 (Excludes Housing Related Support savings of £2.6m)	7.70
Demographic Pressures	2.60
DoLS-Pressure	0.80
National Living Wage	1.30
Contract Inflation	0.76
Pressures contained in 15/16 for which one off reserve was used	3.00
Total Pressures into 16/17	16.16
ASC -Precept	-2.10
Total Pressures 16/17	14.06

Appendix A5

Children's Services	Budget Variation July 2016 (£'000)
Catering The over achievement of income has increased. This is mainly due to the primary and secondary schools projecting a higher update of school meals coupled with a food rebate from suppliers.	(198)
SEN Transport is currently anticipating the same level of expenditure as last year. This will mean that the service will be overspent by £2.02m this year.	2,028
Integrated Commissioning is reporting an overspend of £63k. £84k relates to unachieved savings across the service. There is a £26k YEP budget to be returned to this service and £5k relates to salary overspend.	63
External Residential Child Care Placements The external residential placements budgets are showing a net underspend of £76k, based on current and planned placements. There was an overspend of £593k within this budget in 2015-16 however a growth in the 2016-17 budget of £185k was approved to support the on-going pressures in this area. This is largely due to a higher than expected number of adolescent children coming into care who cannot be accommodated by our in house fostering service due to their complex needs. The July monitoring projection includes planned placements but possible additional placements totalling £580k are not reported.	(76)
Adoption Allowances This service area has seen a budget growth in 2016-17 of £350k, however the service is still projecting an overspend. Allowances are projecting to overspend by £120k which are offset by savings within other operating costs reducing the pressure to £72k. At present, 25 additional allowances are expected. There is a risk that this overspend however could increase, where for example an additional 40 allowance payments would lead to an estimated pressure of £450k based on a 50:50 split of Special Guardianship & Adoption allowances. The July projection has increased since last month by £25k due to 2 new SGO's.	72

Appendix A5

Children's Services	Budget Variation July 2016 (£'000)
<p>Leaving Care - Client Costs The Leaving Care client costs budget is projecting to overspend by £60k. There has been a budget increase of £870k in 2016-17 which in part explains the reduced overspend compared to last year. There is however a significant risk that this overspend will increase when new clients come into care and existing package costs increasing with delays in clients moving on to independence. Based on behaviour of activity last year it has been estimated that this could be in the region of £450k. The LAC service are continuing to review the most expensive support packages and exploring alternative or new options for service provision for these clients where possible. There is also a shortage of semi-independent accommodation which means clients are unable to be moved from their expensive residential placements. The July projection has increased since last month by £50k due to 3 new clients.</p>	110
<p>Unaccompanied Asylum Seeking Children Savings are currently projected due a budget increase (£187k) within the UASC budget but also an increase (effective from July 2016) in the rates paid in the Home Office grant received. There has been a rapid increase in placements historically over the years, however in light of the UK leaving the EU it is difficult to predict the behaviour of these numbers at this stage. Between April and June 2016 there have been 9 new clients. The net spend on this budget was £203k higher in 2015-16 than the July projection and there is a risk that additional support hours may be required which may deplete savings currently projected. A national transfer protocol of UASC's has been created to enable the safe transfer of unaccompanied children from one local authority to another. Enfield is one London Borough that has more than its share of UASCs within its overall LAC population. Therefore costs may stabilise due to a London rota scheme in place to accommodate new arrivals. A review of client costs in July has identified a £27k reduction in the saving previously reported.</p>	(154)
<p>Youth Strategy & Support Service An overspend of £59k is projected due to unbudgeted early retirement pension costs of 2 senior management posts which have been deleted.</p>	59
<p>Other Minor Variations</p>	(106)
<p>Children's Services Total</p>	1,798

Schools Budget	Budget Variation July 2016 (£'000)
Education Services	
Early Years. This service is reporting an underspend due to placements for 2 year olds and 3&4 year olds being less than anticipated. This is partly as result of a cut in promoting the 2 year old placements.	(1,869)
Reduction in DSG Early Years Block. Actual 16/17 allocation reflecting numbers as at Jan 2016 census lower than estimated. Offset by lower placement costs reported above	1,911
Special Education Needs	
Mainstream Tuition. At this early stage of the cycle, demand has been based on last year's figures. This is forecast to underspend by £252k	(252)
Independent Day It is anticipated that there will be an increase in the number of children over and above the budgeted amount. This will result in an overspend of £566k	283
Independent Residential. It is anticipated that there will be an increase in the number of children requiring this service in excess of the budget. This is expected to show an overspend of £593k	593
School Revenue Budget The summer term SEN count has shown an increase in the number of Education, Health & Care Plans (EHCP). Consequently, this has resulted in an increase in the spend on the Primary & Secondary revenue budgets to meet this demand.	300
High Needs Contingency Contingency for high needs pressures not yet utilised but is expected to be fully used during the financial year (see School Budget Risks below)	(850)
Budgets with no/ minor variances	(87)
Total Variation – Schools Budget	29

Schools Budget Risks There are additional pressure areas in the Schools Budget, particularly in relation to SEN which are expected to result in additional costs later in the financial year. These include the expansion of Waverley School to create additional early years provision which is estimated to cost £300k in 16/17 and the ongoing increase in the cost of funding additional Education, Health and Care Plans for pupils in mainstream schools. The high needs contingency funding available had already been utilised so any additional pressure will result in a DSG overspend.

Treasury Management Cashflow Investments & Borrowing as at 31 July 2016

The Treasury Management position as at 31 July 2016 is set out below:

	Jun-15	Sep-15	Dec-15	Feb-16	May-16	Jun-16	Jul-16
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Long term borrowing	272,532	314,986	324,986	354,837	352,641	362,241	362,241
Short-term borrowing	17,000	19,000	39,000	58,000	63,000	64,000	81,000
Total borrowing	289,532	333,986	363,986	412,837	415,641	426,241	443,241
Total investments	19,315	46,195	30,560	41,220	16,695	28,150	7,325
Net debt	270,217	287,791	333,426	371,617	398,946	398,091	435,916
Increase in Net debt since 1 June 15		17,574	63,209	101,400	128,729	127,874	165,699

Movement in debt

	01-Apr-16	Debt repaid	New debt	31-Jul-16
	£000's	£000's	£000's	£000's
PWLB	287,478	(250)	10000	297,228
Commercial loan	30,000	0	0	30,000
Local Authority Borrowing	18,000	0	0	18,000
Salix	1,462	0	0	1,462
Temporary borrowing	86,000	(55,000)	50,000	81,000
LT Borrowing from LEEF	5,850	(151)	0	5,699
EIB LT Borrowing	9,851	0	0	9,851
Total borrowing	438,641	(55,401)	60,000	443,240

London Borough of Enfield Investments at 31 July 16

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity	Days to Maturity	Lowest Credit Rating
Call Accounts							
HSBC TREASURY CENTRE CALL ACCOUNT	4,325,000	n/a	On demand	0.47%			
SVENSKA HANDELSBANKEN CALL ACCOUNT	3,000,000	n/a	On demand	0.50%			
Notice Accounts							
Santander 31 Day Notice Account	0	-	On demand	-			
Money Market Funds							
HSBC Sterling	0	-	On demand	0.44%			AAAm*
GOLDMAN SACHS STERLING LIQUID RESERVE FUND		n/a	On demand	0.45%			
IGNIS LIQUIDITY FUND		n/a	On demand	0.53%			
Long Term Deposits							
Lloyds Bank PLC	0		-	-			A
Total - Investments	7,325,000		Average	0.48%	0	0	
Number of Investments	2						

London Borough of Enfield Short Term loans at 31 July 2016

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
Workingham BC	£2,000,000	08/09/2015	18/08/2016	0.50%	18
South Ayrshire Council	£5,000,000	27/10/2015	25/10/2016	0.55%	86
Milton Keynes	£10,000,000	01/12/2015	30/11/2016	0.60%	122
West Somerset DC	£2,000,000	15/01/2016	13/01/2017	0.56%	166
L.B. of Islington	£5,000,000	28/01/2016	26/01/2017	0.60%	179
West Midlands Police Commissioner	£5,000,000	29/01/2016	27/01/2017	0.60%	180
Chichester DC	£2,000,000	29/01/2016	28/01/2017	0.60%	181
Tameside MBC	£10,000,000	01/04/2016	03/10/2016	0.57%	64
West Yorkshire Combined Authority	£10,000,000	15/04/2016	13/04/2017	0.55%	256
SEDGEMOOR DISTRICT COUNCIL	£5,000,000	02/06/2016	03/04/2017	0.60%	246
POLICE AND CRIME COMMISSION FOR WEST YORKSHIRE	£5,000,000	07/06/2016	07/04/2017	0.58%	250
WEST YORKSHIRE COMBINED AUTHORITY	£5,000,000	15/07/2016	18/04/2017	0.47%	261
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	11/07/2016	11/04/2017	0.49%	254
CHELMSFORD BOROUGH COUNCIL	£5,000,000	15/07/2016	14/07/2017	0.42%	348
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	19/07/2016	18/07/2017	0.39%	352
Total	£81,000,000		Average	0.54%	198

Appendix C – Savings Monitoring

July 2016

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Regeneration & Environment	0	0%	(60)	3%	(2,120)	97%	0	0%	(2,180)
Finance, Resources & Customer Services	(122)	37%	(209)	63%	0	0%	0	0%	(331)
Housing, Health & Adult Social Care	(1,170)	17%	(3,787)	55%	(1,912)	28%	0	0%	(6,869)
Schools & Children's Services	(352)	11%	(2,829)	89%	0	0%	0	0%	(3,181)
Chief Executive	0	0%	0	0%	(300)	100%	0	0%	(300)
Total New Savings for 2016/17	(1,644)	13%	(6,885)	53%	(4,332)	34%	0	0%	(12,861)
									(12,861)

Appendix D

Multi-year settlement agreement

Cabinet approval is sought for applying for the Government's four year funding agreement. In order to apply, an efficiency plan must be published on the Council's website and an application must be made to the Government by the deadline of 14th October 2016. There is growing uncertainty regarding public finances following the BREXIT decision and the Chancellor has indicated that he may reset some public finances in this year's Autumn Statement. Given this background, achieving some security in the level of funding Enfield will receive over the medium term would be desirable.

Background

Local authorities have taken the biggest hit in terms of central government cuts since 2010. The scale of the reduction, along with a degree of volatility around the phasing / timing of these cuts to different authority types, has made it very difficult for authorities to plan their spending priorities strategically. The need for effective medium term planning has never been stronger.

The government's response has been an offer of a guaranteed minimum grant envelope, paid to councils for a 4-year period from April 2016 covering Revenue Support Grant, transitional funding and Rural Services Delivery Grant. This should increase local authority certainty and confidence and would be a key step towards supporting councils to strengthen financial management and work collaboratively with local partners when considering the way local services are provided in future.

What is an efficiency plan?

Every council in the country is different. Each will have its own vision, policies, opportunities and challenges and each will be at a different stage in its journey to financial sustainability.

So no two efficiency plans are likely to focus on the same things, have common aims or include the same reports. Each council should therefore be judged on its own merits when the government are reviewing their plans. Key considerations may include: How clear are the targets? What role is partnership working expected to take? What are the aspirations around transformation programmes? How are councils planning to achieve their efficiencies? Is there clear ownership and accountability? And is there robustness around the management, monitoring and measurement of outcomes?

The way a council chooses to put this story together in their efficiency plan remains for them to decide, as is the supporting documents that they would choose to include.

Content of an efficiency plan

- The cornerstone of the efficiency plan is the Medium Term Financial Plan (MTFP) for the four years of the offer. Not just the numbers in a table, but a short narrative that sets out what a council intends to do to address the challenge of financial sustainability and where it hopes to be at the end of the period. An efficiency plan needs to be about more than just money.
- Most practitioners favour a short 2–4 page narrative, with typical documents to support this narrative to include the latest budget, corporate plan, transformation plan, asset-management plan and baseline organisational structure.
- It follows that an efficiency plan needs to have clear links to the Council's corporate plan and where the authority is involved in key partnerships, such as shared management arrangements or progress towards a combined authority. It should acknowledge any links with partner organisations and plans that this entails.
- It also needs to reference ongoing and planned transformation projects and programmes where these are significant in ensuring the council reduces its costs or generates additional income locally.
- However, an efficiency plan need not be any more than an 'abridged version' of key / existing public documents already put together by the council. The Council should not find itself doing a major piece of extra work to deliver an efficiency plan.
- Councils could consider presenting the efficiency plan by theme, for example, what it is doing to grow its local economy, to bear down on costs, to manage current and future demand or to re-forge its 'contract' with local residents.

Key Principles of the Medium Term Financial Plan

Enfield's Medium Term Financial Plan is based on a number of key principles and assumptions. These are:

- That savings identified will be implemented to allow benefit realisation as soon as practicable.
- The Medium Term Financial Plan assumes a 1.99% (1.98% in 2016/17) increase in Council Tax and a Social Care precept of 2.0% for each year over the period of the Plan.
- That the demographic pressures the Borough faces are regularly reviewed and updated throughout the lifetime of the plan.
- That all risks related to both the delivery of the proposals in the plan and any future uncertainties are reviewed on a regular basis.

- Minimum balances of around £14m are maintained in accordance with the latest Finance Resilience Review carried out by external auditors.

Financial Planning & Budget Setting Process

Enfield Council has a consistent financial planning and budget setting process, which is being used again this year. During the course of this budget round, decisions will continue to be made in accordance with the following principles:

- Continuously review the Council's existing and planned Capital Programme, to minimise the capital investment that is reliant upon increased borrowing funded by the council tax.
- Utilise business and commercial practices where possible to increase investment without recourse to public funding.
- To invest where affordable so as to:
 - Grow the borough by developing Meridian Water to increase council tax revenues and boost local business and economy.
 - Invest to Save.
- Review service savings proposed by Directors and Cabinet members, in order to find savings to balance the 2017/18 budget and MTFP.
- Complete the Enfield 2017 Transformation Programme for the Council that will deliver a much more automated, digitally supported experience for both internal and external customers of the Council, and devise the next phase of the Council's transformation.
- Continue the commercial development of the Council, so that income can be generated wherever possible, and/or longer term asset wealth is created. This covers a wide range of issues, including fees and charges (primarily in Environment, but also across the Council more generally), developing existing commercial relationships (with, for example Fusion Leisure), trading of council services (e.g. cleaning, HR and payroll) with other councils, sharing services, the development of the council's housing companies, and, potentially, longer term opportunities such as LVHN.
- Develop the MTFP using risk based assessment so that budgets are provided based on the probability of pressures materialising whilst risks are covered by reserves and balances.

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MUNICIPAL YEAR 2016/2017 - REPORT NO. 64

MEETING TITLE AND DATE
Cabinet – 6th September 2016

REPORT OF:
Director of Regeneration and
Environment

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Agenda - Part: 1	Item: 9
<p>Subject: Review of Conservation Area Character Appraisals and Management Proposals: Phase 3</p> <p>Wards: Cockfosters, Edmonton Green, Grange, Haselbury, Upper Edmonton</p> <p>Key Decision No: KD 4222</p>	
<p>Cabinet Members consulted: Councillors Alan Sitkin and Daniel Anderson</p>	

1 EXECUTIVE SUMMARY

- 1.1 The Conservation Area Appraisal and Management Proposals documents for the borough's twenty-two conservation areas have been reviewed and updated. Proposals for the first thirteen conservation areas were approved by Cabinet on 11th February 2015 and for the second six on 17th June 2015. Documents for Phase 3 of the Review have been prepared for the final three conservation areas: Church St, Fore St and Montagu Road Cemeteries Conservation Areas. They have been the subject of extensive consultation with local conservation study groups, the Conservation Advisory Group (CAG) and Historic England (formerly English Heritage), advertised on the Council website and subject to a public meeting on 8th March, 2016.
- 1.2 A modest contraction of the Fore St. Conservation Area south of the North Circular is proposed. Boundaries for Church St and Montagu Road Cemeteries remain unchanged.
- 1.3 The documents are now presented to Cabinet for approval and will replace the existing Conservation Area Appraisals and Management Proposals for the relevant areas, bringing the Review to a conclusion.
- 1.4 Documents for two of the conservation areas considered under Phases 1 and 2 – Hadley Wood and Grange Park – are also presented to Cabinet. The changes proposed to the Hadley Wood and Grange Park documents are concerned with addenda to include map omissions and amend the text accordingly.
- 1.5 Copies of documents are available in the Members' Library and Group Offices or from :
<https://new.enfield.gov.uk/services/planning/heritage-conservation-and-countryside/review-consultation/>

2. RECOMMENDATIONS

2.1. That Cabinet:

Approves the revised Appraisals and Management Proposals for the following three conservation areas subject to minor changes to formatting:

- Church St, Edmonton
- Fore St, Edmonton
- Montagu Road Cemeteries, Edmonton

Approves the addenda for the following two conservation areas approved under Phases 1 and 2 of the Review subject to minor changes to formatting:

- Hadley Wood
- Grange Park

Copies available from:

<https://new.enfield.gov.uk/services/planning/heritage-conservation-and-countryside/review-consultation/>

Hard copies have been placed in the Members' Library and Group Offices.

3. BACKGROUND

- 3.1 The Conservation Area Appraisal (CAA) and Management Proposal (CAMP) documents for the borough's twenty-two conservation areas have been reviewed and updated. Proposals for the first thirteen conservation areas were approved by Cabinet on 11th February 2015 and for the second six on 17th June 2015. Documents for Phase 3 of the Review have been prepared for the final three conservation areas: Church St, Fore St and Montagu Road Cemeteries Conservation Areas.
- 3.2 The documents are based on reports by the Drury McPherson Partnership. Revised documents reflect legislative, policy and physical changes in the last five years and any trends, problems and pressures that have emerged since the documents were published. The CAMPs identify prioritised actions for the next five years.
- 3.3 The CAAs are statements including photographs and maps that describe what it is about the character of each area that is special and that the Council thinks is important to preserve and enhance. CAMPs contain proposals designed to preserve and enhance each of the Borough's conservation areas.
- 3.4 The Appraisals support the Council's commitment in its Local Plan and its duty under Sections 69(1), 69(2) and 71(6) of the Planning (Listed Buildings and Conservation Areas) Act 1990 to review its conservation areas and appraisals and prepare proposals for the preservation and enhancement of conservation areas and to consult the public about those proposals. The Appraisals form a key part of the 'evidence base' for the Local Plan and support and uphold the conservation planning policy framework within it.
- 3.5 Management Proposals documents will, in due course, form part of the Enfield Design Guide, a Supplementary Planning document to the Local Plan. The CAAs and CAMPs are also required to provide an up-to-date policy background to support Development Management decisions, including appeals. The Appraisals and Management Proposals do not currently constitute Supplementary Planning documents but consultation has been informed by the Statement of Community Involvement.
- 3.6 Fore St/Church St was subject to a heritage-led Historic Environment Regeneration Scheme (HERS) in 2002, funded by the Council, English

Heritage (now Historic England) and the European Regional Development Fund (ERDF) in partnership with Haringey Council. Two properties now proposed for exclusion from the conservation area were included in the scheme: 169-171 Fore St (the former Burton's building) and 154 Fore St. This proposed exclusion reflects a change in the management approach, to concentrate on significant groups of historic buildings in the conservation area rather than isolated examples of historic buildings. The implications of the change of approach are reviewed in para 8.

- 3.7 The proposed exclusions from the existing conservation area reflect where the buildings are of more marginal quality or where there has been an erosion of character through loss of detail or inappropriate alteration. The group of buildings on the east side of Fore St now proposed for de-designation is already identified in the existing character appraisal as having a negative impact on the area, with the exception of the upper floors of 134 and 136, and its inclusion was marginal at the time of designation. Where architectural features have been lost this may either have not been reported in time to make enforcement action viable, or there has been insufficient information to support further investigation. Instances include the installation of Upvc windows and shopfront alterations on the section of the west side that is now proposed for de-designation. Enforcement action has been pursued where viable.

4. CONSERVATION AREA APPRAISALS AND MANAGEMENT PROPOSALS

- 4.1 This report seeks Cabinet agreement for the CAAs and CAMPs for the three conservation areas subject to Phase 3 of the Review and for addenda to Hadley Wood and Grange Park which were considered in Phases 1 & 2 of the Review. The changes proposed to the Hadley Wood and Grange Park documents are concerned with addenda to include map omissions and amend the text accordingly.
- 4.2 The CAAs and CAMPs have been subject to consultation and responses and amendments to the documents are summarised in Appendix 1. Once agreed, the CAAs and CAMPs will replace the existing CAAs and CAMPs approved in 2007 and 2009.
- 4.3 Phase 3 will complete the project for the CAA and CAMP Review.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 An alternative option would be not to update the Conservation Area Appraisal and Management Proposal documents. The documents approved in 2007 and 2009 are now out of date in terms of national planning policy and the recasting of the local planning policy through the Local Plan, Historic England (formerly English Heritage) guidance and changes in the physical fabric of the area since the previous review. These documents do not provide an up-to-date policy background to support Development Management decisions, including appeals. Not to update the documents would make them inconsistent with the documents

for other conservation areas in the borough that have been approved and updated under Phases 1 and 2.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The documents have been through consultation with local conservation area study groups, the Conservation Advisory Group (CAG) and the general public via the website and a public meeting held on 8th March 2016. Montagu Road Cemeteries were initially considered under Phase 1 of the Review but following comment from Historic England (formerly English Heritage) further original research was undertaken on the significance of the Jewish Cemeteries forming part of it. This research has indicated greater surviving historic/architectural significance than previously understood and consequently an earlier recommendation from the consultants to de-designate has been reversed, despite the cemeteries remaining in poor condition.
- 6.2 The Drury McPherson Partnership, consultants for the CAA and CAMP Review, recommended that the continued designation of the Fore St Conservation Area should be reviewed. Accordingly a change is proposed to the boundaries of the Fore St. Conservation Area, to omit sections of the Conservation Area south of the North Circular that have been so altered/eroded as to no longer have sufficient architectural or historic interest to merit designation. The results of the consultation and the changes made are shown in Appendix 1.
- 6.3 The changes proposed to the Hadley Wood and Grange Park documents are concerned with addenda to include map omissions and amend the text accordingly.
- 6.4 The documents are therefore recommended for approval.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

7.1 Financial Implications

- 7.1.1 Provision for the cost of preparing the documents and consulting on them was included in the Local Plan reserve and has already been spent. This report is mainly seeking the approval of the revised Appraisals and Management Proposals for the conservation areas listed in paragraph 2.1. The approval of these documents does not in itself commit the Council to additional expenditure. Any related proposals with cost implications would need to be subject to separate reports and full financial appraisal.
- 7.1.2 Two properties within the areas proposed for de-designation received grants under the HERS (2002-5) for Fore St; a joint venture between the Council, Haringey Council, English Heritage and the ERDF. No. 154 Fore St received an award of £23,500 and no. 169-171 Fore St received £46,600. The full cost of the scheme, which included fourteen properties, was £610,000. A further scheme for a terrace of ten properties at a cost of £820,000 was completed in 2007.

ERDF guidance indicates a seven year audit period and guidance on the document retention period for capital projects is that they should be kept for the economic life of the project. The HERS scheme ran 2002-2005 and was audited by the ERDF in 2004. In view of the above there is no risk of the grants awarded being recalled.

7.2 Legal Implications

7.2.1 The Council has an ongoing duty under Section 69(1)(a) and (2) of the Planning (Listed Buildings and Conservation Areas) Act 1990 (as amended) to review its conservation areas and under Section 71(1) to formulate proposals for their preservation and enhancement.

7.2.2 Non statutory guidance is provided on the level and depth of consultation that is recommended and the report sets out how this has been accommodated.

7.2.3 The recommendations contained within this report as to the review of the CAAs and CAMPs fulfil the Council's duty as a local planning authority under Sections 69 and 71 of the Planning (Listed Buildings and Conservation Areas) Act 1990.

7.2.4 As referred to in paragraph 7.1.2, two properties within the areas proposed for de-designation received grants under the HERS (2002-5) for Fore Street; a joint venture between the Council, Haringey Council, English Heritage and the ERDF. After the period of time which has since elapsed it has not been possible to locate all of the original scheme documents. All the indications are however that the grant funding in respect of the two properties was allocated by June 2004 with conditions lasting for three years from that date. Also, as part of the ERDF funding conditions there was an audit period of seven years in respect of the grant programme. Part of the scheme was audited in 2004, the purpose being to see that the allocated funds had been used for their intended purpose. The audit period would have ended in June 2011.

7.3 Property Implications

7.3.1 Property Services support the change to consolidate the Fore Street section of the Conservation Area to the south of the North Circular. It does make sense to focus on those buildings of greater architectural and historic interest, and the more cohesive parts of the CA, particularly when other recent and longer term changes have impacted on the nature of the CA in this section of the road frontage. No specific comments on the Appraisal and Management Proposals for Montagu Road Cemeteries CA in Edmonton.

7.3.2 In a wider context, the Council has both operational and non-operational properties located within Conservation Areas. Changing patterns of retailing, and other trends and pressures, which influence economic viability, have the potential to impact on the use of buildings within the Borough's Conservation Areas, their associated character and built fabric.

8. KEY RISKS

- 8.1 Failure to review the borough's conservation areas and prepare proposals for their preservation and enhancement would be contrary to the Planning (Listed Buildings and Conservation Areas) Act 1990 Sections 69 (1) and (2) and 71(1) and good practice as set out by Historic England (formerly English Heritage) in 'Understanding Place: Conservation Area Designation, Appraisal and Management'.
- 8.2 As referred to in paragraphs 7.1.2 and 7.2.4 under the terms and conditions of the HERS contract the previous awards could potentially be recalled but owing to the time which has elapsed since the award there is no risk.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

The CAA and CAMP underpin policy and development management to guide change and ensure that the borough remains and becomes an attractive place to live, work, learn and play.

9.2 Growth and Sustainability

The CAA and CAMP underpin policy and development management to guide, change and ensure that the borough remains and becomes an attractive place to live, work, learn and play.

9.3 Strong Communities

The preservation and enhancement of the cherished local scene and heritage helps increase the communities' sense of belonging, civic pride and self-confidence while demonstrating the Council's commitment and support to them and their area. Together these help deliver stable, safe and sustainable places and communities.

10. EQUALITIES IMPACT IMPLICATIONS

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

11. PERFORMANCE MANAGEMENT IMPLICATIONS

- 11.1 The review is one of the key objectives of the Environment Service Plan.
- 11.2 The Conservation Area Character Appraisals support Enfield Council's commitment in its Local Plan and its duty under Section 71 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to prepare proposals

for the preservation and enhancement of conservation areas and to consult the public about those proposals.

12. HEALTH AND SAFETY IMPLICATIONS

No health and safety implications have been identified.

13. HR IMPLICATIONS

None.

14. PUBLIC HEALTH IMPLICATIONS

The Conservation Area Management Proposals seek to enhance the local environment and thereby promote physical and mental wellbeing by contributing to the attractiveness of the environment. The preservation and enhancement of the cherished local scene and heritage helps increase the communities' sense of belonging, civic pride and self-confidence, thereby contributing to mental well-being and enjoyment.

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Appendices

Appendix 1:

Summary of issues raised at consultation

Appendix 2:

Map of proposed Fore St Conservation Area boundary amendments

	A	B	C	D	E	F	G
2	Respondent and date	Document	Page	Para	Line	Comment	LBE comment and action
3						Church St/Fore St Conservation Area Appraisals	
4	Edmonton Study Group 10.1.16	Church St/Fore St CAA					
5		Church St/Fore St CAA		n/a		Most original fabric in area is at first floor level and so unappreciated. Frontage restoration should be considered to enhance rather than hide historic buildings.	There is specific reference in the documents to the potential for shopfront improvements.
6		Church St/Fore St CAA				No photos of Silver Point. Would be interested to see comments on this.	There is text in the document on Silver Point. Not all buildings are photographed.
7		Church St/Fore St CAA				Notes that strategies proposed in 2006 appraisal including boundary extensions were not implemented and that these areas are now too altered to justify inclusion. Critical of this. Reports little CAG scrutiny of cases in Conservation Area (CA) and need for strong local presence monitoring change.	Enforcement project initiated with significant number of notices served and prosecutions underway. Would welcome greater monitoring of the condition of the Conservation Area (CA) by local group.
8		Church St/Fore St CAA				Mentions several apparent cases of planning infringements and states that works to redress these would be fairly minor	Noted. Where appropriate these are under investigation by enforcement.
9		Church St/Fore St CAA	34	2.6.16		Reference to properties where repairs of upper floors was grant-aided. Now scope for shopfront improvements.	No funds currently available. Opportunity is noted.
10		Church St/Fore St CAA	38	2.6.25		Refers to importance of Angel Place and need to keep it within the CA boundary	Properties are listed buildings. No proposal to remove from the CA.
11		Church St/Fore St CAA		2.9.1		Notes continuing threat to CA from inaction as well as harmful interventions.	Noted. Enforcement project underway but local engagement and monitoring will also be important going forward.
12		Church St/Fore St CAA	62-3			Comment on need for feedback on summary of issues	Noted. Feedback will be to CAG.
13		Church St/Fore St CAA				Comment on document formatting and potential for text to be overlooked.	Formatting reviewed
14		Church St/Fore St CAA				Query about reporting of apparently unauthorised works.	Confirmed that unauthorised works should be reported to Enviro Crime direct.
15		Church St/Fore St CAA				Support for CA boundary revisions is dependent upon assurance that key groups of buildings will continue to have protection.	Not all buildings proposed for exclusion are suitable for local/statutory listing. Where of sufficient quality buildings are either being considered as part of the Local Heritage Review or could be put forward for consideration for statutory listing.
16	Historic England, 19.1.16	Church St/Fore St CAA					
17		Church St/Fore St CAA				Development of appraisal and guidelines important step to addressing issues affecting the conservation area and as such support these documents.	Noted

	A	B	C	D	E	F	G
18		Church St/Fore St CAA				Refers to NPPF policy 127 and need to ensure that designation is justified. Principal issue is de-designation of areas south of North Circular. Notes these areas always considered more marginal in terms of architectural and historic merit. However, full boundary change would be disappointing in light of public funding for repairs, including from English Heritage (now Historic England). May be detrimental to management of the area to remove conservation area controls for one half of street.	Boundary revisions proposed reflect NPPF guidance. Quality was already marginal and has deteriorated. Former Burton's building is proposed for local list. Whole terrace and streetscape have effect on setting of Conservation Area and can be managed in this way.
19		Church St/Fore St CAA				Church St and Fore St Conservation Areas on 'Historic England Register of Historic Buildings at Risk 2015'. Character derives from different periods of ribbon development along one of London's principal historic routes and is subject to significant pressures. Any decision to de-designate should be based on extent of historic significance of its individual elements and collectively its contribution to the significance of the CA.	Buildings proposed for exclusion on west side generally less architecturally/historically significant than much of east. Limited contribution of particular buildings/groups. Current enforcement project helping redress the deterioration of the area.
20		Church St/Fore St CAA				Comments on effect of North Circular on Fore St south. Quality of townscape affected by poor public realm, lack of signage control and erosion of architectural features. Comment on effect of some recent development on setting of CA.	Public realm and need for improvement identified in CAA/CAMP.
21		Church St/Fore St CAA				Western side less architecturally significant than the east. Number of buildings on west, however, include architectural detail. Low buildings frame Art Deco former Burton's store which makes positive contribution. Would be preferable to have holistic management strategy covering public realm and shopfront design, retaining both sides of street within CA to better protect positive elements of local character and their setting.	Former Burton's building proposed for inclusion on local list. Whole terrace directly affects setting of CA opposite. Development can be managed on this basis without retaining degraded townscape within CA. Proposals for managing public realm and shopfronts already in document.
22						Area to south of no.152 proposed for de-designation is fragmentary. Few buildings make positive contribution; only 132 [sic] survives with any integrity. Former bank and White Horse PH of more significance but already outside CA boundary. Agree that this section does not warrant CA status on grounds of historic or architectural merit.	Noted.
23	REACT group 25.1.16	Church St/Fore St CAA					
24		Church St/Fore St CAA				Welcomes document highlighting concerns of the group raised previously	Noted
25		Church St/Fore St CAA				Concerned by deterioration of area and reasons for this. Queries role of English Heritage (now Historic England).	Enforcement project is in place. Management proposals and redefined CA boundaries should help focus resources and sustain and enhance the areas proposed to remain in CA. Historic England commented in response to consultation.
26		Church St/Fore St CAA				Refers to group's frequently expressed concerns about high street, quality of shopfronts and quality of new build as well as damage to existing buildings	Noted. Potential to increase referral of specific cases to CAG and strengthen local study group
27		Church St/Fore St CAA				Desire to ensure enforcement action is taken against unauthorised works. This should be given priority. Similar issues included in 2006 documents not acted upon.	Noted. Enforcement initiative for Fore St/Church St already underway.
28		Church St/Fore St CAA				Would welcome further opportunity to discuss the High Street being restored and enhanced.	Met group 8.3.16. Contact information provided for reporting unauthorised works and for local study group.
29						Church St/Fore St Conservation Area Management Proposals	
30	Edmonton Study Group 8.1.16	Church St/Fore St CAMP					
31		Church St/Fore St CAMP				Notes problem of erosion of detail, unauthorised works and loss of character. Stresses need for focus on area and its vulnerabilities.	Enforcement initiative should help to redress this.
32		Church St/Fore St CAMP				Notes that Church St is identified in documents as being compromised. Considers it imperative that measures are taken to protect this key conservation area.	Noted. There is reference in CAMP to implementation and monitoring.

	A	B	C	D	E	F	G
33		Church St/Fore St CAMP				Query on status of proposed Sustrans project in Church St intended to improve pedestrian and cycle access	Scheme still live but not fully developed. Reference in text.
34		Church St/Fore St CAMP				Notes many shopfront cases on CAG agenda but very few from Fore St, despite new shopfronts being in place.	Shopfront applications not routinely referred to CAG. Noted.
35		Church St/Fore St CAMP				Queries coverage of Fore St in ongoing Local Heritage Review with reference to particular buildings (196-8) understood to be proposed for exclusion from the CA.	196-8 not proposed for exclusion from the conservation area and being considered as part of the Local Heritage Review.
36		Church St/Fore St CAMP				Concerned about absence of Article 4 Direction in the CA.	Little justification for an Article 4 Direction here as CA principally comprises non-dwelling houses. Monitor situation.
37	Enfield Society 7.1.16	Church St/Fore St CAMP					
38		Church St/Fore St CAMP				Accepts findings of review documents and reluctantly support de-designations. Should concentrate attention on proper management of remaining designated areas. Potential for an enhanced role for the study group.	Current enforcement project should help redress this. Will support moves to expand local study group.
39	Society 11.1.16	Church St/Fore St CAMP					
40		Church St/Fore St CAMP				Refers to importance of no. 198 Fore St and apparently unauthorised installation of Upvc windows	Under investigation by Enviro Crime (enforcement)
41		Church St/Fore St CAMP				Many problems appear to derive from the 'erratic' enforcement regime but notes there have been many efforts at a 'new start' over the years.	Noted. Current enforcement project should help redress some of the problems.
42	Historic England 18.1.16	Church St/Fore St CAMP					
43		Church St/Fore St CAMP				Recommends including reference to national policy and guidance as well as Historic England publication on setting.	Reference to NPPF and NPPG in preamble. Text re. setting revised.
44		Church St/Fore St CAMP				Notes this advice does not affect obligation to advise on, and potentially object to any specific development proposal which may subsequently arise from this request and which may have adverse effects on the environment.	Noted
45	REACT group meeting 8.3.16	Church St/Fore St CAA/CAMP					
46		Church St/Fore St CAA/CAMP				Concern about protecting 169-171 Fore St	Being considered for local listing under Local Heritage Review. Comprises part of setting of part of CA opposite
47		Church St/Fore St CAA/CAMP				Concern about enforcement	Enforcement project is having some success. Discussed process. Link since provided for reporting unauthorised works.
48		Church St/Fore St CAA/CAMP				Questions concerning extent of early-stage consultation and response to that, particularly of Historic England.	Confirmed early stage consultees including Historic England, who raised concerns particularly regarding ongoing management of west side
49		Church St/Fore St CAA/CAMP				Question of how comments would be reported to councillors	Confirmed that response table summarising responses accompanies the Cabinet report
50		Church St/Fore St CAA/CAMP				Comments relating to quality and interest of areas proposed for de-designation including their value to the community	Discussed relative quality of areas in context of existing appraisal and management proposals and accompanying townscape analysis as well as NPPF. Local Heritage Review underway and has identified possible inclusions in the section of Fore St.

	A	B	C	D	E	F	G
51		Church St/Fore St CAA/CAMP				Questions relating to extent of protection that designation brings	Discussed difference between local and statutory listing but confirmed that no designation gives absolute protection against demolition.
52	REACT group at public meeting 8.3.16	Church St/Fore St CAA/CAMP					
53		Church St/Fore St CAA/CAMP				Concern that councillors not present at the public meeting	Confirmed that notice of meeting had been sent to ward members and briefing notes on project.
54		Church St/Fore St CAA/CAMP				Question regarding sequence of programme of Review of Conservation Area Appraisals and Management Proposals and whether this reflected relative affluence of areas	Confirmed that sequence not directed by relative affluence of areas.
55		Church St/Fore St CAA/CAMP				Query regarding absence of Article 4 Direction in Church St/Fore St.	This maintains position of earlier documents that number of dwelling houses with permitted development rights is low and so an Article 4 Direction would be disproportionate. Situation will be monitored.
56		Church St/Fore St CAA/CAMP				Importance of trees in the area should be recognised	Reference to importance of trees in both appraisal and management proposals
57		Church St/Fore St CAA/CAMP				Impact of traffic on the area is of concern, particularly around the North Circular.	Some reference in documents to impact of traffic and scope for public realm improvements
58		Church St/Fore St CAA/CAMP				Query regarding CiL and Section 106	Discussed with reference to Council CiL
59		Church St/Fore St CAA/CAMP				Comment on poor quality of signage in the area with the lowest common denominator contributing to a downward spiral. Colour a particular issue. Feeling expressed that other authorities seem better able to control advertisements and more stringent controls should be applied in Fore St. Strong local support for this.	Shopfront guidance available on website.
60		Church St/Fore St CAA/CAMP				Historic buildings have an educational value for the community	Heritage website has educational resources link
61		Church St/Fore St CAA/CAMP				Silverpoint is out of context and comments made on extent of consultation. Desire that developments should reflect the area and be respectful of its historic buildings	Historic England have published advice on setting of Conservation Areas which would be material to any future applications.
62		Church St/Fore St CAA/CAMP				Request that consultation feedback should be presented to members	Advised that response table would be attached to Cabinet report
63		Church St/Fore St CAA/CAMP				Discussion of how consultations are notified. Possibility of using 'Our Enfield' for future events	Consultation followed protocol of previous two phases of Review of Conservation Area Appraisals and Management Proposals. Comment noted.
64		Church St/Fore St CAA/CAMP				Importance of the former Burton's building to the area raised and its architectural significance	Building is recognised in appraisal document and being considered for Local List under Local Heritage Review.
65		Church St/Fore St CAA/CAMP				Comment that Trafalgar Place is an important part of the character area and should be retained within the CA.	Discussed prevalence of buildings with a negative contribution to the CA identified. Noted importance of 134 Fore St in context of Local Heritage Review.
66		Church St/Fore St CAA/CAMP				Comment that Council should lead on initiatives to enhance the Conservation Area such as hanging baskets	Noted and discussed whether any such initiatives might come out of Meridian Water
67		Church St/Fore St CAA/CAMP				Request that successful enforcement cases should be publicised	Limited scope for publicising this. Discussed recent appeal decision.

	A	B	C	D	E	F	G
68	Website respondent 17.3.16	Church St/Fore St CAA/CAMP					
69		Church St/Fore St CAA/CAMP				Buildings valued by the community are not necessarily recognised as important by Council. Concern that these will be demolished without reference to community preferences. Another Silverpoint should not be built, which would increase traffic and air pollution. Existing buildings should be retained and repaired and consideration given to traffic management and residents' parking schemes.	Local heritage review underway. Setting of a conservation area is an issue in considering planning applications. Management proposals set out how Council will approach development proposals in the CA but do not put forward proposals for demolition or new development.
70						Montagu Road Cemeteries Conservation Area Appraisal	
71	Historic England 12.1.16	Montagu Road Cemeteries (MRC) CAA					
72		MRC CAA				Development of the appraisal and guidelines an important step to addressing issues affecting the conservation area. Highly supportive of these documents.	Noted
73		MRC CAA				Lack of maintenance or co-ordinated management has led to an unfortunate level of harm. Encourages Council to address this. Report by Dr Kadish lists recommendations which feed into the management programme.	Recommendations reviewed.
74		MRC CAA				Form, architecture and demographic information of cemeteries are often valuable resources and should be recognised as such in the documents	Text revised.
75		MRC CAA				Relatively plain but dense architectural character of the Jewish cemeteries is a reflection of cultural values and pressures created by the volume of burials and should be recognised as part of the character in the text.	Text revised to emphasise this
76		MRC CAA				Condition of Tottenham Park Chapel is critical. CA overall appears to justify inclusion in the Historic England register of assets at risk. Area should be identified in text as requiring review on grounds of deteriorating condition.	Will liaise with Historic England re At Risk status.
77	Edmonton Study Group 10.1.16	MRC CAA					
78		MRC CAA		1.3.1		Reason for designation was to give these cemeteries similar statutory protection to other cemeteries. Seems that this protection has not been given.	Hope was to encourage owner groups to apply for grants and support this. Unfortunately this has not been pursued.
79		MRC CAA		2.6.5		Comments on condition of chapel and boundary treatment	The owners are aware of the condition of the chapel. Will liaise once documents approved.
80		MRC CAA		4.1		External funding sources should be investigated if necessary. Vital that the CA designation remains.	Will revisit this with owners once documents approved by Cabinet and liaise with them and Historic Enland regarding Urgent Works Notice.
81		MRC CAA		n/a		Comment on potential for inclusion in Open House.	Beyond scope of these documents but will pass comment to Friends of Tottenham Park group.
82							
83						Montagu Road Cemeteries Conservation Area Management Proposals	

	A	B	C	D	E	F	G
84	Historic England 12.1.16	MRC CAMP					
85		MRC CAMP				Pleased to note priorities for action and particularly the commitment to work with user groups to improve condition and management.	Noted
86		MRC CAMP				No listed buildings in CA. However, recommend that CA considered for inclusion in Historic England Register of assets at risk.	Will liaise with Historic England re. At Risk status
87		MRC CAMP				Adopting a co-ordinated approach to maintaining paths, planting and overall management important for redressing overall condition. Notes these are identified in documents but recommends greater emphasis as action points.	Wording reviewed. Document format needs to be consistent with format across set of CAMPs
88	Edmonton Study Group 8.1.16	MRC CAMP					
89		MRC CAMP				Suggests Council should work with owner groups to increase awareness of grants.	Noted. Will liaise with Council departments and owner groups if documents approved.
90		MRC CAMP				Reference to Tottenham Park Friends group.	Has been consultation with Friends group.
91		MRC CAMP				Reference to buildings and potential for local listing	The prayer halls and mortuary have been put forward for consideration under Local Heritage Review.
92		MRC CAMP				Suggest CAG agenda could include review CA in light of management proposals	For discussion by CAG if documents approved.
93		MRC CAMP				Comment on importance of CA designations and value of heritage assets in Edmonton.	Noted. The CAA/CAMP Review identifies both problems and opportunities to take forward for their management over the next five years. There has been close consultation across departments on these proposals.
94	Enfield Society 7.1.16	MRC CAMP					
95		MRC CAMP				Accept reasons for continued designation. Comment on planting.	Noted. Planting included within CAMP.
96	REACT group representatives, public meeting 8.3.16	MRC CAA/CAMP					
97		MRC CAA/CAMP				Condition of boundaries generally and the chapel in the Tottenham Park chapel of concern.	Council aware of condition of boundaries and former chapel building and some communication with owner groups
98		MRC CAA/CAMP				Comment on the value of the crucifix monument in the Tottenham Park Cemetery and its potential for listing	Link to relevant part of Historic England site has been passed on.



**Proposed Fore Street
Conservation Area
Boundary Amendments**



- Existing Conservation Area Boundary
- Proposed Conservation Area Boundary

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MUNICIPAL YEAR 2016/2017 REPORT NO. **65**

MEETING TITLE AND DATE:

Cabinet 6th September 2016

REPORT OF:

Director of Finance, Resources and Customer Services

Contact officer and telephone number:

Kayt Wilson 020 8379 4566

Agenda - Part: 1	Item: 10
Subject: Housing Gateway Limited Annual Report	
Wards: All	
Cabinet Members consulted: Cllr Oykenner, Cllr Lemonides and Cllr Georgiou	

1. EXECUTIVE SUMMARY

- 1.1 In February 2014 Enfield Council's Cabinet agreed to establish a wholly owned local authority company to acquire and manage properties in the private rented sector, to be used by the Council to discharge its statutory homeless duties. (KD3782). This was in response to the £3.3 million budget pressure facing temporary accommodation in 2014/15, which was predicted to rise to up to £7.8 million if no action was taken.
- 1.2 The local authority company, Housing Gateway Limited, was established in March 2014 and operational by June 2014. Housing Gateway Limited is responsible for: the identification of properties; property acquisition; undertaking any necessary renovation to bring the properties up to the required lettings standard and ongoing property management.
- 1.3 Since the creation of the company in March 2014 it has become fully established as an independent legal entity. The company has robust processes and procedures in place for day to day operation and a unique brand. A Board of Directors has been formed, which includes two independent directors. The Board meet on a monthly basis to provide strategic direction to the company and oversee performance.
- 1.4 As of 31st March 2016 the company was on track to meet the indicative targets in the business case for the second year by 30th June 2016, with 174 completions and 143 properties tenanted.
- 1.5 Housing Gateway Limited continues to provide the Council with a much needed viable alternative to using expensive nightly paid accommodation. The number of households in temporary accommodation has risen from 2188 in December 2013 to 2877 on 31st March 2016; an increase of 31% resulting in Enfield being ranked 5th

highest nationally for the number of households in temporary accommodation.

- 1.6 In addition, the number of households in expensive nightly paid accommodation has tripled to 1,563 (compared with 480 in February 2015) with a further 108 in B&B accommodation.
- 1.7 Housing Gateway Limited is successfully enabling the Council to discharge its statutory homeless duties into the private sector whilst reducing the temporary accommodation budget pressures. In addition the model has enabled the Council, via the company, to secure local properties for local people and set good property standards by being an exemplar landlord and ensuring that all properties are let at an appropriate standard and are well managed.
- 1.8 The company is meeting the target yield in the baseline financial model, whilst reducing General Fund budget pressures and enabling the Council to acquire a portfolio of assets, via the company. The 2014/15 audited accounts reported a positive cash flow and small loss for the first year, as was anticipated due to high set up costs.
- 1.9 The Council and Housing Gateway Limited have continued to receive national recognition for the innovative business model and contact has been made by a number of other local authorities seeking to replicate Enfield's model. The company was also a finalist in the Local Government Chronical Awards.

2. RECOMMENDATIONS

- 2.1 Note the contents of the Housing Gateway Limited First Annual Report.

3. BACKGROUND

- 3.1 Over recent years there have been increasing pressures on the temporary accommodation budget, arising from an increase in the number of homeless households (for whom the Council has a statutory duty) as a result of a complex range of socio-economic factors including market conditions in the Private Rented Sector, the Government's welfare reforms and a greater number of placements in Enfield by other boroughs. As a result, this has increased the Council's reliance on expensive Nightly Paid Accommodation and the Council faced an estimated budget pressure of £3.3 million in 2014/15 that was predicted to rise to up to £7.8 million if no action was taken.
- 3.2 Management action was therefore required to increase the supply of more cost effective accommodation and reduce demand for the service. In February 2014 Enfield Council's Cabinet agreed to establish a wholly owned local authority company to acquire and manage properties in the private rented

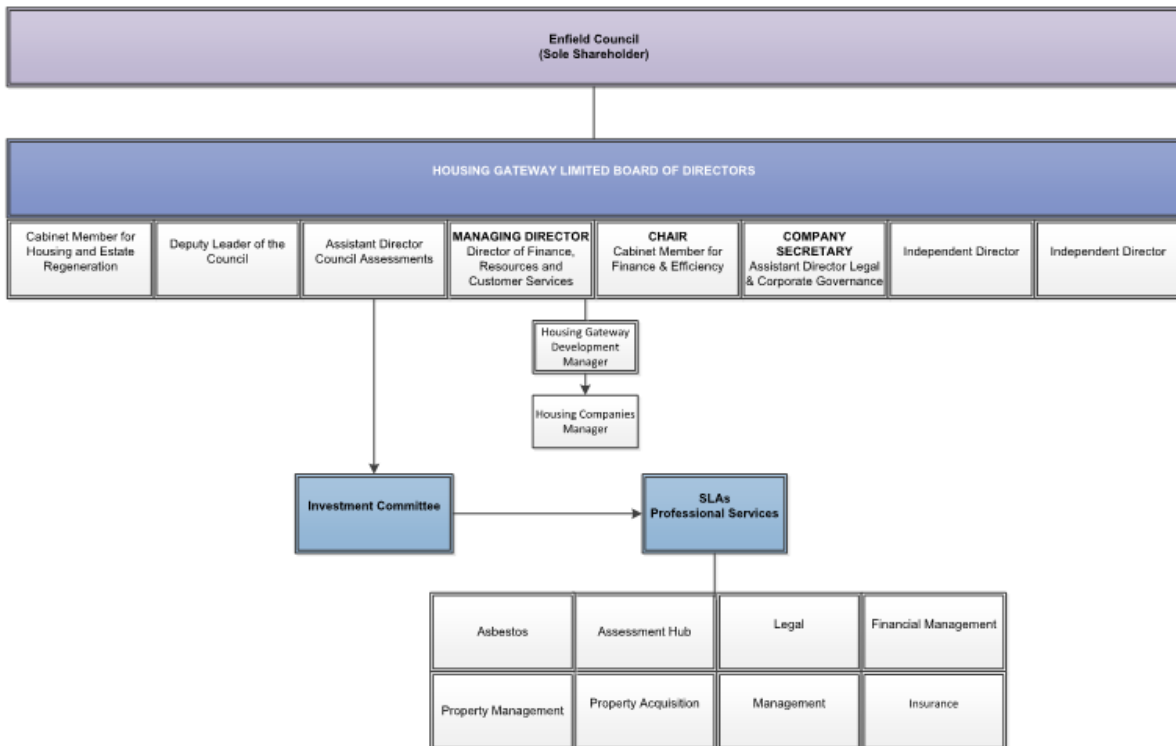
sector that the Council could use to discharge its statutory homeless duties. It was agreed that the properties purchased by the company would be made available to those residents at risk of homelessness. The creation of a local authority company to purchase properties that the Council can use to discharge its statutory homeless duties was part of a wider strategy to reduce temporary accommodation budget pressures and secure local properties for local people.

- 3.3 Cabinet agreed that the company should initially focus on acquiring existing properties due to the immediate budget pressures but did permit the use of funding for new build developments over time if deemed to be financially viable. Cabinet also agreed a loan between the Council and the company to enable the acquisition of properties to be repaid by the company on an annual basis. It was accepted that the number of properties purchased would be determined by the local housing market but it was agreed that a phased approach to the acquisition of properties over a number of years would be adopted, to manage the risk and enable the Council to test the effectiveness of the model.

4. YEAR 2 – COMPANY PROGRESS.

- 4.1 The local authority company – Housing Gateway Limited – was established in March 2014. Housing Gateway Limited's remit is to identify suitable properties, complete the acquisition process, undertake any necessary renovation to bring the properties up to the required lettings standard and then provide ongoing property management.
- 4.2 The Board of Directors continue to meet on a monthly basis to provide strategic direction to the company and oversee performance. Two independent directors sit on the Board of Directors and provide experience in the housing field and independent challenge to the company's operation, giving scrutiny to the performance statistics.
- 4.3 During year two of operation one of the two independent directors tendered their resignation and recruitment was undertaken to appoint to this role. Significant interest was shown in the role and through a robust recruitment exercise an appointment was made. The independent director was chosen to complement the skill set already held by the Board of Directors and provide additional scrutiny to the financial model.
- 4.4 The Board of Directors continue to delegate decisions on the acquisition of individual properties to an Investment Committee, with input from Property, Finance and Housing. The Investment Committee considers properties that have been viewed by a surveyor and makes a decision about whether to make an offer on the basis of the individual property business case. If the properties are deemed to be suitable and financially viable, the Investment Committee will agree a target and maximum price, to provide scope for negotiation by the officers in liaison with the agents. The Investment Committee is responsible for governing decisions on individual property purchases, to manage the financial interests of Housing Gateway Limited and the Council as sole shareholder.

4.5 Housing Gateway Limited does not have any directly employed staff and accesses professional services from the Council via a series of Service Level Agreements. These include: Property acquisition, financial management, allocations, rent collection, property management, legal, asbestos surveys, company management and insurance.



4.6 Over the course of the second year of operation the Service Level Agreements have been reviewed and amended to reflect the changing resources required to service the company’s expanding portfolio. All changes to the Service Level Agreements have been negotiated and agreed within the constraints of the Company’s financial model.

4.7 Additionally a Development Manager has been recruited to enable robust company management and smoother working practices for Housing Gateway Limited. To further support this expansion and provide efficiencies for the Council a Housing Companies Manager role has been created to provide support and management across both Housing Gateway Limited and Enfield Innovations Limited. This role reports directly to the Development Manager.

4.8 At March 2016 the key statistics are as follows:

Measure	2014/15	2015/16	Total
Number of properties viewed and considered by the Investment Committee	323	313	636
Number of properties approved by the Investment Committee	238	246	484
Number of offers made	238	206	444
Number of offers accepted	152	151	303
Number of offers accepted and progressing*	125	145	270
Number of contracts exchanged	84	93	177
Number of completions	72	102	174
Number of properties tenanted	34	109	143
Number of properties under renovation	38	31	N/A

**On occasions an offer is accepted and then later withdrawn by the vendor, so the number of offers accepted and progressing reflects the acquisitions proceeding.*

4.9 As of 31st March 2016 the company was on track to meet the indicative targets in the business case for the second year by 30th June 2016, with 174 completions and 143 properties tenanted.

4.10 The Council and Housing Gateway Limited have received national recognition for the innovative business model and contact has made by a number of other local authorities seeking to replicate Enfield's model. The company was also a finalist in the LGC Awards Housing Initiatives category.

5. YEAR 2 – BUSINESS CASE.

5.1 Prior to the creation of Housing Gateway a robust financial model was prepared and an extensive amount of research was undertaken on the local housing market to establish the viability of securing local properties. Research was also undertaken to establish the Council's requirement for properties. This is illustrated by the fact that the number of households in temporary accommodation has risen from 2188 in December 2013 to 2877 households on 31st March 2016. This reflects an increase of 689 households and over 31%. Enfield Council is currently ranked 5th highest nationally for the number of households in temporary accommodation.

- 5.2 In addition, the number of households in expensive nightly paid accommodation has tripled to 1,563 (compared to 480 in February 2015) with a further 108 in B & B accommodation at 31st March 2016.
- 5.3 These figures demonstrate that the business case for Housing Gateway Limited remains strong and provides a mechanism to secure local properties, whilst also delivering a saving to the Council per property and acquiring an asset.
- 5.4 As part of the original business case Social Finance conducted an analysis on all properties which came onto the market between 1st May 2014 and 13th November 2014 listed on primelocation.co.uk within the Enfield geographic boundaries. This was to review whether the development of the property portfolio was having an adverse impact on the market. Following this analysis, procurement guidelines were set. Continuous monitoring is in place to ensure that the purchase of the available stock at the target yield is in line with the approved business model and procurement guidelines.
- 5.5 Housing Gateway Limited is successfully enabling the Council to discharge its statutory homeless duties into the private sector and reducing the temporary accommodation budget pressures. In addition the model has enabled the Council, via the company, to secure local properties for local people and improve standards by being an exemplar landlord, ensuring that all properties are let at an appropriate standard and well managed.
- 5.6 The company is now fully established and aims to continue the acquisition of properties during its third year of operation. The rents remain at a sub market level equivalent to Local Housing Allowance. From 6th April 2016 the Local Housing Allowance has been frozen for four years. As a result the company did not impose a rent increase in 2016/17.
- 5.7 Year 2014 / 15 accounts received a clean audit report. The financial management was found to be in good order, showing a positive cash flow. A small loss was reported in line with the expectations of the business model.
- 5.8 In the Chancellor's 2015 Autumn Statement it was announced that a 3% increase in Stamp Duty would be applied to all purchases of additional properties. As a result Housing Gateway Limited will be liable to pay the additional Stamp Duty on all property purchases with effect from 1st April 2016 and will provide a challenge for 2016/17.

6. YEAR 2 – STRATEGIC PROGRESS.

- 6.1 During the second year of operation Housing Gateway Limited has faced several challenges brought about by external factors. For example the housing market continues to be extremely buoyant, with house prices rising. In addition the freeze on the LHA rate has meant that the rent received by the company has not increased in line with other costs. Both of these factors have necessitated further innovative solutions to be examined.

- 6.2 In the last 12 months the property market within Enfield has changed dramatically causing a significant increase in house prices. According to Land Registry, house prices in Enfield increased by an average of 14.47% from March 2015 to March 2016 and the average price of a property in Enfield is now £386,047. In comparison the average property in London is now £514,000. This market increase puts even more pressure on outer London Borough's such as Enfield where house prices are relatively cheap compared to the rest of London. Whilst demand for higher end properties has dropped, the market for the types of properties Housing Gateway purchase, at the lower end of the market, is very buoyant. Demand has increased in this sector, especially amongst investors. As a result house prices have continued to increase and the margins within which Housing Gateway operates have significantly reduced.
- 6.3 Housing Gateway Limited have examined wider market options including the acquisition of permitted development sites. Extensive research has been undertaken to complete financial and operational analysis of several permitted development sites. Work continues to progress in this area and will be an area for development in 2016/17.
- 6.4 Over the past year Housing Gateway Limited has set to expand its partner working by creating innovative projects with our departments within the Council. Work has begun on a project to utilise the empty decant properties bought about by the Alma estate regeneration. This project seeks to use the properties currently vacant providing additional units for the Council to use as an alternative to expensive nightly paid accommodation and additionally an income stream to both Housing Gateway and the Council.
- 6.5 Housing Gateway is also working in partnership with the councils Learning Disability Team to utilise a grant provided by the Affordable Capital housing Program. The grant will enable Housing gateway to procure properties meeting the specific needs of individual service users with low levels of care requirements. This enables a saving to the Council by releasing expensive supported accommodation and provides an income stream to Housing Gateway from the rental income. In addition the service users are provided with more suitable accommodation which meets their needs. Work will continue on this project in 2016/17.

7. YEAR 2 – OPERATIONAL PROGRESS.

- 7.1 Processes and procedures continue to be refined and developed to ensure they are fit for purpose. In the past year several operational changes have been implemented including the decision to purchase one bedroom and studio properties.
- 7.2 During the second year of operation, Housing Gateway Limited has purchased properties suitable for conversion. This has enabled the Company to diversify its portfolio and continue to meet the financial criteria in an increasingly

competitive market. In addition the conversions provide larger accommodation for clients, meeting the housing needs of the Council.

- 7.3 Housing Gateway Limited has purchased three sites for development. All sites were carefully assessed to ensure their development and financial viability prior to purchase. The sites involve the creation of additional units via the conversion of the existing building and construction of new buildings to echo the housing stock in the vicinity.
- 7.4 Data is presented at monthly Board meetings to analyse the expanding property portfolio. The Board of Directors provide scrutiny for the portfolio and ensure an appropriate balance of stock is maintained.
- 7.5 During autumn 2015 a marketing campaign was undertaken to increase awareness of the Company and encourage property owners to offer their property to Housing Gateway for sale. Adverts were placed in Local newspapers, Housing News and placed on the website. In addition A5 flyers were distributed to properties throughout the Borough. The marketing campaign was productive and several purchases have resulted from it.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The alternative options were considered by Cabinet as part of KD 3782. Cabinet is asked to note the contents of the second Annual Report, as the sole shareholder of Housing Gateway Limited.

9. REASONS FOR RECOMMENDATIONS

- 9.1 The Council is the sole shareholder of Housing Gateway Limited and it was agreed at Cabinet that an annual report would be presented to update the Council on the progress made by the company.
- 9.2 The information held in the annual report (part 1) will also be used to inform the annual Chairpersons Report which is published on the company's website.

10. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

10.1 Financial Implications

10.1.1 Properties have been purchased and are now owned by Housing Gateway Limited, a separate local authority company, in accordance with the Cabinet decision. The Council is providing a loan to cover the capital investment of properties and the renovation works, plus an additional loan to cover the working capital requirements.

10.1.2 The ongoing financial monitoring demonstrates that the company remains financially viable and the business case is undiminished, as the

demand for, and cost of, temporary accommodation in Enfield continues to increase.

10.1.3 Monthly Profit and Loss and Cash flow statements are being prepared for the Housing Gateway Limited Board of Directors to ensure that appropriate scrutiny can be given to the company.

10.1.4 Social Finance undertake a review of the financial model when assumptions in the original model change, to ensure the company is still in line with the original business case.

10.1.5 By utilising Housing Gateway Limited properties to discharge statutory homeless duties into the private rented sector the Council has successfully prevented a greater increase in the temporary accommodation budget.

10.2 Legal Implications

10.2.1 The establishment of Housing Gateway Limited has been undertaken in accordance with Section 95 of the Local Government Act 2003 and Section 1 of the Localism Act 2011 (the general power of competence).

10.2.2 The Board of Directors has the necessary company legal documentation including:

- Articles of Association
- Entrustment Document - to set out the State Aid exemption
- Facility Letter - to outline the terms of the loan agreement
- Nominations Agreement – to confirm that the Council has 100% nominations rights for the properties
- Service Level Agreements – to set out the terms of the agreement between the Council and the company regarding services provided
- Tenancy Agreement
- Maintenance and Management Agreement – to set out the obligations for both parties with regards to property management.

10.3 Property Implications

10.3.1 Housing Gateway Limited is reviewing properties advertised by local estate agents, investigating direct referrals via the website or other contacts and paying consideration to properties being sold at auction.

10.3.2 An Investment Committee has been established to review the toolkits of all properties viewed. There is input from Housing, Property and Finance so this provides a check and balance process and provides a forum to review the individual property business cases against the financial model and guiding principles for acquisitions.

10.3.3 Independent valuations are undertaken for one in three properties purchased to ensure that properties are purchased at an appropriate value. Market conditions are also reviewed regularly to identify opportunities and potential upcoming market/regulatory constraints. These are reported to the Board and Investment Committee as appropriate.

10.3.4 All properties are viewed prior to purchase and this includes an estimate of the renovation work required so all costs can be factored into the individual property business case. Thorough due diligence checks are also undertaken for all properties.

11. KEY RISKS

- **Legislation changes impact on the business model.** This remains a significant risk. However mitigating actions have been deployed as far as possible. This has included building flexibility into the company structure (which can be adapted as required) to enable a joint venture or partnership in the future and to provide control of rents and the target population.
- **There is insufficient housing stock available in the borough that offers the target gross yield, thus reducing the potential to secure the intended portfolio size.** This has become an increased risk in year two due to the changes in the housing market. This is being mitigated by considering properties in surrounding areas, if they can meet the housing needs of Enfield residents.
- **Housing needs change and the demand for properties of this nature change.** This has been addressed by devising a flexible approach within the company so that the target population and thus the rental income can be altered over time, as well as the option to sell an asset if required. In addition the Council's housing need is reviewed on a quarterly basis by the Board of Directors.
- **Purchasing a significant number of properties could destabilise the local housing market and result in an increase in property prices and reduce the number of properties on the market for first time buyers.** This was mitigated by undertaking detailed market analysis of the trends and the purchase of properties in neighbouring boroughs in the development of the business case. Further mitigating steps include the screening process to target the searches, and regular reviews to monitor the percentage of the available market purchased by Housing Gateway Limited.

12. IMPACT ON COUNCIL PRIORITIES

12.1 Fairness for All

The business model of Housing Gateway Limited enables the Council to access finance to increase the supply of good quality, value for money housing in the borough, to meet the objectives set out in Enfield's Housing Strategy (2012-2027). By increasing the supply of quality accommodation within the Council's control, this is enabling the Council to discharge its statutory duties and prevent homelessness, and is increasing access to more secure accommodation for some of the most vulnerable residents in the borough.

12.2 Growth and Sustainability

Access to good quality, stable housing is a key aspect of a person's health and wellbeing. By using long term finance Housing Gateway Limited reduces the risk of the need to refinance or sell properties after a few years. Furthermore by ensuring properties are maintained to a good standard, Housing Gateway Limited is increasing the supply of quality accommodation and in turn improving health and wellbeing and prospects of securing employment. All properties are renovated by the Repairs and Maintenance contractors appointed by Council Housing, so are therefore required to comply with the Council's standard contract clauses regarding the promotion of local employment and supporting apprentices.

12.3 Strong Communities

By increasing the supply of quality homes that the Council can access within the borough and the surrounding area, this is increasing opportunities for local residents to access employment and training and thus reducing the likelihood of them requiring additional services from the Council.

13. EQUALITIES IMPACT IMPLICATIONS

An Equalities Impact Assessment was drafted and attached to the Cabinet decision that approved the creation of Housing Gateway Limited. Allocations to individual properties are being made in line with existing Council policies, which have been equality impact assessed.

14. PERFORMANCE MANAGEMENT IMPLICATIONS

Through Housing Gateway Limited, the Council has the opportunity to reduce the number of households in temporary accommodation and provide quality accommodation for some of the most vulnerable residents. This in turn, provides the opportunity for the Council to make a positive impact for wider objectives, such as reducing employment and improving health and wellbeing.

15. HEALTH AND SAFETY IMPLICATIONS

Housing Gateway Limited has devised a Lettings Standard and all properties are renovated to comply with this. Health and safety checks are carried out prior to occupation and the ongoing maintenance and management of the properties includes a review of essential checks, including gas safety and electrical checks. The Council's approach to asbestos management is being applied and an asbestos survey undertaken on all new acquisitions.

16. HR IMPLICATIONS

Housing Gateway Limited does not have any directly employed staff. Professional services are accessed from the Council and the obligations of each party and fee structure are defined in Service Level Agreements and a Housing Maintenance and Management Agreement.

17. PUBLIC HEALTH IMPLICATIONS

By increasing the supply of good quality housing in the borough across tenures, health and wellbeing of individuals will be improved. All properties purchased are fit for purpose or refurbished so that they fall in line with the company Lettings Standard.

Through the other support mechanisms in place around the Council (e.g. the Welfare Advice Support Hub), people will be actively encouraged and enabled to return to work, with all the positive outcomes associated with being economically active i.e. improved general well-being, self-esteem and longer term employability.

18. Background Papers

None

MUNICIPAL YEAR 2016/2017 REPORT NO. **66**

MEETING TITLE AND DATE:

Cabinet
6 September 2016

REPORT OF:

Director of Regeneration
and Environment

Contact officer and telephone number:

Paul Gardner. 0208 3794754

E mail: paul.gardner@enfield.gov.uk

Agenda – Part: 1	Item: 11
Subject: Meridian Water in principle Compulsory Purchase Order Wards: Edmonton Green; Upper Edmonton Key Decision No: 4348	
Cabinet Members consulted: Councillors Oykener, Sitkin and Lemonides	

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to request Cabinet to pass a resolution stating that the Council agrees, **in principle**, to use its compulsory purchase powers for acquisition of land necessary for the delivery of the Meridian Water Regeneration Scheme.
- 1.2 This report is coming forward now following the selection of Barratt London and SEGRO as master developer in May 2016.
- 1.3 The Director of Regeneration and Environment seeks authority to begin preparatory and planning work to use its compulsory purchase powers for all the land interests not yet in the ownership or control of the Council within the Meridian Water scheme area
- 1.4 It is to be noted that a request for Cabinet to pass a resolution to make and serve future Compulsory Purchase Orders (CPO(s)) will be made in separate future key decision(s) only once the following conditions have been reached, namely:
- Completion of consultation on the updated Central Leaside Area Action Plan, which covers the Meridian Water scheme area;
 - An approach has been made to all landowners with a view to acquiring the land voluntarily; and
 - A Statement of Reasons setting out the justification of any CPO(s) has been prepared.
- 1.5 If recommended, the Council would exercise its compulsory purchase powers on those who have an interest in the land within the red line area as illustrated at Annex 1 and with whom it has not been possible, despite reasonable effort being made, to acquire the land voluntarily by negotiation.

2. RECOMMENDATIONS

- 2.1 To pass a resolution stating **in principle** that the Council agrees to use compulsory purchase powers to acquire the land within the area described in the report and shown edged red on the plan attached at Annex 1 of this report. The Council being of the view that compulsory acquisition of land is likely to be necessary in order to achieve the following:
- a) Secure the delivery of the Meridian Water Regeneration Scheme and its housing and job-creation objectives;
 - b) Facilitate the carrying out of the development within agreed costs and timescales in partnership with the now appointed Master Developer; and
 - c) Contribute to the promotion and improvement of the economic, social and environmental well-being of the Borough
- 2.2 To authorise Council Officers to begin preparatory work to use its compulsory purchase powers, including serving a Requisition on land owners for declaration of land interests, and the preparation of a Statement of Reasons.
- 2.3 To note all necessary expenditure associated with such preparatory work (including legal fees, consultants' fees, and any other investigation work or research) will be contained within the existing approved capital budget.
- 2.4 To note that a further report will come forward to Cabinet early in 2017 recommending the Meridian Water CPO Strategy and the making of the CPO.
- 2.5 To note that a Meanwhile Strategy for Meridian Water will be coming forward later in 2016.

3.3 BACKGROUND

- 3.1 On the 10th February 2016 Cabinet (KD4229) agreed the increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of a number of regeneration initiatives which included Meridian Water land acquisition.
- 3.2 On 18th May 2016 Cabinet (KD4241) approved the decision to approve the outcome of the Meridian Water Master Development Partner procurement process. A joint bid between Barratt London and SEGRO has been successful in being selected as the Master Developer.
- 3.3 Meridian Water comprises approximately 85 hectares in the south east of the Borough and is one of the largest developable areas in London. Located within the Central Leaside growth area and the Mayor of London's wider Upper Lee Valley Opportunity Area, it has significant redevelopment potential.

- 3.4 The Council has adopted a proactive strategy of coordinating the delivery of the Meridian Water development following feedback from developers that multiple landownerships are a barrier to comprehensive development. The Council's strategy is to acquire all land required for the Meridian Water scheme. This not only ensures the delivery of the project, it also ensures that the Council has control at every stage of the development process which is crucial to ensure quality is maintained.
- 3.5 The Council has engaged the following external advisers to form a dedicated Compulsory Purchase and Land Assembly team: solicitors Trowers & Hamlins; leading barrister Guy Roots QC; property agent Jones Lang LaSalle (JLL); Matthew Bodley, independent Compulsory Purchase surveyor; and planning consultant ARUP.
- 3.6 A Meanwhile Strategy is currently being prepared with a dual purpose. The first is to support meanwhile uses that generate sufficient revenue to offset our borrowing costs. The second is to form part of a pioneering stage of the Meridian Water regeneration strategy: changing perceptions of the area, generating footfall, and creating a destination.
- 3.7 In the draft Master Developer Framework Agreement (see Section 3.48), the timescale for the full scale development of Meridian Water is 20 years. It is anticipated that development will be brought forward in zones for practical, planning and financial reasons. We are not yet in a position to know the sequence of the phasing of the development, and cannot therefore say at this stage how many compulsory purchase orders may be needed or when they need to be served. The following refers to the Meridian Water area as a single area, and this is simply referred to as "Meridian Water". However at this stage, the remit of this report is an agreement in principle to use compulsory purchase powers; and the details, extent or number of any proposed Compulsory Purchase Orders, cannot be known at this stage.
- 3.8 The use of compulsory purchase powers is a draconian statutory tool. Therefore this report goes into some length to explain the context and justification for recommending that the Council agrees in principle to use such powers in this case. These justifications are set out below under the sub-titles of: land acquisition to date, definition of the Meridian Water area, Planning Policy Framework (covering all scales of planning policy from national, regional through to local), land assembly strategy, and a summary of advice from our dedicated Compulsory Purchase and Land Assembly team.

Land Acquisition to Date

- 3.9 To date the Council has acquired 20 hectares of land within Meridian Water. This includes:
- Three National Grid sites (Willoughby Lane, Meridian Way and Leaside Road) in April 2015
 - Orbital Business Park in June 2015
 - Phoenix Wharf in July 2016
- 3.10 The Council's land buying agent, JLL, is negotiating the acquisition (the terms of which are confidential) of a number of other sites at Meridian Water and within 2016 a number of other sites are expected to be under the Council's control ensuring the Council's land acquisition strategy unlocks Meridian Water's potential. The Council currently is under an exclusivity agreement to acquire a 4.5 hectare site.

The Area defined as "Meridian Water"

- 3.11 The land which officers recommend in due course should be subject to compulsory purchase powers is referred to in this report as "Meridian Water".
- 3.12 Meridian Water comprises an area of land of approximately 85 hectares and is shown edged red on the attached plan at Annex 1. The red line area corresponds with the Place Shaping Priority Area Meridian Water as designated in The Enfield Plan: Core Strategy 2010-2025 (chapter 9.1) and illustrated on Map 9.3. (See paragraphs 3.23 - 3.28 of this report).
- 3.13 This red line boundary incorporates minor revisions to the Priority Area boundary that have been made since the production of the Enfield Plan (2010). The delineation of this has been carefully drawn to delimit a contiguous plot of land that has a strong potential for development, within the Enfield Borough boundary, demarcated by key transport infrastructure routes. The boundary of Meridian Water is as follows: The southern boundary follows the Borough boundary with Haringey along the line of Leaside Road and the boundary between Ikea-owned land (to the north) and the Lee Valley Park (to the south). The eastern boundary continues to follow the boundary with Haringey along the route of the River Lea. The northern boundary follows the North Circular Road excluding the Ravenside Retail Park up to the line of the West Anglia Mainline Railway (WAML). At this point the red line turns north to follow Angel Road Edmonton, to the WAML up to Conduit Lane. The northern boundary then follows Conduit Lane and Montagu Road to form the north-west boundary of Meridian Water. The western boundary then follows the North Circular Road up to and along Albany Road, before turning back south-west to follow the southern boundary of Ladysmith Park. The western boundary follows the back of the

properties along Kimberley Road and Willoughby Lane before re-joining Leaside Road at the junction of Willoughby Lane and Leaside Road.

- 3.14 The red line described above and shown on Annex 1 is indicative and officers will keep the precise boundary under review as further preparations and discussions with landowners proceed.
- 3.15 The Council already owns some of the land within the red line boundary as noted in paragraph 3.6 of this report. Officers recommend that the agreement in principle to use compulsory purchase powers covers all land currently not in Council ownership or control falling within the red line boundary as shown in Annex 1. It should be noted that there is no intention to displace the operations of Ikea and Tesco. Negotiations are in progress with both of these parties to acquire areas of non-operational land from them.
- 3.16 The Council has submitted a Planning Application for the development of land within its ownership at the western part of Meridian Water known as Zone 1 (16/01197/RE3). Submitted on 21 March 2016, the application was approved at the Planning Committee meeting on 28th June 2016.
- 3.17 Negotiations with several owners across Meridian Water are ongoing and will continue with a view to achieving, so far as practicable, voluntary acquisition of all the interests in Meridian Water which are needed to facilitate development. However, it is anticipated that compulsory purchase powers will be required in order to guarantee that each and every plot of land within the redline boundary is acquired by the Council, because it is unlikely that all land interests can be acquired by voluntary acquisition within a reasonable timescale.
- 3.18 In addition, the resolution will demonstrate to the partner Master Developer the Council's commitment to the project and provides certainty in negotiations with landowners and third party developers, by demonstrating that the Council is prepared to use its statutory powers in order to secure the successful and timely delivery of the Meridian Water development. Passing this resolution therefore helps remove substantial risk and uncertainty surrounding the development and greatly facilitates the planning and execution of acquisition, design development, statutory planning and delivery construction work.

Planning Policy Framework

National Planning Policy – National Planning Policy Framework

- 3.19 The National Planning Policy Framework (NPPF) (March 2012) sets out the Government's policies on planning and how these are expected to be applied. The NPPF makes it clear that the purpose of the

planning system is to contribute to the achievement of sustainable development and that there are three dimensions to sustainable development: economic, social and environmental. With regard to the proposed **in principle** resolution to use compulsory purchase powers, the approach taken by the Council to promoting the regeneration of this area already embodies the thinking regarding sustainable development in the NPPF in terms of the emphasis on urban regeneration and the efficient re-use of brownfield land in order to create sustainable development in line with economic, social and environmental objectives to improve people's quality of life. The emphasis on community involvement; creating a sustainable community in a high quality, safe and healthy local environment where people want to live; contributing to the promotion of urban renaissance and improvement of quality of life and access to jobs; building a socially inclusive community with a mix of housing; and improving the link between land use and transport are all in line with these proposals.

Regional Planning Policy and Guidance – The London Plan

- 3.20 The Mayor's revised London Plan was formally adopted in July 2011 and provides a strategic spatial strategy within Greater London. The Plan sets out a number of objectives to: optimise the potential of development sites; make the most sustainable and efficient use of land, particularly in areas of good public transport; improve the quality of life; deliver high quality new homes; mitigate and adapt to climate change; and secure a more attractive, well designed green city. The London Plan is currently being updated.
- 3.21 The adopted Plan Policy 3.3 identifies the need to deliver an annual average of 42,000 additional homes across the capital each year. In the 2015 revision of the plan, paragraph 3.16b entitled 'London's housing requirements' states that "the central projection in the Strategic Housing Market Assessment (SHMA) indicates that London will require between approximately 49,000 (2015-2036) and 62,000 (2015-2026) more homes a year."
- 3.22 Policy 2.13 of the London Plan refers to "opportunity areas" that have been identified on the basis that they are capable of accommodating substantial numbers of new homes and employment and seeks to ensure the area's potential is optimised. The Upper Lee Valley (in which Meridian Water is situated) is identified in London Plan Policy 2.13, supported by London Plan Annex One, as an opportunity area.
- 3.23 In October 2015, the GLA designated Meridian Water one of 20 new Housing Zones in London, unlocking funding for key infrastructure and enabling works, including the station, remediation and boulevard.
- 3.24 The next update to the London Plan is due to be made in 2017, with examination in 2018 and adoption in 2019.

Sub-Regional Planning Policy – Upper Lee Valley Opportunity Area Planning Framework

3.25 The Upper Lee Valley Opportunity Area Planning Framework (ULVOAPF) (adopted July 2013) covers c. 3,900 hectares shared between the London Boroughs of Enfield, Haringey, Waltham Forest and Hackney. The headline objectives for the Upper Lee Valley include:

- Over 15,000 new jobs by 2031
- Over 20,100 new well designed homes by 2031

3.26 Meridian Water, roughly in the centre of the Opportunity Area and at the junction of three London Boroughs, is identified as a Growth Area. Chapter 7.2 specifies the following principles for Meridian Water:

- a) Realising the scale of opportunity and the opportunity of scale;
- b) Delivering 5,000 new homes; and
- c) Facilitating economic growth: delivering at least 3,000 new jobs of varied types.

3.27 The ULVOAPF is currently being updated, a timetable for which is expected to be announced in the autumn.

Local Policy – London Borough of Enfield Core Strategy

3.28 The Core Strategy was adopted at Full Council on 10th November 2010. It sets out the spatial planning framework for the long term development of the borough for the next 15-20 years. Core Policy 2 states that the Council will plan to meet the housing growth targets as set out in the London Plan for the fifteen year period from 2010/11 to 2024/25 and will plan for the provision of approximately 11,000 new homes.

3.29 Core Policies 37 and 38 (p. 153-155) deal specifically with Central Leaside and Meridian Water respectively. Policy 37 states:

“At Meridian Water... ..the potential of a new sustainable urban mixed use community has been identified to play an important role in the delivery of planning and regeneration objectives, bringing forward in the region of 5,000 new homes and 1,500 new jobs (see Core Policies 2 and 13).”

3.30 Policy 38 states, “Based on the evidence of initial growth scenarios in the Meridian Water Place Shaping Priority Area, the objectives of new development will be to create a new community by 2026 with up to 5,000 new homes, 1,500 new jobs and all the necessary infrastructure

to support the community and attract families and new employers to the area.”

- 3.31 There are further justifications and explanations of these policies in paragraphs 9.9 to 9.11 of the Core Strategy.
- 3.32 Cabinet should note that while this is currently the only adopted Council planning policy that specifies housing and development targets at Meridian Water, there have been important developments since 2010. Therefore, these stated targets should be treated as baseline targets. Planning policy and framework agreements produced since 2010 take account of the growth in population in the borough as well as pressure on housing demand generally in London, and therefore have considerably higher targets for housing units and job creation at Meridian Water.
- 3.33 The Council’s Core Strategy is currently being updated and will incorporate updates to the Meridian Water development accordingly. Consultation on the Local Plan Review is due to take place early 2017 with formal adoption by the end of 2018.

Area Planning Policy – Central Leaside Area Action Plan (Proposed Submission status)

- 3.34 The Central Leaside Area Action Plan (AAP) was produced in November 2013 and approved by full Council on 19th November 2014 as a Draft for Submission to the Secretary of State.
- 3.35 The primary purpose of the AAP is to articulate in greater detail how the Core Strategy and relevant Development Management Document (DMD) policies will be implemented, and to provide a more detailed policy framework to guide new development in the area.
- 3.36 The current text of the plan accords with the Core Strategy and states that the AAP will drive and support the delivery and transformation of Meridian Water. It says, “the waterside location, superb public transport accessibility and Lee Valley Regional Park setting give Meridian Water the opportunity to be the location of choice in North London.” The approval of the draft AAP demonstrates the Council’s commitment to the regeneration of the Meridian Water area.
- 3.37 The AAP went to Public Consultation between January 2015 and March 2015 and received 22 representations. The AAP was not submitted to the Secretary of State, and so has not been adopted. This is because significant changes, particularly with regard to Meridian Water, necessitate an update of the AAP. The key changes are:
 - a. Updates to the London Plan (see 3.16-3.19);

- b. Major land acquisitions by Enfield Council;
 - c. Master Developer procurement; and
 - d. The new output objectives (10,000 new homes and 6,700 new jobs).
- 3.38 Building on the Council's commitment to deliver far reaching regeneration at Meridian Water, the AAP is now being updated to address these recent changes. The timetable for consultation is winter 2016-17, and for Secretary of State approval and adoption of the revised AAP is summer 2017.

Meridian Water Masterplan

- 3.39 The Meridian Water Masterplan provides a framework for managing change and development in this area. It was adopted as Planning and Urban Design Guidance on 17th July 2013 and is a material consideration in the determination of all planning applications in this area. The delivery target and specific scope of the development set out in the Masterplan is no longer what will be developed, since this has been overtaken by a number of changes which it is intended will be addressed in the revisions to the AAP. The principal changes are:
- a. Population growth in both the borough and London at large (according to the Enfield Council's Health and Wellbeing statistics, the borough's population is expected to grow from around 325,000 in 2015 to approximately 358,000 in 2032;
 - b. Housing pressures (see Section 3.23); and
 - c. The selection of a preferred Developer Partner (Cabinet Report KD 4241) and the draft Master Developer Framework Agreement (MDFA) (see paragraphs 3.48-3.5 of this report).

However, the principles and aspirations set out in the Masterplan (for example quality of design, strengthening communities and economic growth) are still applicable and therefore briefly described below. However, note that on adoption of the revised Central Leaside Area Action Plan, the Masterplan will be superseded.

- 3.40 The Masterplan has the same delivery targets as the 2014 Submission Draft of the AAP (5,000 new homes and 3,000 new jobs) but these will be updated in the revisions to the AAP. It includes detailed guidance on how the development and delivery of Meridian Water should follow eight guiding principles: Realising the scale of opportunity and the opportunity of scale; Delivering new homes; Facilitating economic growth; Enabling movement and improving transport connections; Celebrating the Lee Valley waterways; Building strong communities; Improving access to healthy living corridors; and Delivering high levels of sustainability.
- 3.41 The guiding principles are important and go some way to explaining why the Council has revised its strategic approach with respect to land acquisition: the ambitious principles of this flagship development, which

go far beyond a straightforward housing development project, require the Council to exert strict control over the development and delivery process throughout the lifecycle of the development. Full land ownership is critical in underpinning the exertion of this control and delivering all the benefits set out in the Masterplan.

Meridian Water: Investing in Enfield's Future

- 3.42 The Meridian Water Regeneration Framework, titled "Investing in Enfield's Future" was endorsed at Cabinet on 10 February 2016 (KD 4252) and forms the interim strategic approach to achieving sustainable development and long term growth for Meridian Water and taking the wards of Upper Edmonton and Edmonton Green out of the bottom 10% most deprived wards in England.
- 3.43 The Framework sets out the aims and aspirations for the future development over a 40 year timespan. The Action Plan, appended to the Framework, serves as a matrix to help measure performance of the development against six themes or "action areas" ranging from lifestyle to sustainable infrastructure and energy.

Land Assembly

- 3.44 A large proportion (c. 77%) of the land at Meridian Water is in third party ownership and/or control. Although various strategic acquisitions have been completed or are in the process of being completed (including a 4.5 hectare plot, which would take land in Council ownership up to 28% of Meridian Water), it is clear that the acquisition by agreement of all the land required to facilitate the redevelopment proposals and delivery of the Meridian Water development may not be possible within a realistic timeframe.
- 3.45 While LBE have been successful in acquiring some large plots of land in single ownership, the fragmentation of the ownership arrangement in Meridian Water, particularly in the eastern part of the area, means that attempts to acquire by agreement are likely to be complex and slow, with no ultimate guarantee of success. Officers are of the opinion that a resolution in principle to use compulsory purchase powers would facilitate negotiations because landowners would know that the Council genuinely means to progress the Meridian Water development and if a voluntary purchase could not be achieved in a reasonable timescale, compulsory powers will be used.
- 3.46 The current approach to land acquisition is detailed in the JLL Land Acquisition Framework. The central objective is for the Council to acquire the freehold interest in, and possession of, all the land within Meridian Water, so as to be able to control the process of transferring land parcels to the Master Developer.

- 3.47 A central rationale for adopting this strategy is to enable Enfield Council to take a leading role, retaining ultimate control of the delivery of the development, controlling progress of development, ensuring the highest levels of quality of development and securing the outputs to which it has committed in terms of jobs, sustainability, community facilities, affordable housing and tenure mix.
- 3.48 Cabinet should note that agreeing in principle to use compulsory purchase powers at Meridian Water will not undermine due process of pursuing negotiation and fair acquisition terms for existing land owners.
- 3.49 This approach of seeking a resolution to use CPO powers whilst continuing to try to negotiate acquisitions by private treaty agreement is in line with central Government's best practice advice for assembling land for schemes of this nature.

Master Development Framework Agreement

- 3.50 The Master Developer was procured through an OJEU procedure between April 2015 and June 2016.
- 3.51 As part of this process, prospective developers were invited to mark up and provide evidence of how they would meet the requirements as stipulated in the draft Master Development Framework Agreement (MDFA), which when finalised will form the contract between LBE and the Master Developer. These include:
- Highest quality of design and place-making throughout;
 - Over 8,000 new mixed tenure homes;
 - Over 3,000 new jobs in higher paid sectors; and
 - Return on the Council's financial investment;

These are the minimum commitments which the candidate Master Developers had to meet.

- 3.52 In light of the completion of the procurement process in which Barratt London was successful, the MDFA is being finalised with the approved Master Developer and is expected to be signed in late November 2016.
- 3.53 The outputs offered by Barratt London in their submission to the Master Developer procurement process exceeded the minimums set out in the MDFA. The MDFA is being revised based on these higher projections as submitted in Barratt's formal bid and include:
- 10,000 residential units
 - 6,700 permanent jobs
 - 10,000 construction jobs

- 3.54 The MDFA describes a partnership agreement between LBE and the Master Developer and will cover the Land Acquisition strategy for the development. Clause 14 of the current draft MDFA states that the strategy and timetable for the acquisition of future phases are subject to the possibility of the need for the use of compulsory purchase powers.

Meridian Water Regeneration Project: JLL Land Acquisition Framework

- 3.55 Jones Lang LaSalle (JLL) has been appointed as the Council's professional adviser with regard to land acquisition for Meridian Water
- 3.56 JLL has produced a Land Acquisition Framework in January 2016 which provides details of the justification and explanation of the stated land assembly strategy to "secure outright the freehold ownership and remove any leasehold interests either by way of immediate shorter term unconditional purchase or by a longer term conditional legal interest."
- 3.57 This Framework does not assume that compulsory purchase powers will be required or used. It simply sets out the case for the Council's acquisition of all the land within the Meridian Water area and gives details of how this can be undertaken.
- 3.58 The report summarises the council's approach to land assembly: The main objective of the land buying strategy is to secure outright the freehold ownership either by way of immediate shorter term unconditional purchase or by a longer term conditional legal interest. The rationale for this approach being that: having the land under control enables Enfield Council to secure certainty in the viability and deliverability of the project. Control also enables flexibility over the planning, phasing and delivery strategy that will be agreed with the Council's preferred developer partner.
- 3.59 The report documents significant preliminary work that has already been undertaken as part of the Council's Land Acquisition approach:
- a. Sourcing all Land Registry Titles and Plans (Trowers & Hamblins);
 - b. Creation of an ownership plan showing all legal interests across the Opportunity Area;
 - c. Together with Trowers & Hamblins, creation of an acquisition monitoring tool including contact details for each identified freeholder and long leaseholders; and
 - d. Correspondence inviting private treaty negotiations is being sent out to all who have a land interest within the Meridian Water development as part of Council's efforts to secure land acquisition on the basis of negotiated agreement.

- 3.60 JLL continues to work with the Council and the appointed Master Developer to confirm the timeframe for engaging with landowners, the form of engagement and the role for the development partners and a budget for the acquisitions.
- 3.61 This work has been undertaken in support of pursuing the negotiated voluntary acquisition of land interests within Meridian Water. However JLL has confirmed that the work and procedures followed are not in conflict with any potential future requirement to undertake a CPO.

Meridian Water and Leading Counsel's Advice on CPO

- 3.62 The Council has sought legal advice from Leading Counsel (Guy Roots QC) about the procedures to be followed by the Council and the criteria which must be met, in order to acquire land compulsorily in connection with the Meridian Water regeneration proposals.
- 3.63 The legal advice is that a CPO in connection with the Meridian Water proposals would be made under planning powers, that is, under section 226 of the Town and Country Planning Act 1990.
- 3.64 Counsel referred to the guidance to acquiring authorities on the use of compulsory purchase powers which is set out in a guidance note published by the Department for Communities and Local Government in October 2015 entitled "Compulsory Purchase and the Crichel Down Rules". This Guidance provides helpful information on the matters which the Secretary of State will take into account when considering whether or not to confirm a CPO. These matters as they relate to Meridian Water are considered below.
- 3.65 The Guidance states that the Council must demonstrate a compelling case in the public interest, and that the public benefits that will arise from the purpose for which the land is to be acquired (the scheme) outweigh the impact on those affected. The Council must demonstrate **both** the need for the scheme in principle and in general **and** the need to acquire each and every parcel of land included in the CPO. On the basis of the legal advice and the Guidance, Council officers are of the view that such a compelling case can be demonstrated from the desirability of implementing the Meridian Water development – in particular from the substantial wider benefits resulting from it.
- 3.66 The Council must also demonstrate that there are no other impediments to proceeding with the scheme, for example the need for planning permission. In the event that planning permissions and consents have not been obtained by the time the CPO is made, it would have to be demonstrated that there is no reason to have serious doubts that they would be granted.

- 3.67 The Guidance states that in considering whether or not to confirm a CPO, the Secretary of State will have regard to the extent to which the purpose for which the land is being acquired fits with the adopted Local Plan for the area or, where no such up to date Local Plan exists, with the draft Local Plan and National Planning Policy Framework.
- 3.68 The legal advice we have received is that the planning policy should be developed so as to be clear, specific, robust and up-to-date. Therefore, the actual making of a CPO will not occur until the updated AAP has been consulted upon.
- 3.69 In accordance with the advice the Council has received and the DCLG Guidance, at this stage, this report is requesting that Cabinet pass a Resolution stating that the Council is **in principle** willing to use its CPO powers to acquire all the land within the Meridian Water development area and to instruct officers to undertake investigatory and preparatory work to determine whether a CPO is desirable and achievable at Meridian Water and if so how it should be implemented.
- 3.70 The resolution now being sought will not of itself authorise the making of a CPO at this stage, but it will enable further work to be undertaken by Council and the Developer to enable a decision about whether or not to make a CPO at a later date. The in principle resolution should give landowners an indication that the Council is serious about land acquisition and so encourage them to negotiate in a meaningful way. Any decision to proceed with a CPO would be contingent on a compelling case having been assembled in support of the need to make a CPO for Meridian Water, and for all the financial, legal and planning conditions having been satisfied.

Delivery and Funding

- 3.71 The work required to prepare for the use of compulsory purchase powers, including all work needed to support the making of such an order will be managed and coordinated by Council officers. Enfield Council would continue to employ the services of JLL and Trowers & Hamlins to develop the Acquisition Strategy, serve the 'Requisition' notices on land owners to gather information about their land interests on the Council's behalf, and prepare the Statement of Reasons to support the making of the Order.
- 3.72 Funding required for this work will be limited to professional fees and has been reflected within the existing approved capital programme budget. Requests for funding of acquisition of individual plots will be bought forward to Cabinet separately for each plot to be acquired, as has been undertaken historically.

Human Rights and the Case for Compulsory Acquisition

- 3.73 The Human Rights Act 1998 places direct obligations on public bodies such as the Council to demonstrate that the use of compulsory purchase powers is in the public interest and that the use of such powers is proportionate to the ends being pursued.
- 3.74 When the Council decides to make a CPO, the Council will need to be sure that the purpose for which the land is required sufficiently justifies (or can be sufficiently justified in due course) interfering with the human rights of those with an interest in the land affected. It is acknowledged that the compulsory acquisition of the land at Meridian Water will amount to an interference with the human rights of those with an interest in the land. These include rights under Article 1 of the First Protocol of the European Convention on Human Rights (“ECHR”) (which provides that every natural or legal person is entitled to peaceful enjoyment of his possessions) and Article 8 of the ECHR (which provides that everyone has the right to respect for his private and family life, his home and his correspondence).
- 3.75 When preparing the CPO, officers will keep in mind and in due course advise the Council about the need to balance the public interest and the individual’s rights and that any interference with these rights will be necessary and proportionate. . “Proportionate” in this context means that the interference must be no more than is necessary to achieve the identified legitimate aim. As part of the investigations that will be undertaken ahead of making any CPO will be an investigation into the effect on landowners and leaseholders of the CPO, and this will be fully taken into account before a final decision is made as to whether or not to put forward a resolution for the making of a CPO.

Cost of compulsory purchase

- 3.76 Under compulsory purchase orders, property is acquired at open market value but disregarding any increase (or decrease) in value attributable to the “scheme” for which the land is acquired. Affected parties may also be entitled to other compensation for loss payments and disturbance depending on circumstances.
- 3.77 As part of the preparatory works, there will be a full financial modelling of cost implications of acquiring the land in the three year time window following a successful CPO.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The original policy for delivery of the Meridian Water Masterplan was that the Council would allow independent developers to bring forward plots separately for development.

- 4.2 However, it is now evident that this piecemeal approach could never achieve the ambitious outputs in terms of residential units and job creation, nor deliver the co-ordinated vision of creating a cohesive and distinctive neighbourhood within North London.
- 4.3 It is now agreed that the only way effectively to deliver the Masterplan is for the Council to take a lead partner role working in partnership with a contracted Master Developer that will have sole responsibility for delivering the entire development.
- 4.4 Negotiations to acquire land and property interests within the Meridian Water boundary have been pursued and will continue to be pursued after a resolution has been passed for in principle support of the use of compulsory purchase powers.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Meridian Water is the flagship development of the Council, and is of strategic importance for delivering a number of the Council's aims within the next 10-20 year timescale.
- 5.2 In the context of the 2016 Mayor of London election, and the newly elected Mayor's manifesto commitment to the building of more homes during his time in office, there is additional responsibility of London Councils to facilitate and accelerate large house building developments.
- 5.3 Following an extensive and thorough procurement process, the Master Development Partner has now been selected, and the Council is confirming its contractual agreement as set out in the Master Development Framework Agreement. The agreement will set out the Council's role in the assembly of land which the Master Developer will take forward in phased development.
- 5.4 According to reports produced by JLL and Trowers & Hamblins, it will take at least 15-18 months from Requisition (which is the stage of work that would follow an **in principle** resolution) to get to the point of the Planning Inspector making a recommendation to determine a Compulsory Purchase Order following a Public Inquiry. Given the long timescale for this process, it is crucial to take the first step now to agree **in principle** to use compulsory purchase powers and thereby initiate this process.
- 5.5 Based on Leading Counsel's advice, supported by JLL Land Acquisition Strategy, Council officers recommend that the Council proceeds with passing a resolution to agree **in principle** to use compulsory purchase powers on the Meridian Water regeneration area.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 The cost associated with the preparatory work for using compulsory purchase powers will be primarily professional fees incurred through the use of specialist advisors to support Council Officers. Whilst the exact costs cannot be forecast at this time an allowance has been built into the professional fees budget within the Neighbourhood Regeneration Capital programme agreed at Cabinet (KD4229) in February 2016. This budget will be subject to the same robust monitoring process as for all other Council budgets, reported through the quarterly monitoring process to CMB and Council and any variances addressed accordingly.

6.1.2 The use of compulsory purchase powers would support the land acquisition strategy for Meridian Water and assist in satisfying the financial parameters set out during the competitive dialogue process for the development partner which, for the avoidance of doubt, are contained within Part 2 of this report.

6.2 Legal Implications

6.2.1 Under section 226 (1) (a) of the Town and Country Planning Act 1990 a local authority has a general power to make a compulsory purchase order for the acquisition of any land in their area in order to facilitate the carrying out of development, redevelopment or improvement in relation to the land.

6.2.2 In order to exercise the s.226 powers the local authority must demonstrate that the proposed development/improvement is likely to contribute towards any of the following objects, namely the promotion or improvement of the economic or social or environmental well-being of their area.

6.2.3 Further legal implications are as set out in paragraphs 3.58 to 3.65 of this report. The Human Rights aspects of a CPO are contained in paragraphs 3.68 to 3.71 inclusive.

6.3 Property Implications

6.3.1 The proposed development accords with the Council's property and planning objectives and processes. Strategic Property Services (SPS) support the seeking of compulsory purchase powers as being necessary to deliver the development as reliance on purchase by agreement with all owners cannot be guaranteed.

- 6.3.2 Acquisition of property by the Council will be in accordance with the Council's Property Procedure Rules.
- 6.3.3 There are no implications which will arise directly from the passing of this resolution to agree in principle to use compulsory purchase powers at Meridian Water. The resolution itself does not commit the Council to a course of action and does not change the legal status of the land within the proposed red line boundary shown at Annex 1 and does not create any formal relationship between the Council and landowners or occupiers.
- 6.3.4 The Council, through its advisory team, is in contact with the main landowners in Meridian Water and is seeking to progress negotiations for private treaty acquisitions. The Council's CPO advisor is writing to all known landowners informing them that the Council is considering using its compulsory purchase powers and that the Council will be considering a report recommending in principle support. The resolution is a clear statement of the Council's intent and should assist the private treaty negotiations being undertaken by the Council and its advisory team. SPS understands that the Council and its team are sufficiently resourced to respond to any increase in activity resulting from the resolution.
- 6.3.5 SPS understand that any CPO will not be made until there is a further report back. Once a CPO is made there is potential for certain qualifying owner occupiers to serve a blight notice. SPS are advised that there are sufficient resources to deal with any blight notices when they arise.
- 6.3.6 SPS further understand that as far as reasonably practicable the timing of acquisitions will be phased in accordance with the development phasing plan, which is currently being worked on between the Council and the Master Developer. Where properties are acquired ahead of the phasing plan it will be managed by the Council to maintain rental income and accommodate meanwhile uses as appropriate.

7. KEY RISKS

Risk On serving a CPO, the Public Inquiry is unsuccessful and the CPO is not confirmed. In this scenario it is likely the Council would have to pay the costs of successful objectors. There is also the possibility a CPO may be confirmed but some objector's lands may be taken out of the CPO. This would be an extremely serious outcome but with low-moderate likelihood. Serious because without key plots of land the Council cannot deliver the key transport and service infrastructure, nor deliver the full developments or retain overarching control of phasing.

Mitigation The Council can mitigate the risk of an unsuccessful outcome by proceeding as far as possible with acquiring land ahead of

servicing a CPO and undertaking as much preparatory work as possible (valuation, due diligence, legal preparation etc.) and not making the CPO until we are confident that it will be successful.

Risk Once granted, CPO timescales compel the Council to acquire land within a three year period which has the effect of exceeding the Council's peak debt point and putting unsupported pressure on revenue.

Mitigation As part of the preparation process, the Compulsory Purchase team (Council, T&H, PWC and JLL) in collaboration with the Master Developer will formulate an optimum CPO strategy, which may involve phasing the CPO to make it more manageable from a financial point of view.

Risk There is a stakeholder risk that by undertaking a CPO, this could worsen relations with local businesses who are hostile to a CPO

Mitigation Communicate intention with local stakeholders from the earliest opportunity and engage with ongoing consultation to take all concerns into account. Negotiations should address tenants' requirements as well as leaseholders. CPO settlements will cover financial losses from lost businesses as well as capital valuation.

Risk Planning risk that Area Action Plan (AAP) does not get adopted by the Secretary of State. This would severely weaken the case for the CPO.

Mitigation The AAP gains increasing weight as it progresses through the planning process (production, to Council approval, to consultation, submission, examination and adoption). So even a "submitted AAP" that is on track to be adopted would still carry substantial weight at a Public Inquiry. However, the best mitigation is to ensure that the AAP gets completed as soon as possible with plenty of time in place for early discussions with key stakeholders before going out to formal consultation. Secondly, the Planning Policy team should work closely with the Meridian Water Team and Compulsory Purchase team when preparing the AAP. Finally, the Council should take care to incorporate comments and contributions following consultation, and if not possible explain why.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Regeneration of Meridian Water will promote fairness for all people of the local area of the borough, and the Wards of Edmonton Green and Upper Edmonton especially. The developer has committed that 30% of the residential units to be built will be affordable (this is higher

than the minimum 25% required in the draft MDFA). Residential units will be a mixture of tenures, sizes and designs providing housing options for all people living in the borough. Finally, the development will be “tenure blind” so that it will not be possible to determine from looking at a building from the outside which block is affordable and which is not. In the Compulsory Purchase process, all owners and tenants will be treated equally.

8.2 Growth and Sustainability

Meridian Water will bring about significant growth in housing stock (10,000 new housing units) in the borough, the creation of jobs (10,000 temporary jobs during construction and 6,700 permanent jobs), and will provide floor space for businesses across the borough. The development will be inherently sustainable in its design and delivery. The Lee Valley Heat Network will meet energy requirements of the development in a sustainable way. The construction of a major new train station and improved public transport will discourage driving, thus making a significant contribution to reducing carbon emissions in the borough.

8.3 Strong Communities

The proposals for Meridian Water aim to increase home ownership levels in the wards and create a more mixed community. The proposed redevelopment will also provide a range of residential unit sizes to encourage the creation of a diverse community. It will also accommodate a range of commercial and community uses. The Phase 1 planning application (16/01197/RE3) includes provision for 950 sq. m of retail floor space, up to 600 sq. m of community floor space, public open space; children’s play area and extensive landscaping. This phase is indicative of future phases across Meridian Water where the goal of building strong communities is at the heart of what the regeneration is trying to achieve. Use of compulsory purchase powers will facilitate this by enabling the Council to maintain control over how the development is brought forward and delivered.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 The draft Meridian Water Masterplan was subject to an initial Equalities Impact Assessment/Analysis (EqIA) to ensure that consultation promoted equal opportunities. During the master-planning process, demographic data was collected in relation to residents of Edmonton in order to determine which groups to target for community engagement and to also help assess the equalities issues the Masterplan proposals will need to consider.
- 9.2 These issues were summarised in the final EqIA report that was reported to the Local Plan Cabinet Sub-Committee at its 11th September 2013 meeting.

- 9.3 Equalities impact issues are examined at each planning application stage on individual sites.
- 9.4 As part of the Compulsory Purchase preparation work an Equalities Impact Assessment will be undertaken on the potential impact and mitigation strategy of the proposal.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The Regeneration of Meridian Water contributes towards the achievement of:

- The London Plan
- Upper Lee Valley Opportunity Area Planning Framework
- Core Policies 37 & 38 of the Core Strategy
- The Central Leaside Proposed Submission Area Action Plan
- Meridian Water Masterplan
- Meridian Water Regeneration Framework
- Sustainable Community Strategy
- Creative Enfield
- 2.10 “Improve the Quality of life for residents through regeneration of the priority regeneration areas” Enfield Council Business Plan

11. HEALTH AND SAFETY IMPLICATIONS

There are no immediate Health and Safety Implications

12. HR IMPLICATIONS

There are no immediate HR implications. However, as Meridian Water progresses, it may be necessary to increase the size of the Neighbourhood Regeneration team.

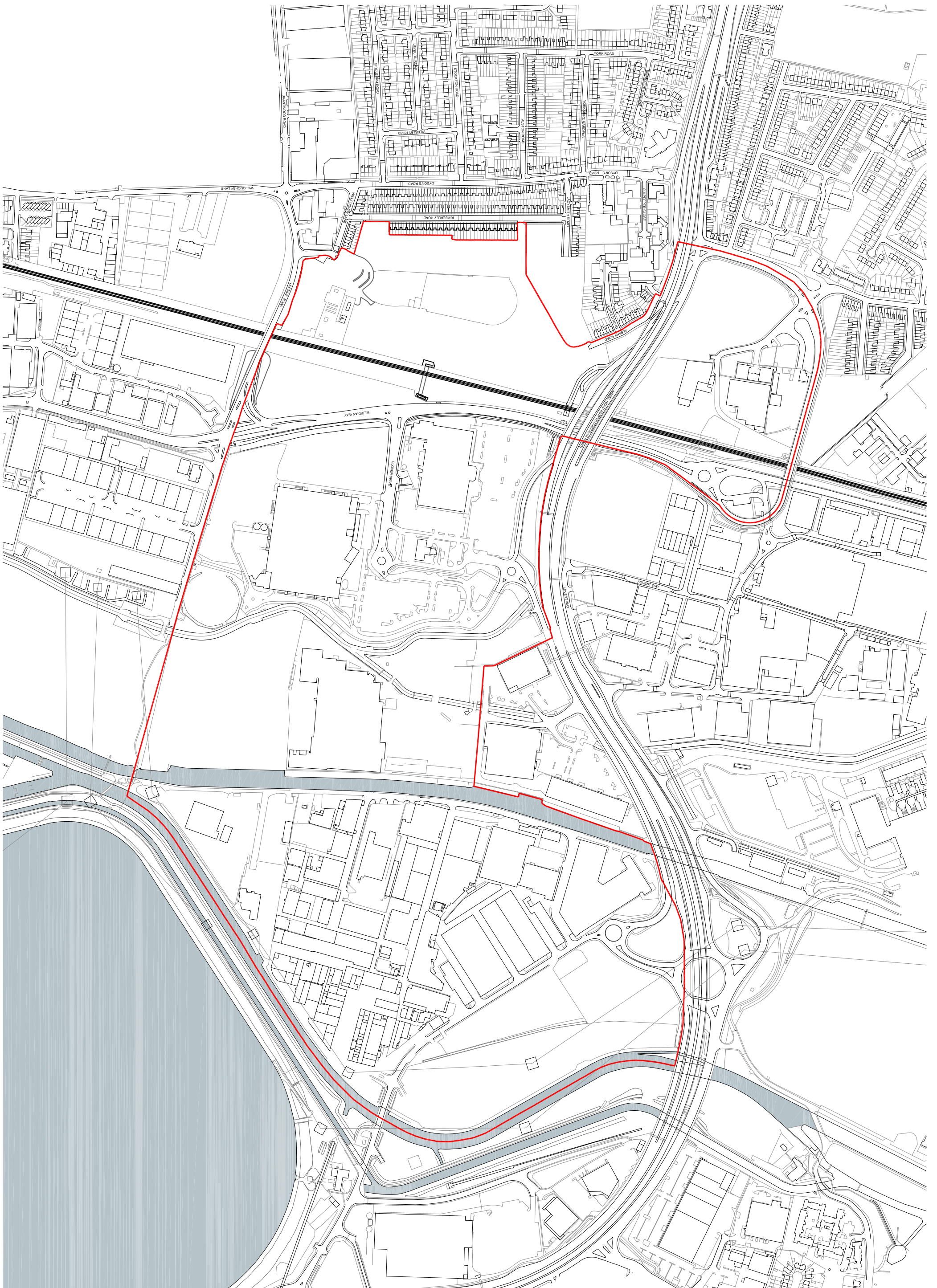
13. PUBLIC HEALTH IMPLICATIONS

As part of the Meridian Water development, the Council is working with the NHS to identify future public health and well-being needs, and to design into proposals a suitable public health facility that will meet the requirements of a new community. Designs for each and every phase will include sufficient quotas for green space, outdoor space and leisure facilities. A key theme of Meridian Water is introducing the theme of water across the development. Master Developer Barratt London has committed to producing a water feature for every 800 homes.

Background Papers

None

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MUNICIPAL YEAR 2016/2017 REPORT NO. 67**MEETING TITLE AND DATE;**

Cabinet
6th September 2016

JOINT REPORT OF:

Director of Health,
Housing and Adult Social
Care and the Director of
Finance, Resources and
Customer Services

Agenda – Part: 1

Item: 12

**Subject: Reprovision 2 - Care Home
Capital Funding and Procurement**

Wards: All

Key Decision No: KD 4337

**Cabinet Member consulted: Cllrs
Cazimoglu and Lemonides.**

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1. EXECUTIVE SUMMARY

- 1.1 On the 21st October 2015 Cabinet agreed the strategic approach of building a new care home with nursing within the next 3 years and authorised officers to commence feasibility, scoping, planning and commissioning.
- 1.2 This report summarises the need to secure additional good quality nursing supply for Enfield residents which is affordable and compliant with Care Quality Commission (CQC) standards.
- 1.3 A full Borough wide site search was undertaken and reported within the Delegated Authority Report KD 4283. In May 2016 under the KD 4283, the preferred option of the Coppice Wood Lodge as a location for the new care home was approved and an initial sum of monies was allocated for appointment of Architects to undertake design and detailed feasibility together with supported survey work in support of a Planning Application.
- 1.5 Levitt Bernstein have been appointed as architects for this scheme and have undertaken feasibility, and undertaken a pre-application meeting with the Local Planning Authority.
- 1.6 The current scheme design has gone through detailed feasibility. The brief for the project has been based on the scheme on the former Elizabeth House site with the aim to provide the same core spaces and similar number of welfare facilities. However, as the design has developed, the brief has been adapted to suit site requirements and design aspirations. The results of which are presented within this report.
- 1.7 In 2015 it was projected that over 1300 older people were living in a residential care home (with or without nursing care) in Enfield and this number is projected to rise to 1780 in 2025. With the increasing number of people in the Borough aged over 65 years and continuing to rise even further over the next 10 years, securing beds for nursing and dementia care for Enfield residents at an affordable rate is a high priority for the Council.

- 1.8 Enfield has twelve nursing care homes which are at full capacity. The Authority faces stiff competition for beds from neighbouring London Boroughs. It is therefore beneficial for the Council to own care homes and ensure that there is a sufficient and an affordable local supply available.
- 1.9 The key aim of this report is for Cabinet to approve and agree the build of a new care home on the current site of Coppice Wood Lodge, Grove Road, Enfield, N11 1LX together with the business case as presented in the Part 2 of this report.
- 1.10 To support the financial cost of developing the new care facility it is proposed that existing care home sites will be disposed of or free for other Council uses, subject to authority, to reduce and pay down the capital borrowing required for this development.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Delegates to the Director(s) of Health, Housing and Adult Social Care and Finance, Resources and Customer Services, in consultation with Cabinet member(s) for Health and Social Care and Finance and Efficiency, the approval to appoint a contractor(s) to deliver the demolition and redevelopment of the Coppice Wood Lodge site for the purposes of a new care home.
- 2.2 Approves the redevelopment of the Coppice Wood Lodge Care Home Facility and recommends to Council the approval of additional funds to the Capital Programme as detailed within Part II of this report.
- 2.3 Delegates authority to the Director of Health, Housing and Adult Social Care to approve the submission of a planning application for a new care facility at Coppice Wood Lodge Site.
- 2.4 Delegates authority to the Director(s) of Health, Housing and Adult Social Care and Finance, Resources and Customer Services in conjunction with Cabinet Member(s) for Health and Social Care and Finance and Efficiency to appoint a service provider.
- 2.5 Approves capital expenditure for Pre-construction services up to Contract Award from the Capital Programme as detailed within Part II of this report.

3. BACKGROUND

- 3.1 On 21st October 2015 Cabinet agreed the strategic approach of building a new care home with nursing within the next 3 years and responsibility was delegated to the Director of Health, Housing and Adult Social Care and Director of Finance, Resources and Customer Services to approve the site for a new care home.
- 3.2 Strategic Property Services were commissioned to conduct a search of Council owned locations within the borough. This site needed to be approximately 1 acre in size, with good public transport links and to be available for the development of a new build care home to be operational as soon as possible to ensure that the Council is able to increase nursing care capacity. A full Borough wide site search was undertaken and reported within the Delegated Authority Report KD 4283.
- 3.3 Several alternative options were considered including existing care home sites, sites both in private and public ownership; however due to the strategic location of CWL site in terms of need and transport infrastructure and planning sense this location suited the client requirements.
- 3.4 The site of Coppice Wood Lodge is owned freehold by the Council and lies on a plot approximately 0.38 hectares (1 acre), located to the south-west of the Bowes Road and Cross Road junction. Please see appendix 1 for site plan. The site is not located within a Conservation Area and there are no statutory listed buildings within close proximity of the site.
- 3.5 Vehicular and pedestrian access to the site is provided from Grove Road to the west, with a public right of way from Bowes Road to the north providing a further pedestrian approach. The existing nursing care home varies between one and three storeys in height and is located at the centre of the site.
- 3.6 In May 2016 under the KD 4283, the preferred option of Coppice Wood Lodge as a location for the new care home was approved and an initial sum of monies was allocated for appointment of Architects to undertake design and detailed feasibility together with supported survey work in support of a Planning Application.
- 3.7 Levitt Bernstein Design Consultants has been appointed to undertake feasibility, initial massing and design up to RIBA stage 3i for the designs for the new care home. In June 2016, a pre- planning application for the scheme was submitted.
- 3.8 The existing Coppice Wood Lodge facility is below Care Quality Commission (CQC) standards and in need of modernisation. To

facilitate this, the current residents of the building will be decanted into the new care home on the former Elizabeth House site on Old Road (off Hertford Road), a new dual registered home due for completion early 2017. After this, Coppice Wood Lodge will be demolished to make way for the new nursing care home building due to open late 2018.

- 3.9 The Council confirmed a requirement with the architect for a nursing care home of seventy to eighty beds with associated ancillary and staff areas. This represents a significant increase from the existing thirty-eight unit residential care home currently on the site.
- 3.10 An alternative option was also requested in order to optimise and seek assurance of the development potential of the site and the introduction of a small number of houses should be explored. As such, Levitt Bernstein has produced two feasibility studies; one looking at a three storey nursing care home spread over the site, and a four storey nursing care home with part of the site allocated to new housing.
- 3.11 Both options were submitted to the LPA for a Pre-application meeting to garner feedback. The client's preference to make an efficient nursing care home that works laterally as well as vertically is predicated upon a three –storey home that produces the optimum care ratio, ensuring unit size is of adequate numbers to enable efficient staffing levels. For these reasons the option to include a row of four townhouses will be excluded moving forward.
- 3.12 The brief for the project has been based on the Elizabeth House scheme with the aim to provide the same core spaces and similar number of welfare facilities. However, as the design has developed, the brief has been adapted to suit site requirements and design aspirations.
- 3.13 The design of the nursing care home has an important influence on the residents' quality of life. Design should be geared to satisfying the needs of residents and staff providing care within the home and will seek to:
 - provide a safe and secure environment for residents;
 - ensure residents' privacy and provide their own personal space under their own control;
 - protect residents' dignity;
 - offer residents a stimulating setting for daily activities;
 - enable residents to have easy access around the home; minimise residents' difficulties in understanding their surroundings;
 - provide a work setting which enables staff to deliver high quality care;
 - meet the standards relating to the design and fabric of residential and nursing care homes required by law, regulations and directives

- 3.14 The results of the feasibility show floorplans and massing block diagrams. These show that the feasibility undertaken and the comments received back from the LPA demonstrate the site can yield 70-80 beds (subject to final design) in a three storey formation.
- 3.15 On current programme, the delivery of the care home to the client is circa August/September 2018.
- 3.16 The Council's appointed cost consultants, Stace LLP, have submitted a high level cost plan for the proposed new build care home at CWL. The purpose of a feasibility cost plan is to establish a realistic cost limit for the development. The aim is to inform the overall budget required to complete this project.



The nursing home is arranged as three households over three storeys.

The main entrance and drop-off zone is accessed off Grove Road.

Communal/visitor facilities are located on the ground floor close to the main entrance to allow for ease of access and security.



Ground Floor Sketch – Levitt Bernstein

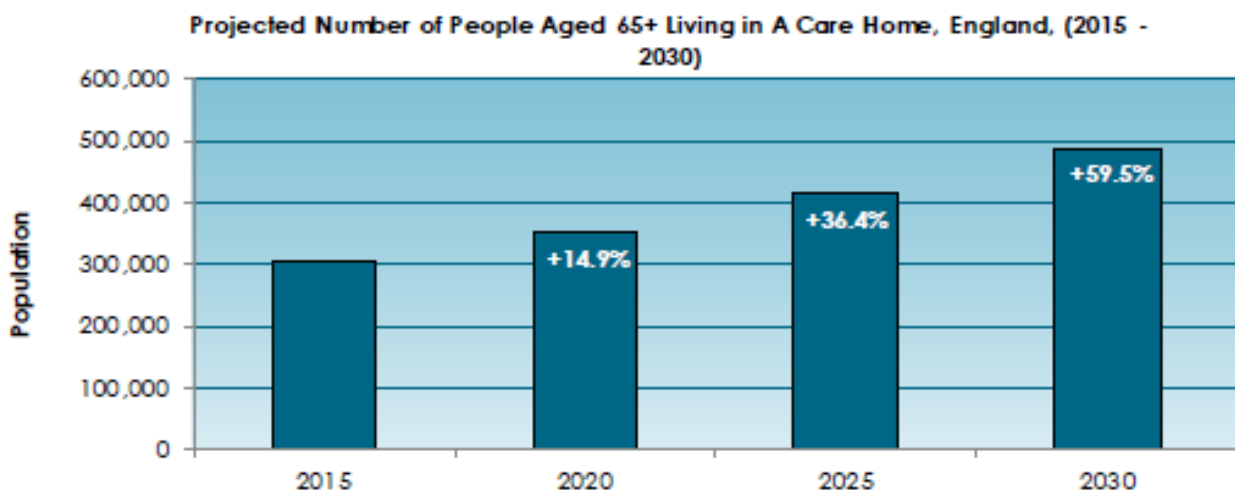


View from Bowes Road – Artists Impression, Levitt Bernstein

4. MARKET ANALYSIS

Residential Care

- 4.1 There are an estimated 5,153 nursing homes and 12,525 residential homes in the UK. According to the latest Laing and Buisson survey, there are 426,000 elderly and disabled people in residential care (including nursing), approximately 405,000 of whom (95%) are aged 65+ which equates to approximately 4.2% of the total population aged over 65 years. The resident care home population is also ageing: in 2011, people aged 85 and over represented 59.2% of the older care home population compared to 56.5% in 2001.
- 4.2 Research suggests that the median period from admission to a care home to death is 462 days, (15 months). Around 27% of people lived in care homes for more than three years. Projected recourse to a residential care home setting for England, suggests that there could be almost a 60% increase on current levels by 2030.



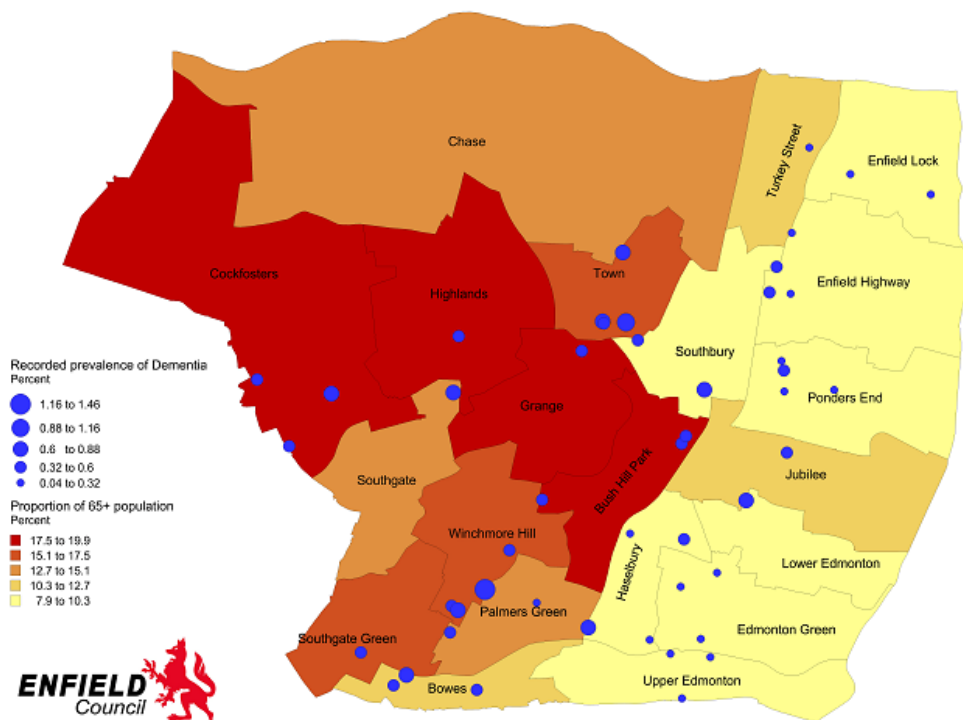
- 4.3 Alternatives to residential care are emerging all the time, in the form of care villages, assisted living, (or 'extracare') schemes and supported housing. Research in to population trends within these is somewhat limited. It is believed that there are circa 110 care villages in the UK, and overall there are fewer than 20,000 retirement village properties in the UK, the majority of which are located in the more affluent areas of the south of England.

5. STRATEGIC LOCAL NEED

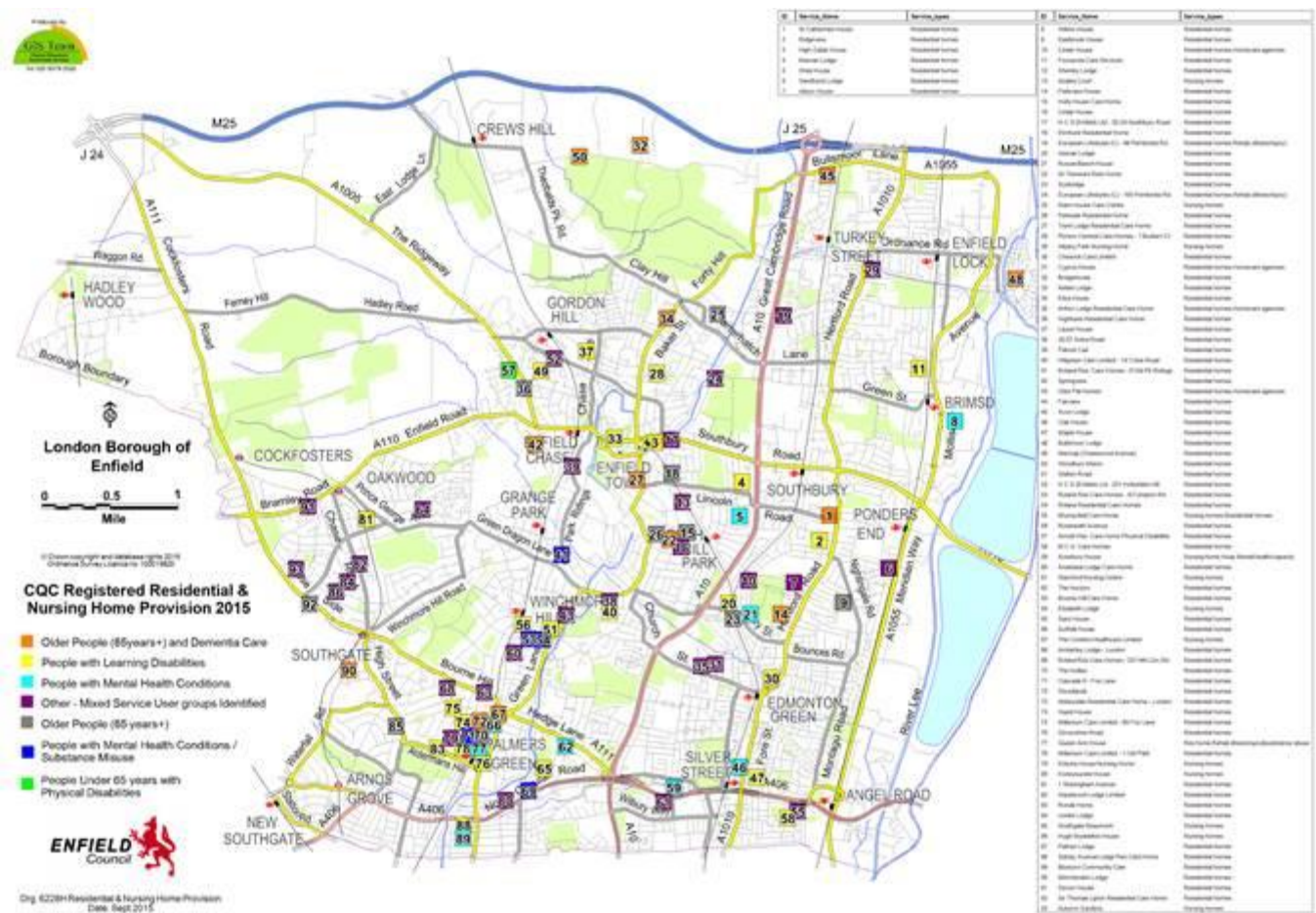
- 5.1 Enfield's nursing and residential dementia care homes market is highly competitive with private funders, neighbouring authorities and health services all seeking placements at increasing rates, reducing Enfield Council's ability to access supply. There are currently 99 residential

and nursing care homes located in the borough that are registered with the Care Quality Commission, providing a total of 2,016 bed capacity. In respect of service type, 745 beds are registered as providing nursing care.

- 5.2 The number of people in the borough over 65 years of age is forecast to increase by 23% in the next 10 years – from 42,400 in 2015 to 52,500 in 2025. This increase is slightly above the overall percentage increase of England (21%) and poses a significant local challenge in terms of developing services to meet future demand. In 2015 it was projected that over 1300 older people living in a residential care home (with or without nursing care) and this number is projected to rise to 1780 in 2025. In 2015/16 a total of 624 older people aged 65+ known to adult social care services as placed were in residential care (155 self-funded and 469 council funded) and 282 were placed in nursing care provision (64 self-funded and 218 council funded).
- 5.3 The number of people with dementia in Enfield continues to increase. There are currently over 3,100 and with improving rates of early identification and diagnosis, this is likely to increase further. The demand for high quality and value for money residential and nursing care provision for people with dementia for both the Local Authority and Enfield CCG continues to exceed the available supply which has placed significant upward pressure on price with associated pressures on both Council and CCG budgets. New placements in 2015/16 for nursing and dementia care saw price increases of 13% and 17% respectively.
- 5.4 The dementia graph outlined below provides a current understanding of the demographic distribution of dementia in the borough.



5.5 The map below shows a current understanding of residential and nursing care provision in the borough.



5.6 There is an ever increasing significant shortage of affordable nursing elderly dementia care beds in Enfield. It is important to note that vacant bed spaces fell to single figures on numerous occasions and dropping to one vacant bed during the winter periods of 2014 and 2015. This combined with competition from other parties, who often pay higher prices, makes supply even more scarce and difficult to secure. The ongoing shortage of nursing care beds in the Borough has placed upward pressure on care purchasing budgets, has also contributed towards delays in the timely and appropriate discharge from acute hospital beds. Securing additional high quality nursing supply for Enfield residents is, therefore, a priority.

6. ALTERNATIVE OPTIONS CONSIDERED

6.1 Do Nothing

6.1.1 As there is a significant shortage of affordable nursing care beds in Enfield, if the Council was to adopt this approach there would be

significant increased revenue pressure upon the Council and additional pressures placed on the market.

6.2 Purchase care home beds out of borough

6.2.1 The opportunity for the Council to purchase nursing dementia residential care from neighbouring areas does not afford the Council a cost effective solution as prices are at a higher rate than Enfield's mean market average.

6.2.2 In addition the Council Adult Social Care function is governed by the 'Directive on Choice' statutory guidance which requires the Council to afford individual services users choice of accommodation. The Care Act (2014) places a duty on Local Authority commissioners to facilitate development of a diverse and sustainable provider market in their local area; able to support the whole community. Purchasing services out of the Borough at the expense of developing a much needed local resource for Enfield residents with complex care needs and in need of local authority support would undermine this statutory duty.

6.3 Utilise alternative procurement method for construction contract

6.3.1 Due to the requirement to deliver the new care home as soon as possible to ensure capacity in the nursing care market, the timescales associated with a two stage tender process were unfavourable. In addition, two stage tenders are associated with increased costs as the contractor is appointed at an earlier stage and therefore the main lever of competitive peer-to-peer competition is lost. See part 2 report for further details.

7. REASONS FOR RECOMMENDATIONS

7.1 The site currently occupies a care home, Coppice Wood Lodge, which will be closing at the end of 2016. The site is of adequate size and is an strategic location in terms of need and geography - as it is not only on the opposite side of the borough to the new home currently being built on the former Elizabeth House site, but it is also in a quadrant of the borough which has a higher prevalence of dementia. Furthermore, the site is very accessible by car and also public transport.

7.2 Due to the requirement to build a new care home to increase nursing care capacity as soon as possible, it is important to source a location and approve funding for the new build care home in a timely manner to ensure that design and procurement can be undertaken; one of the key factors in deciding upon CWL as the best option.

7.3 The securing of extra beds in the Borough is a high priority and a duty falls on of the Council to ensure that there is a sufficient and affordable

supply of care services locally for users and carers under the Care Act 2014.

8. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

8.1 Financial Implications

8.1.1 Please refer to Part Two report for financial implications noting this is an addition to the existing capital programme.

8.2 Legal Implications

8.2.1 Under s.111 of the Local Government Act 1972 the Council has power to do anything which is conducive to its functions as a local authority. The provision of a care home is within that power. Additional powers are given for this by s.1 of the Localism Act 2011.

8.2.2 Although planning consent will be required for any redevelopment it should be noted that the use of the proposed site as a care home is in line with the existing authorised use of the site.

8.2.3 Where the Council procures works, supplies or services in connection with the proposals contained in this report it must comply with UK/EU procurement legislation where applicable, and the Council's Contract Procedure Rules. In addition, all legal agreements consequent upon the procurement exercise must be in a form approved by the Assistant Director of Legal Services.

8.3 Property Implications

8.3.1 Following the Referendum, held on 23 June 2016, concerning the U.K's membership of the EU, a decision was taken to exit. The property market has been in a period of uncertainty since Quarter 1 2016 which continues post the Referendum Vote, with many factors affecting the property market as a whole.

8.3.2 In "thin" transactional markets, by their nature, there is less certainty to be attached to valuation. With fewer transactions, there is less market evidence to provide definitive price guidance at any time, and this coupled to volatility in financial markets, creates additional risk. Strategic Property Services would, therefore, recommend that the assessment in this report is reviewed regularly particularly while this uncertainty remains.

- 8.3.3 Legal due diligence has confirmed there are no restrictions, wayleaves or rights of way across the Coppice Wood Lodge Site.
- 8.3.4 All Repairs and Maintenance scheduled on this property should be brought down to a minimal level where only urgent items in need of repair and health and safety issues are prioritised in the lead up to decant.
- 8.3.5 Adequate interim security measures need to be put in place as soon as the Property is vacant until contractors start on site to prepare for demolition.
- 8.3.6 The Council must ensure that any future lease/service contract for any new operator to operate the Care Home must have a full repairing clause within the terms so as to ensure the fabric of the new care home is maintained after warranties expire.
- 8.3.7 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations HHASC Project Manager's will complete a demolition notification form and return to Property Services. This will enable Strategic Property Services to advise Insurance, Finance (Asset Register) energy management teams and various other departments within the Council of the changes.
- 8.3.8 Strategic Property Services are to be sent the new data being generated for the new care home. These will include floor plans with room data for the purposes of the Asset Management System, Atrium.
- 8.3.9 Planning permission when gained for the new build, Building Regulations will be adhered to as part of the infrastructure enabling and construction works. The oversight of this will fall under the Council's Contract Administrators (CA's).
- 8.3.10 Once the development is completed, Building Control will need to sign off on the completed development. All warranties and guarantees will be available in the event that building failure occurs. These guarantees will be assigned after practical completion occurs and held on behalf of the Council by Legal Services.
- 8.3.11 There should be a requirement upon the contractor at certain set dates for snagging inspections. These inspections will be organised by the Council's CA's.

9. KEY RISKS

- 9.1 There is a risk that if the Elizabeth House build programme or transition of service users is delayed this could result in a delay to this project. However, this will be mitigated through monitoring of key milestones of both projects to ensure that the impact is mitigated or minimised where possible.
- 9.2 Planning is a risk that should be highlighted at the start of the process as this is not a guaranteed outcome – the site is on the edge of a conservation area. This will be mitigated by early consultation with planners plus a pre planning application.
- 9.3 Brexit - Regarding the decision to leave the European Union; this has created a high level of uncertainty regarding investment decisions, sale evidence. All appraisals as to value and viability/cost should be re-evaluated every 6 months.

10. IMPACT ON COUNCIL PRIORITIES

10.1 Fairness for All

Approval of these recommendations ensures continued provision of high quality, affordable and accessible care services to all sections of Enfield's community.

10.2 Growth and Sustainability

Approval of these recommendations gives Enfield's citizens continued access to much needed provision for some of the Borough's most vulnerable people. The project will seek added community value within the build/ service provision through initiatives such as apprenticeships and training opportunities. These recommendations create business and partnership opportunities for developing innovative care services in the Borough: supporting the Council's statutory obligation to shape a vibrant and sustainable local care market.

10.3 Strong Communities

The new service will contribute to the community by providing a quality service to vulnerable older people in the Borough, and support maintenance of family relationships, may provide employment opportunity to borough residents and potentially be of benefit to other local businesses.

11. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is not required at this stage to approve the report and the

recommendations set out for delegation. However it is recommended that a Predictive Equalities Impact Assessment be undertaken at the various stages as appropriate to ensure that the works and the service benefit the community and that it is fully accessible particularly by those in the protected characteristic groups. Equalities advice will be given as required to support this.

12. PERFORMANCE MANAGEMENT IMPLICATIONS

A new nursing residential dementia care unit will contain adequate contract provision to ensure that the required performance management measures are met to deliver quality provision and service user satisfaction to optimum effect. The additional capacity in the new care home will contribute to national performance indicators, including minimising delayed transfers of care (DToc).

13. PUBLIC HEALTH IMPLICATIONS

Provision of nursing care homes is a core part of maintaining the health and well-being of Enfield residents with dementia and complex needs.

Background Papers

None

MUNICIPAL YEAR 2016/2017 REPORT NO. 68**MEETING TITLE AND DATE:****CABINET**Tuesday 6th September 2016**REPORT OF:**

Director of Regeneration and Environment

Contact officer and telephone number:
Lovelace Poku, 0208 379 3870
E mail: Lovelace.poku@enfield.gov.uk

Agenda – Part: 1**Item: 13****Subject: Edmonton Futures – Housing Zone 2****Wards: Edmonton Green, Lower Edmonton & Upper Edmonton****Key Decision No: KD4334****Cabinet Members consulted:**

Councillor Alan Sitkin, Councillor Ahmet Oykenner & Councillor Dino Lemonides

1. EXECUTIVE SUMMARY

- 1.1 Following the Council's successful Housing Zone bid for Meridian Water the Council has submitted and has been successful in its application to the Greater London Authority (GLA) for a second Housing Zone in Edmonton to enable the development of 3,200 new homes.
- 1.2 An award valued at £33.45m was agreed in principle, to accelerate delivery of homes in the Edmonton Futures area. This report seeks authority to enter into agreement with the GLA to accept the award, the terms of the agreement are set out in part 2 of this report.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 notes the Council's successful Housing Zone designation for Edmonton Futures; and
- 2.2 Delegates authority to the Director of Regeneration and Environment to (i) discuss and seek to agree with GLA the terms of the OBA; and (ii) enter into the OBA in such agreed form.

3. BACKGROUND

- 3.1 London continues to grow, but its success has brought with it a growing population that needs to be housed. This means that we need to build many more new homes right across London, and build them at a much faster rate than has been achieved in the past.
- 3.2 Enfield's population is very much following the London trend. Its current population of 324,000 (ONS, 2015) is projected to exceed 400,000 by 2032 (LBE Local Plan consultation, 2015). To take account of this, a revised target of 798 new homes per year in the period 2015 to 2025 has recently been agreed in the London Plan (2015). These homes will be accommodated on a range of sites across the Borough, but the opportunities to achieve housing delivery at significant scale and pace are in limited supply. This is where Meridian Water comes into play. It is a pivotal regeneration scheme which has the potential to accommodate at least 10,000 new homes itself and include at least 6,000 more homes in its adjacent communities.
- 3.3 The GLA is firmly behind Meridian Water: It is already a designated Housing Zone, the Mayor of London is in vocal support of our plans for the new Meridian Water station (with four trains per hour); and, our recent London Regeneration Fund (LRF) application to develop a creative maker space and artist studios has been recommended for GLA funding.
- 3.4 However, the sheer scale of Meridian Water means its impact needs to be felt in its surrounding areas. This newly awarded Housing Zone 2 designation demonstrates how by extending the housing zone status into neighbouring communities, the GLA and the Council in partnership can help unlock the housing potential and meet the housing needs of an even wider swathe of north London. It is a priority of Meridian Water to extend prosperity into neighbouring deprived wards and an explicit aim of the Meridian Water Regeneration Strategy is to take Edmonton wards out of the top 10% most deprived in the country.
- 3.5 The neighbourhoods that surround Meridian Water are collectively known (for the purpose of this application) as the Edmonton Futures Area. The name has been added to explain the transitional process Edmonton is going through and how we see Edmonton in the future. Figure 1 shows this area surrounding the Meridian Water Housing Zone, and alongside the neighbouring Housing Zones in Tottenham and at Blackhorse Lane in Walthamstow. Further designations will allow an even greater clustering of development activity to the benefit of the sub-region. A wider designation beyond the Meridian Water site boundary will allow Enfield to benefit from the wider strategic impact that Housing Zone status brings – similar to that afforded to Tottenham.

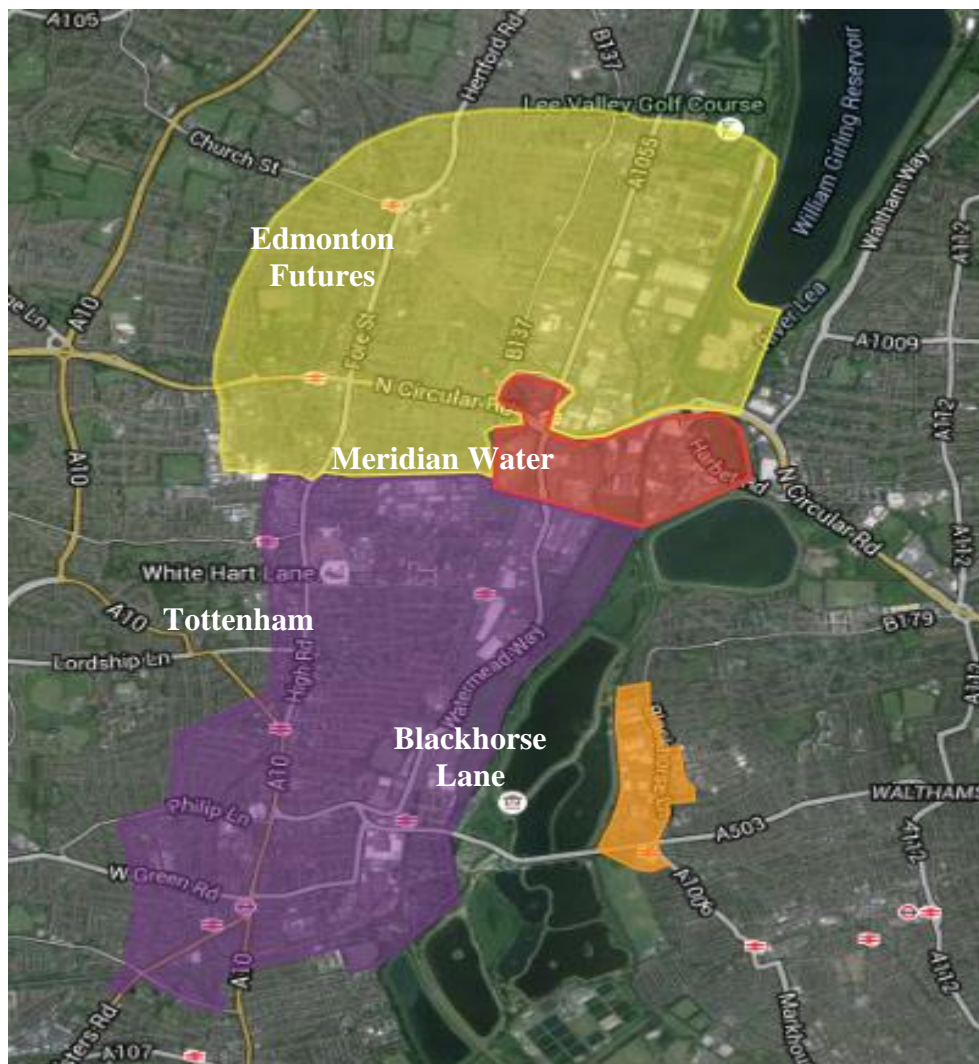


Figure 1 – Upper Lea Valley current and proposed Housing Zones

- 3.6 Enfield Council was successfully awarded Housing Zone status by the GLA in March 2016. Further work is now underway to support the award and bring forward new homes.

Estate Renewal Programme

- 3.7 In October 2015, Cabinet approved the Enfield Housing Estate Renewal Programme (Key Decision No.3980). The report refers to a number of sites falling within the Edmonton Futures Housing Zone that will assist the council's wider housing and regeneration ambitions.
- 3.8 The Estate Renewal and Development Team are already progressing work to prepare the sites that have been shortlisted for redevelopment into deliverable schemes. This list of sites was first referred to in the Part 2 report of KD 3980.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative option would be not to accept the award. However, this option would restrict the Council's ability to bring forward new homes at an accelerated rate.

5. REASONS FOR RECOMMENDATIONS

- 5.1 For the Council to bring forward housing development in the Edmonton Futures area in line with the Council's strategic objectives, it is recommended to Cabinet that the Council seeks to agree and then, subject to agreement of suitable terms, enter into the OBA in order to expedite development opportunities.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 Entering into the housing zone contract agreement with the GLA for the loan of £30.25m and the grant of £3.2m does not contractually commit the Council to spending money.
- 6.1.2 Each of the interventions mentioned within the body of the report will be subject to a separate business case and report which will cover the investment required (being funded from the GLA resource), the proceeds of each investment (demonstrating these will be sufficient to repay the GLA loan) and will detail the GLA loan repayment terms which will be agreed at the time. At this point the projects would require approval to add to the capital programme and depending on the value of these would either be Cabinet or full Council decisions.

6.2 Legal Implications

- 6.2.1 The Council has power under s1 of the Localism Act 2011 ("the Act") to do anything that individuals can do, subject to restrictions stated in the Act.
- 6.2.2 The recommendations in this report are in accordance with the s1 competence power under the Act and the Council's constitution.
- 6.2.3 Prior to entering into the OBA the terms of that document, and the commitments imposed on the Council under it, should be clear. The Council should also seek advice, before entering into the OBA, that the arrangements are compliant from a state aid and procurement perspective.
- 6.2.4 The OBA should be entered into only in a form approved by the Assistant Director of Legal and Governance Services.

6.3 Property Implications

6.3.1 The Estate Renewal Programme is an established and central part of the Council's wider housing and regeneration ambitions. The acceleration of housing delivery through the Edmonton Futures initiative, and the GLA loan funding is welcomed. The funding gives greater certainty to programme timing, and supports a proper framework for the overall initiative. In particular, it gives support to the initial outlay and high expenditure, in advance of land receipts, which is essential if the regeneration proposals are to succeed and deliver within the planned timescales.

6.3.2 A further major gain will be the focus of further investment within the 'hinterland' of Meridian Water and a wider spreading of the regeneration benefits that are anticipated. As with Meridian Water, it is important that all aspects of the programme are carried out within a framework which fosters and does not prejudice due diligence safeguards, and the associated Council property procedure rules.

7. KEY RISKS

7.1 Key risks considered are:

7.2 Taking no action could result in development not coming forward in a timely way.

7.3 Taking no action will mean that there is a risk that no new homes, jobs, schools and other supporting community facilities are not forthcoming in the required timescales, creating far greater development pressure elsewhere in the Borough.

7.4. The announcement of the new Mayor of London's manifesto highlights changes that will need to be taken into account as the regeneration of housing estates continue. These include but not limited to;

- The need for resident support on all estate renewal schemes;
- The need to ensure that there is no net loss of affordable housing;
- The need to include upon changes to the Mayor's London Plan, 50% affordable housing in all development schemes.

7.5 The impact of this policy position is currently unknown but it will need to be a key consideration in the deliverability and viability of development schemes as they come forward.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The successful award of Housing Zone status allows the borough to provide high quality and affordable homes in an area of deprivation.

8.2 Growth and Sustainability

The awarded funding will go towards the ongoing regeneration of Edmonton which will see new homes, new jobs and associated infrastructure to support the community.

8.3 Strong Communities

Continued investment into Edmonton will assist in ensuring that communities play a role in shaping future opportunities. As a result this will lead to greater social cohesion and a stronger community.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 It is not considered relevant or proportional at this stage to undertake an equalities impact assessment. Where the need arises when further detail is known, further reports will be scrutinised to understand the equalities impact implications.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 There are no performance management implications for the approval of this report.

11. PUBLIC HEALTH IMPLICATIONS

- 11.1 LBE is responding to the housing crisis in London and thereby helping to mitigate the effects of the housing shortage. Housing is a fundamental health need. Those who are homeless have a life-expectancy approximately 30 years lower than the national average.
- 11.2 The Council design standards will help to both maintain residents' financial resilience and reduce impact on global warming. Design of both housing and neighbourhoods will help to encourage walking and cycling to improve health further.

Background Papers

None

MUNICIPAL YEAR 2016/17 – REPORT NO. 69

**MEETING TITLE AND DATE:
CABINET – 6 September 2016**

Report of:

**Director of Finance,
Resources and Customer
Services.**

Agenda Part: 1	Item 14
Montagu Industrial Estate Redevelopment	
WARD: Edmonton Green	
KD - 4357	
Cabinet Members consulted: Cllrs Lemonides and Sitkin	

Contact officers:

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1. EXECUTIVE SUMMARY

- 1.1 The Montagu Industrial Estate is located to the southeast of the borough just to the north of the A406 and is occupied by industrial buildings of varying ages and quality. The estate extends to 28 acres of which LBE owns about 66% for investment purposes.
- 1.2 The estate suffers from congestion, poor infrastructure, and buildings are in a state of decline. Generally, the estate does not provide the type and quality of buildings or services that maximise employment opportunity, value and income for the Council.
- 1.3 Consequently, the Council wishes to adopt a strategy that achieves a number of objectives viz.: maximise employment opportunities; maximise revenue; and provide the quality of environment and type of buildings that meet the demand characteristics of employment based occupiers.
- 1.4 This report sets out the preferred option for the Estate's redevelopment and the establishment of a vehicle that will deliver these objectives. In particular, the establishment of a joint venture vehicle is recommended which will assist with land consolidation, master-planning, the Estate's redevelopment and its future asset management.

2. RECOMMENDATION

It is recommended that Cabinet:

- 2.1 Notes the various options available for the use of the Montagu Industrial Estate and the economic and financial rationale for the establishment of a joint venture special purpose vehicle;

- 2.2 Approves the redevelopment of the Montagu Industrial Estate for employment uses with the objective of securing wider economic and social regeneration benefits, as well as generating revenue funds for the Council to reinvest in Council services, and approves the demolition of Unecol House to facilitate the phased redevelopment of the Montagu Industrial Estate;
- 2.3 Approves the establishment of a special purpose vehicle, joint venture LLP, to take forward the redevelopment of the estate and delegates authority to the Director of Finance, Resources and Customer Services in consultation with the Assistant Director (Legal and Governance Services) and the Cabinet Member for Finance and Efficiency to enter negotiations, finalise the terms and enter into agreements associated with establishing the special purpose vehicle;
- 2.4 Approves the use of the Council's real assets (property) located in the Montagu Estate to be used as an equity stake for the Council in the Joint Venture special purpose vehicle and delegates authority to the Director of Finance, Resources and Customer Services in consultation with the Cabinet Member for Finance and Efficiency, and the Cabinet Member for Economic Regeneration and Business Development to transfer these assets into the special purpose vehicle as and when required (subject to compliance with the Council's Property Procedure Rules (PPRs));
- 2.5 Approves the procurement of a joint venture partner with which to form the special purpose vehicle and delegates authority to the Director of Finance, Resources and Customer Services in consultation with the Cabinet Member for Finance and Efficiency and, the Cabinet Member for Economic Regeneration and Business Development to enter into negotiations, finalise the terms and enter into agreement with the procured recommended development partner;
- 2.6 Approves the addition to the Council's capital programme to fund the creation of the SPV that will manage the redevelopment of the Montagu Estate to be funded from Borrowing as detailed in the Part 2 report.
- 2.7 Recommends to Council the addition to the Council's capital programme to fund the acquisition of property on the Montagu Estate, which is to be funded from Borrowing in the 2017/18 financial year.
- 2.8 Approves:
 - (a) the acquisition of land in the Estate subject to the PPRs and delegates authority to the Director of Finance, Resources and Customer Services (FRCS) in consultation with the Cabinet Member for Finance and Efficiency and, the Cabinet Member for Economic Regeneration and Business Development to negotiate and agree the final terms of the acquisition and
 - (b) in principle the use of the Council's compulsory purchase powers (CPO) to acquire such land that may be needed to facilitate the area's redevelopment and agrees to the commencement of background work. Noting that negotiations will be conducted with landowners and a resolution to make the CPO will be brought back to Cabinet at an appropriate time.
- 2.9 Cabinet approves and delegates authority to the Director of Finance, Resources and Customer Services to submit a planning application for demolition work at

Unecol House and to obtain planning permission for the site's future development.

2.10 Cabinet delegates authority to the Director of Finance, Resources and Customer Services to demolish this building.

2.11 Cabinet recommends to Council an addition to the Capital Programme for the demolition of Unecol House as detailed in this report.

3. BACKGROUND

3.1 The Montagu Industrial Estate (MIE) is located just to the north of the A406 in Edmonton Green Ward, and is occupied by industrial buildings of varying ages and quality. The Estate is approximated 28 acres.

3.2 The Estate is part of an important employment use area within greater London (the Lee Valley employment use corridor). The bulk of the Estate is designated within the London Plan as Strategic Industrial Land; with both the LPA and GLA pointing out that its employment use needs to be safeguarded.

3.3 The Estate is occupied by a variety of businesses in different economic sectors, which in instances are not complementary, and their premises appear to be no longer fit for the intended economic purposes they were originally intended for. The estate suffers from congestion as the businesses have outgrown the original infrastructure and many of the buildings are in a poor state. The estate no longer provides the type and quality of buildings or services that maximise employment opportunity and value. Unecol House in particular, is structurally poor and in a state of disrepair, with the bulk of it in a seriously dilapidated state. The building also does not comply with Health and Safety legislative requirements and poses a threat to the Council; legally, financially and reputationally.

3.4 The Council currently owns 18.3 acres, almost 66% of the Montagu Industrial Estate and this is held for investment purposes. Rental income to the Council is just in excess of £1m per annum.

3.5 An asset review of the estate has established that its redevelopment with a well-planned "fit for purpose" estate, can maximise revenue for the Council, maximise employment opportunities and could catalyse economic regeneration.

3.6 Economic analysis of the commercial/industrial sector and commercial property sector reveal that the investment performance of UK commercial property has been steadily moving back to core fundamentals. Property yields are stabilising and the occupier markets are performing well benefiting from robust demand, tight supply and steady rates rental growth. The economic outlook and performance of the property market provides a positive background that supports the redevelopment of the Estate (see PART 2 Appendix A: Options Report and Market Commentary which provides further information about the economic outlook and the property market).

4. PROPOSAL

The Concept

- 4.1 The Council intends adopting an asset management strategy that provides a well-planned employment hub that encourages growth and maximises employment. This will be achieved by matching the needs of employers from both SME and corporate occupiers in terms of:
- The specification, size and versatility of space offered;
 - The tenure structures that will be offered that support employment growth;
 - Providing the opportunity to ‘trade up’ and ‘trade down’ as businesses respond to economic conditions;
 - Encouraging the development of incubator accommodation and workspace that support start-ups and encourages cross fertilisation, agile and co-working.
- 4.2 Evidence drawn from other areas in London shows that the typologies of accommodation required to meet demand and maximise employment are as follows:
- Office type space – small, medium and large space users
 - Managed workspace
 - Incubator/accelerator/ co-working space
 - Studio type space
 - Creative studios
 - Industrial/warehouse space – small, medium and large space users
- 4.3 These uses have differing needs and environmental requirements and in response the vision for Montagu is to create a mixed use environment that will offer a range of accommodation within a well-planned and accessible estate. Similar activities will be grouped to co-locate in buildings or zones that are designed to meet the specific needs of the occupiers and in this way support operational needs and business growth.
- 4.4 As part of the viability assessment, a variety of conceptual layouts were considered, and the option that maximises built floor area and optimises income is shown in Figure 1. This conceptual plan will need to be developed into a detailed masterplan that will guide the redevelopment of the estate and the proposed partnership.



- 4.5 The conceptual scheme noted has a gross footprint of 620,000 sq.ft, but there is opportunity to increase this footprint to c. 795,000 sq.ft by altering the unit typologies. The comprehensive, yet phased, redevelopment of the Estate is proposed.
- 4.6 To facilitate the phased redevelopment of the estate, it is proposed that Unecol House is demolished as soon as possible. This is because not only is the building in a perilous state and a financial liability to the Council, it cannot be reused economically. It should also be borne in mind that Unecol House is in a key position; with prominent street frontage facing a busy secondary road and as the northern access to Montagu Industrial Estate. Demolition therefore facilitates land consolidation and sets the scene for a gateway development that sets the new development tone for the entire Estate.

Land Assembly Implications

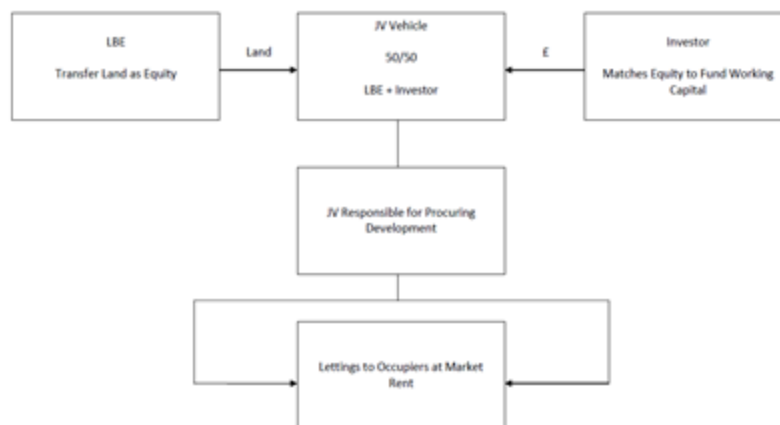
- 4.7 The Council's ownership is occupied by over 60 tenants generating £1.16m in annual rent with the majority of leases expiring around 2020, some leases go on to the period between 2030 – 2040. The remainder comprises eleven interests held by third parties.
- 4.8 Completing land assembly to secure vacant possession of the estate will be a combination of freehold and leasehold purchase and business disturbance on a

temporary or permanent basis. With a phased approach to development it is envisaged that certain businesses could be relocated locally and thereby mitigate business disturbance to temporary disruption and not total extinguishment. However, total extinguishment of certain businesses is expected to take place.

- 4.9 To help facilitate the acquisition of land, and ensure the comprehensive redevelopment of the Estate it is recommended that the Council uses its compulsory purchase order (CPO) powers. In this regard a detailed business case, town planning framework and a clearly defined delivery strategy will be needed which will support the CPO case.
- 4.10 To minimise the risk that vacant possession will not be secured for the sites that are subject to existing leases and licences it is proposed that responsibility for estate management of the estate transfers to the SPV from the point of set up. Net rents will continue to be received by the Council to maintain income levels.

Delivery Mechanism – Joint Venture

- 4.11 Appendix A of PART 2 of this report provides a detailed analysis of the various delivery options available to redevelop the Estate and these are briefly outlined in Section 5.
- 4.12 Based on this analysis, it is proposed that a partnership with a development partner is established. To facilitate the partnership, a Joint Venture (JV) vehicle would be formed with a likely term of c. 20 years. See diagram below.



- 4.13 The JV would be structured as an LLP. The partners will have 50/50 decision making powers with equal executive membership and a deadlock structure in case of fundamental disagreement. Revenue distribution will be determined by equity participation. The value of the land transferred into the JV would represent the Council's equity share in the JV. The JV partner's equity share is expected to be equivalent to the outstanding land assembly costs, pre-development and delivery costs, which the partner will fund.
- 4.14 The partners would share the net revenues (net of JV operating costs) into the JV achieved through industrial lettings. Annual revenues would be shared by each partner equivalent to their equity share.

4.15 The JV would adopt an over-arching set of objectives and operating structure (The Strategic Plan). It is envisaged that the costs of fulfilling these objectives will be financed by the partner and the direct operating costs of the JV would be funded by each party as working capital. The Strategic Plan objectives would include:

- Master plan consent
- Phase detailed planning consent
- Phase delivery and financial plan
- Land assembly by agreement
- Infrastructure agreement
- Estate management

4.16 It is envisaged that the Council would only transfer a long-term property interest into the JV on a phase by phase basis subject to certain Conditions Precedents (CPs) being satisfied. CPs would include, amongst others: master plan consent and detailed planning consent (on a phase by phase basis).

4.17 The advantages and disadvantages of this delivery mechanism are highlighted in the following table.

Advantages	Disadvantages
LBE has control over design principles, quality and programme through The Strategic Plan and 50/50 decision making	Likely to be OJEU procured process as there is positive obligation to develop by the JV and this increases up front resourcing and procurement costs to LBE
Creates revenue and market value led growth through JV share	Exit options uncertain as freehold interest is held by the JV. LBE will own its equity % of the JV and on expiry of the JV will have to acquire the partners share to own 100% of the freehold.
In case of market failure the damage to LBE is reducing revenue and unlike the head lease cannot fall into negative returns	LBE executive resourcing during the life of the JV
Partnering with an established industrial developer enhances marketability as the scheme can benefit from the partners wider brand, experience and existing tenant bank.	
LBE do not directly carry construction costs risk	
LBE being seen to be participating in development in the Borough in a well managed way.	
LBE can maintain existing net revenue levels and implement high quality estate management and land stewardship strategy through the JV principles.	

4.18 If a partner wishes to exit the JV during its operating term, either party would be allowed to sell its share (usually after a minimum term) subject to agreement and subject to a pre-emption option. On winding-up the JV, the parties would have a pre-emption or default to sell the JV interest and distribution of receipts by equity stake proportions. The parties could also agree to extend the JV.

Procurement Approach

4.19 The procurement of an appropriate development partner is of critical importance to the Council achieving its objectives. The selection of a partner will therefore need to be vigorous, transparent and robust. To achieve this, a land transaction based procurement approach is envisaged. Details of the other procurement approaches considered are reported in Appendix A of PART 2 of this report.

4.20 This approach will:

- Encourage a wide group of interested parties to participate and this will maximise competition for the JV role;
- Be faster and more cost effective for the Council;
- Allow the Council to exercise a satisfactory level of design and delivery control using alternative methods such as through town planning powers and through the lease terms.

4.21 The procedure to be adopted to identify a JV partner under this basis would be as follows:

- High profile marketing to identify a partner which is willing to enter into a JV arrangement with LBE on a 50/50 deadlock basis within an LLP structure. Revenue share of the JV by reference to the equity participation of the partners.
- Marketing will describe the strategic and operating proposition which will become embedded in the JV agreement which is signed up to by the Partners. The proposition is that the parties enter into a JV agreement which incorporates the following rights & obligations:
 - JV takes responsibility for estate management of the existing estate;
 - The JV partner accepts development management (DM) responsibility to appoint appropriate professional consultants to secure master plan permission for the estate as agreed between the JV partners (Master Plan proposals received as part of the selection procedure);
 - LBE accepts an obligation to seek to secure CPO powers over third party owned sites (secured in the Conditional Land Transfer Agreement (see below));
 - JV partner DMs the obtaining of planning permission and funds land assembly and the pre-development costs of securing permission;
 - JV secures planning permission and the parties agree a Phasing Agreement based on the Master Plan;
 - Site wide viability assessment is undertaken based on the master plan consent and substantiated by detailed market commentary, cost advice and site investigation to generate an estate wide land valuation based on a Long lease value (999 years) with vacant possession and the benefit of planning permission;
 - Business Plan approved by JV partners based on the agreed land valuation, pre-development costs, expected delivery costs, JV DM costs partner finance rates and all other cost to show the expected revenues to the JV parties;

- Equity share of the JV agreed by reference to the Business Plan proportions of land value in comparison to the pre-development and delivery costs incurred by the JV partner;
- LBE receives 'loan note' finance return in lieu of land value payable from the date of transfer as priority return on revenue to JV (% rate secured at procurement);
- JV Partner receives finance return on pre-development costs (% rate secured at procurement) as 2nd priority;
- JV Partner receives finance return on development costs as 3rd priority;
- JV Partner funds the shortfall in LBE revenue from the existing estate during the pre-development period and guarantees a minimum revenue of £850,000 per annum to LBE;
- JV approves the Business Plan;
- JV partner DMs the securing of detailed planning permission for phase 1;
- LBE is obliged to grant an Agreement for Lease to the JV in accordance with the Conditional Land Transfer Agreement;
- JV partner procures construction subject to agreed procurement policy of the JV;
- JV appoints letting agents;
- JV appoints managing agents;
- JV partner manages the lettings & management teams;
- Agent costs funded out of JV revenue;
- JV net revenue distributed in accordance with the priority returns and the equity shares;
- JV reviews the Business Plan on an annual basis.

4.22 Setting-out the procedures, rights and obligations of the JV from the outset enhances transparency and signals to the market the Council's intent and willingness to proceed with this development as speedily as possible. In addition, it also ensures the procurement process is clearly laid out, is unambiguous and allows the Council to clearly evaluate bids.

Conditional land transfer agreement (CLT)

4.23 For the JV to be successful, the parties will need to enter into a CLT in parallel with the JV agreement on the basis of the Council granting an agreement for Lease and 999 years lease which will need to impose the following rights and obligations:

- LBE undertakes to seek to secure CPO powers for third party interests;
- LBE undertakes to secure vacant possession of LBE owned areas in accordance with the Phasing Agreement;
- LBE grants an Agreement for Lease (AFL) in accordance with the Phasing Agreement when pre-conditions are met, such as:
 - CPO powers secured;
 - LBE secures vacant possession of the phase area;
 - Detailed Planning Permission is obtained by the partner;
 - AFL would have a long stop date for completion of the development in accordance with the planning permission. It is important to note that the AFL user clause would be to only implement the planning permission, and as such is not a positive development obligation;

- The AFL conditions state that on satisfactory completion of the development a 999 year lease is granted to the JV on a peppercorn basis and with User restrictions for continued employment uses.

4.24 The demolition of Unecol House and the consolidation of adjoining land by the Council will enhance the Council's commercial position in establishing the JV. This is because a significant liability would have been removed prior to the asset being transferred. In addition, consolidating the land also enhances its value as there is a greater percentage of developable land mass.

Financial Overview

4.25 The current gross income level the Council receives from the Estate is £1.16m from a variety of short and long term leases. Given the age of the buildings on the estate and legislative changes, it is highly likely that compliance with the legislation will require significant expenditure and extended void periods. While this has not been quantified, the exercise is regarded to be futile as the building stock can be considered to be redundant and will not attract stronger businesses that will support future economic and employment growth. Hence, additional expenditure will not be matched by increased rental value.

4.26 Notwithstanding the disadvantages of maintaining the status quo, the option was financially modelled and net revenue is expected to reduce to below £600k in 2020 and never exceed £1.28m even after 20 years.

4.27 Our property consultant (LSH) in consultation with our tax adviser (Grant Thornton) and legal adviser (Browne Jacobson) have carefully considered the legal and financial implications with the respective delivery mechanisms and the following table compares the returns for the respective options.

4.28 to 4.44 PART 2 ONLY

Envisaged Timetable

4.45 Work undertaken to date has provided a conceptual framework and feasibility analysis for the redevelopment of the Montagu Industrial Estate. Further work is now required to steer its implementation through procurement and set-up.

4.46 The following table provides an indicative timetable for the project's delivery.

Milestone	Date
Commence land assembly	Oct 2016
Prepare informal master plan	Oct 2016
Interested Party day	Oct 2016
Market Launch	Oct 2016
Registration of interest	Nov 2016
Short list of parties	Jan 2017

CPO process commences	Jan 2017
Submission of demolition PA	Jan 2017
Final offer	Mar 2017
Close and set up of JV	May 2017
Procure demolition contractor	Jun 2017
Unecol House demolition completed	Dec 2017
Commence Phase 1	Jan 2019

Project Governance and Management

- 4.47 A project Board consisting of Council officers (from Property Services, Legal Services, Finance, Economic Development and Regeneration) and external consultants will be established within Strategic Property Services (SPS). The Project Board is to be co-chaired by the Director (FRCS) and Director (Environment and Regeneration).
- 4.48 External consultants will be drawn from the Council's existing Co-sourcing arrangements for Legal, Property, Financial and Procurement support. In addition, consultants will also be called-off directly from the CCS Framework Agreement.
- 4.49 Overall day-to-day project management will be externalised but will be supported with a project manager from SPS.
- 4.50 The Project Board will report by exception to the Asset Performance Group, which in turn will escalate matters for consultation to the Corporate Asset Management Group or for decision to CMB/Cabinet.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The Council could elect to retain the Estate in its current form. However, this is not considered viable as future rental growth will be prejudiced by buildings in its ownership becoming obsolete, and the retention of older buildings not attracting new occupiers. Net income levels are likely to reduce due to buildings no longer meeting the requirements of their occupiers, and attracting small businesses vulnerable to failure. Management costs are also expected to increase as buildings become obsolete and attract higher repair costs. In particular, it is important to note that the Energy Act 2011 places restrictions on the leasing of commercial premises that do not comply with minimum energy efficiency standards, and it is highly likely that compliance with these requirements will require significant expenditure and extend void periods.
- 5.2 Four alternative options were also considered for Unecol House, viz.: Dispose building; rent asset; retain as is; and develop for an alternative use. None of these options were considered viable for a variety of reasons ranging from health and safety issues, income generation, cost reduction, and planning viability.

- 5.3 A lack of intervention will also result in the local environment continuing to suffer from congestion and urban decay, which may place the area at risk of increased anti-social behaviour.
- 5.4 Alternative land use options were also considered, but given the area's planning designation and current planning policy, the probability of a shift away from employment uses is considered to be highly unlikely. Similarly, alternative layout options and unit typologies were also considered for the site, and whilst a conceptual plan was drawn-up aimed at maximising net lettable area, it will require further refinement.
- 5.5 A variety of options were also considered with respect to the delivery mechanisms that could be used to redevelop the Estate, viz.: head lease to an investor, joint venture, and LBE direct development. These options present very different risk/reward relationships, and the following tables summarise the various comparative assessments that were considered in recommending the preferred option.

Criteria	Head Lease	JV	Direct Development	Status Quo
Council control	High level of control over design and delivery	High level of control over design and delivery	High level of control over design and delivery	Only piecemeal infill development possible
Ease of procurement & risk	Land investment deal, non OJEU and minimal risk subject to DD being available	OJEU process, 12 month programme. Minimal risk of success	N/A	N/A
Market interest	Very strong for whole, strong for LBE interest	Extremely strong for whole, very strong for LBE interest	N/A	N/A
LBE construction risk	LBE carry risk through the annuity rent structure	Minimal, managed through JV procurement	LBE carry risk	N/A
LBE letting risk	LBE hold full letting risk	Minor, managed through JV delivery phasing	Full letting risk to LBE	Minimal but will grow with continued obsolescence
Maximise revenue to LBE	LBE standards of delivery drive the market rent which is discounted by the fixed head lease rent	JV standards of delivery drive the market rent and LBE receive share based on equity share	LBE standards of delivery drive the market rent received in full by LBE	Net revenue expected to reduce in real terms
Intensity of LBE resourcing	Medium – initially in marketing & close and following development LBE will have asset and management responsibilities	Limited to JV management and governance	Intense direct resourcing and managing DM and property management services	Minimal
Flexibility to expand scope	None	Flexible	Subject to financial exposure	None

Criteria	Head Lease	JV	Direct Development	Status Quo
Time to procure and set up	6 months	6 – 12 months	6 months	Ongoing
Indicative preference ranking, subject to detailed financial modelling	2	1	4	3

5.6 Whilst the financial modelling of the options suggested that the Head-lease option might provide higher returns, the risk analysis noted that a JV option presented lower risks and better certainty (see table below).

Risk	Head Lease	JV	Direct Development	Status Quo
Availability of LBE resources to scheme delivery & ongoing management	Medium – LBE will have to provide/procure DM services to secure delivery	Low – resources provided/procured by the JV partner	Medium – LBE will have to provide/procure DM services to secure delivery	Low – limited to property management & piecemeal development
Maintain credible marketing and management brand in the long term	High – not LBE core business	Low – adopt the established brand of the partner	High – not LBE core business	High – brand will not overcome the quality of the estate
LBE revenue vulnerable to market conditions	High – LBE will have to adjust terms to remain competitive	Medium – Development partner expertise, brand and tenant bank will mitigate deteriorating tenant demand	High – LBE will have to adjust terms to remain competitive	High – poorer specification/condition property suffer more in deteriorating market conditions.
LBE revenue could become negative through commitment to pay head rent	Medium – Market values would have to fall by around 60% but this could be envisaged as the estate becomes older	Low – LBE returns can reduce but not become negative	Medium – revenues could, in extreme conditions fall below the finance costs of delivery	Low – because no head/ground rent
LBE exposed to construction cost risk	Medium – pre-development services provide some protection	Low – partner has direct delivery experience and LBE not directly exposed	High – pre-development services provide some protection	N/A
Scheme design fails to match market requirement and does not optimise returns	Medium – pre-development services provide some protection	Low – partner has direct delivery experience	Medium – pre-development services provide some protection	N/A
LBE exposed to unforeseen and extraordinary pre-development costs	Medium – pre-development services provide some protection	Low – partner has direct delivery experience	High – pre-development services provide some protection	N/A
Summary of risk	Medium to High	Low to medium	High	N/A

- 5.7 The various options were also tested in the market to determine market interest and appetite for such a development. The findings add weight to the course of action proposed in this report.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The Montagu Industrial Estate is in a state of decay, and land on the Estate could be used more efficiently.
- 6.2 Comprehensive phased development of the whole Estate is considered to have advantages in terms of:
- Enabling estate wide master-planning that will maximise density by re-configuration of road access;
 - Comprehensive phased development will maximise market appeal thereby optimise values, growth marketability and Investor interest;
 - Increasing scale will enhance the opportunity for community infrastructure and estate wide facilities;
 - A well planned estate will mitigate the adverse effects of employment uses on residential neighbours;
 - A Larger estate creates service charge and management efficiencies.
- 6.3 The benefits of redevelopment can be summarised as follows:
- Asset management: As the market commentary in Appendix A suggests, a new well planned estate developed on a phased basis should enjoy steady demand and be a source of income that is secure in real terms through rent review structures. In this way rental income/growth is further enhanced by capital value growth. Redevelopment enables the adoption of an estate management strategy to assure fit for purpose infrastructure and energy efficiency and ensure that management expenditure costs are effective, minimised and recoverable.
 - Economic: Enables the estate to provide accommodation that matches demand requirements and through this, support economic activity and sustainable growth in the Borough.
 - Finance: Redevelopment will generate higher business rates and the retention of this revenue post 2020 diversifies and assists to stabilise the borough's finances.
 - Socio-economic: New accommodation will enhance job creation and safeguarding close to an area of local labour. In turn this will lead to consumer spending and assist in promoting local well-being and pride, and address anti-social behaviour in the area.
 - Environmental: The estate is close to key transport routes and a comprehensive scheme will enable an estate wide travel plan to be adopted leading to more efficient and reduced travel for employees. Redevelopment

also facilitates an improved urban fabric and minimises the bad neighbour effects of industrial activities on local residents and businesses. This positive approach will also improve perception of the borough in its environmental responsibility. The proposed redevelopment of this site with an industrial scheme is considered to be financial viable and feasible in planning terms. The scheme will also generate much needed income for the Council.

- 6.4 The demolition of Unecol House will remove a significant liability for the Council as the structure and installations within are in a very poor to dangerous condition, with asbestos containing materials, and periodical repair and maintenance is not recommended. Its future use as Open Storage on the site is considered viable and revenue from this activity is estimated at over £50k per annum (based on 2015 assessments). This use will not compromise any emerging plans for the Montagu Industrial Estate in the future by integration of the master plan and may make the site more appealing to investors at a later date.
- 6.5 The use of Unecol House as Open Storage is proposed as a short-medium term solution for the Council as it will: result in a secure site that will generate an income; transfer liabilities to an occupier; reduce ongoing management costs once demolished; and will stop illegal encampments on the site and reduce rough sleeping in the immediate area.

7. KEY RISKS

- 7.1 A project of this scale has numerous risks and as such will need to be closely monitored and managed. This will be the primary responsibility of the project team and in particular the project manager. Significant risks and issues will be escalated to the Asset Performance Group and CMB/Cabinet by exception.
- 7.2 The Council's existing risk management protocols will be used and this will be tempered using Prince2 methods and techniques.
- 7.3 Key lower level risks are outlined in section 5.5, whereas the table below identifies the key strategic risks associated with the project.

Economic Risk	This is a long-term project and therefore difficult to predict the future's economic outlook. Hence, there is inherent risk associated with the UK's and London's economic outlook particularly in light of the recent Brexit decision. Current analysis suggests that the market's fundamentals and those of the London property market in this sector are strong and will remain robust. However, the proposed scheme builds in flexibility by adopting a phased approach, thereby allowing the development to be altered over time if needed.
Market Risk	Scheme fails to match market requirements and does not optimise returns. Much of this risk can be mitigated by selecting an appropriate, skilled and experienced development partner as the partner will be directly involved in delivering a viable scheme.
Planning Risk	Scheme fails to obtain planning permission. This risk is considered low as the area's use as employment land is

	established and the scheme does not depart from planning policy. Indeed it will improve the area. However, the emerging North London Waste Management Plan does have the potential to restrict the future employment use potential of the area and it is imperative that an appropriate agreement is reached regarding the provision of waste facilities in north London that does not prejudice the Council's economic regeneration aspirations for the area and borough as a whole.
Financial Risk	Cost pressures could render the project unviable or depress the share to the Council and its JV partner. The project will need to closely monitor various cost elements associated with the project, such as land assembly and disturbance payment costs, finance costs, construction costs, and operational costs. Mitigation will include preparing detailed budgets, particularly for land assembly.
Duration Risk	The project takes longer than envisaged. This will primarily have the effect of deferring future income streams to the JV, while increasing operating costs over the shorter term. Mitigation will include lightly resourcing the JV thereby ensuring operating costs are minimised.
Procurement Risk	The procurement approach is challenged and/or the market does not respond favourably to the opportunity affecting our ability to select a suitable partner. Legal advice has been obtained and the approach to be adopted is considered to be sound. Soft market testing was undertaken to determine market appetite and to temper the proposition. Responses have been very favourable and the approach will facilitate/improve our ability to obtain a suitable partner.
Resource Risks	Availability of resources to deliver the project. The Council has limited capacity and capability to deliver this project in-house. The JV role allows the Council to draw upon the partners resources for delivery. In addition, the Council will bring in the necessary resources through its co-source partners.
Environmental and Public Health Risks	Unecol House's building fabric has asbestos containing materials (ACMs). Risk associated with demolition therefore appropriate surveys need to be undertaken and appropriately qualified contractors will need to be used to demolish the structure.
Public Health Risks	While Unecol House has been secured to prevent trespass, the longer the building stands empty, the greater the risk of trespass and vandalism. The Council has a statutory duty to ensure the building is appropriately safeguarded.

8. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

8.1 Financial Implications

8.1.1 SEE PART 2

8.2 Legal Implications

- 8.2.1 Section 1 of the Localism Act 2011 provides the Council with a general power of competence to do anything which an individual generally may do so long as it is not restricted under s.2 of that Act. The establishment of a Joint venture with a private sector partner for this development is within the powers of the Council under its general power of competence (GPOC).
- 8.2.2 However, it is sometimes argued that local authorities do not have the power to establish or be a partner in limited liability partnerships (LLP). This is as result of the wording of section 4 of the Localism Act 2011 which states that if a Council does something under its GPOC for a commercial purpose then it must do so either through a company or cooperative and benefit society and not an LLP. LLPs must however be established by two or more (legal) persons with a view to profit, if the Council is not establishing the partnership with a view to a profit then the courts have historically considered that no partnership exists. Nonetheless many Councils have taken the view that provided they are establishing an LLP not for a commercial purpose then they are permitted to establish an LLP. This view has not been challenged and has led to a number of LLP joint ventures being established by local authorities around the country. To this end the Cabinet should be minded when reaching its decision, that the Council would be primarily pursuing the joint venture by way of an LLP not for a commercial purpose but for the wider social regenerative benefits that this scheme should bring.
- 8.2.3 The report confirms that the Council intends to market the opportunity to become the joint venture partner by way of an open and transparent competition but not in accordance with the full requirements of the Public Contracts Regulations 2015 (PCRs). Provided that the underlying contractual relationship is not procurable under the PCRs then an open and transparent competition should meet the requirements of the Commission Interpretive Communication on Public Procurement and Concessions to Institutionalised Public Private Partnerships. In order to achieve this it is necessary for the underlying transaction to be structured as a land sale (which is not covered by the PCRs) and not as a development agreement (which would be covered by the PCRs). A land transaction means that the competition does not have to comply with the PCRs and thus is less encumbered by those rules however, in order to achieve this the Council must accept that the level of contractual control and influence over the delivery of the scheme will be limited largely to its statutory planning and other controls rather than through a contractual route. We understand that for this scheme (which is employment rather than residential based) this level of control is acceptable to the Council.
- 8.2.4 Notwithstanding the above, the opportunity must be fully, widely and fairly advertised to ensure that the financial contribution of the Council is opened up to the market, properly valued and that there can be no question of any undervalue being received by the Council for its land and any other support financial or otherwise provided by it.
- 8.2.5 Land based transactions (i.e contracting authorities' transactions purely concerning an 'interest in land') fall outside of the regulatory framework of EU procurement law (and domestic procurement law derived from it and thus are not regulated under

the Public Contracts Regulations 2015 (“ the Regulations”). Any land based transaction, such as that described in the report, must however, ensure that the transaction’s purpose can be said, at all times, to be based on the transfer of an ‘interest in land’, in order to escape the risk of the transaction being challenged as a public contract, or works concession contract masquerading as an ‘interest in land’ transaction.

- 8.2.6 By virtue of s.120 of Local Government Act the Council has the power to acquire land by agreement for the purposes of the benefit, improvement or development of their area. The contract for the acquisition of land must be in a form approved by the Assistant Director (Legal and Governance)
- 8.2.7 Under section 226 (1) (a) of the Town and Country Planning Act 1990 a local authority has a general power to make a compulsory purchase order for the acquisition of any land in their area in order to facilitate the carrying out of development, redevelopment or improvement in relation to the land. In exercising these powers the Council must demonstrate that the proposed development/improvement is likely to contribute towards the promotion or improvement of the economic or social or environmental well-being of their area. When pursuing a CPO the Council is expected to negotiate with landowners and demonstrate that there are no financial or planning impediments to development. Further Legal Implications of utilising CPO powers will be included in future reports.
- 8.2.8 The report notes that land in the Council’s ownership will be transferred on a phased basis to the special purpose vehicle. By virtue of s.123 the Council may dispose of land held by them in any manner it wishes subject to obtaining the best consideration reasonably obtainable, and in accordance with the Council’s PPR’s. Therefore at the time of disposal the Council must ensure that the value attributed to the land meets the Council’s s.123 obligations.
- 8.2.9 The Council has a responsibility to all visitors and trespassers under the Occupiers Liability Act 1957 & 1984. In addition, the Health and Safety at Work Act 1974 creates a duty of care to all employees, members of the public and contractors who are present on Council property. For vacant properties the Council will be the duty holder with responsibility for ensuring the health and safety of persons on sites.
- 8.2.10 A coherent policy that is reviewed regularly in light of obligations and is well executed with sufficient funding will go some way to evidencing that the Council takes seriously its responsibilities to individuals on its property howsoever they come to be on site.
- 8.2.11 All goods/works/services associated with the demolition of Unecol House must be procured in accordance with the Council’s Constitution, in particular Contract Procedure Rules and contracts will need to be in a form approved by the Assistant Director of Legal and Governance Services.
- 8.2.12 The Council’s intentions for Unecol House constitute ‘development’ within the meaning contained in the Town and Country Planning Act 1990 and as such an appropriate application will need to be submitted to the Local Planning Authority seeking planning permission.

8.3 Property Implications

- 8.3.1 The project is considered to be financially viable and feasible in planning terms. Economic and property market conditions over the foreseeable future suggest that the fundamentals are in place to support the redevelopment of the Montagu Industrial Estate.
- 8.3.2 The Estate is in a poor condition and future R and M liabilities are expected to increase. These increases will not be matched by rising rents as the stock on offer is of poor quality and no longer fit-for-purpose. If the status quo is maintained, future income from this asset is expected to remain capped at £1.28m per annum with difficult trading conditions. Redeveloping the estate is expected to secure wider economic and social benefits and will also generate much needed income just short of £4m per annum for the Council.
- 8.3.3 A tenancy schedule for the Estate has been prepared and passed on to our property consultants. There are a variety of short and long term leases with the majority of leases expiring around 2020. The JV will therefore need to carefully consider how it will terminate these leases and appropriate notices will need to be issued.
- 8.3.4 It is envisaged that the Joint Venture partner will take over responsibility for the asset and property management of the Council's current property portfolio at the Montagu Estate. This will require all leases/licences to be transferred to the JV partner and for all tenants to be notified of this arrangement. Transferring the asset and property management function will ensure the JV has control over achieving VP in line with its development plans. In addition, it will ensure the Council will continue to receive a guaranteed stream of income during the decommissioning and development of phase 1.
- 8.3.5 A decision to proceed with the project will have a negative, albeit short-term, impact on this Estates rent roll. This is because any tenancies due for renewal prior to December 2018 or potential vacancies that may arise during the intervening period before vacant possession is required to facilitate development will be for a short period in poor quality stock and will not attract strong covenants. However, this impact is mitigated by the JV partner providing a minimum net rent guarantee (set at the Council's current rent roll) to the Council.
- 8.3.6 By transferring the property portfolio to the JV, the JV will be responsible for ensuring revenue is optimised during the intervening period, costs are minimised, and the Council continues to fulfil its Corporate Landlord responsibilities within the context of a larger development programme.
- 8.3.7 To facilitate the project, land assembly will need to be undertaken under the shadow of the Council exercising its compulsory purchasing powers.
- 8.3.8 Unecol House is no longer fit for purpose. Refurbishing the asset is not an option, as this would not be a good return on the investment required. Bringing the building back into limited use would require the following works:

- Replacement of the profiled asbestos cement roof covering and wall panelling with composite insulated profiled metal sheet roof covering
- Replacement of un-insulated bituminous felt flat roof covering with insulated pvc roofing membrane roof covering
- Replacement of single glazed steel framed windows with thermally broken aluminium double glazed windows
- Disabled facilities, installation of lift and disabled WC to first floor
- Contingency/Asbestos Management
- Unforeseen works

8.3.9 Retaining and refurbishing Unecol House is therefore not considered to be a viable option and the cost of holding Unecol House in its current and perilous state can no longer be sustained.

8.3.10 Additional "Risk Assessments" to identify works necessary to de-commission this asset prior to demolition will be required.

8.3.11 A Thames Water pumping station is located within the property. Further discussions and additional due diligence work will be required prior to demolition at a cost to the Council.

8.3.12 Once the asset has been demolished open storage presents the best short to medium term opportunity for the site with a rental income.

8.3.13 SPS shall conduct a soft marketing exercise to identify potential occupiers for the site once demolished. It is proposed that this marketing exercise will be done in tandem with the demolition programme.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

9.1 The project will be managed by Strategic Property Services and a project team will consist of both Council officers and external consultants. The project team will report directly to the Head of Property. The Council's Asset Performance Group will act as the projects governance board and will provide strategic guidance and assist with the co-ordination of resources within the Council. Issues will be escalated to CMB/Cabinet by exception.

9.2 The Council's project management protocols will be used and these will be tempered with other Prince2 techniques.

9.3 The procurement process for a development partner will be clearly outlined from the outset and key conditions and obligations are outlined in sections 4.19 to 4.24. This will ensure that the JV partnership will have key performance indicators outlined from the start of the partnership. These will be monitored by SPS, but additionally the Council will be represented on the JV Partnership board with officers acting as non-remunerated Directors on the board.

10. EQUALITIES IMPACT ASSESSMENT

- 10.1 An equalities impact assessment will be undertaken as part of the masterplanning exercise, which will be the responsibility of the JV and will be managed by the JV partner. At this point in time, a strategic assessment has revealed that the redevelopment of the Montagu Estate may result in the temporary or permanent extinguishment of businesses currently located on the Estate. These extinguishments will therefore need to be sensitively treated and will need to be dealt with in accordance with the appropriate legislation.
- 10.2 However, equality issues will be included in the procurement process of a development partner. The tender documents will therefore ensure that the potential future partner will adhere with the Council's policies.
- 10.3 In the event of an illegal occupation of vacant properties, such as Unecol House, the Council may need to undertake welfare checks and ensure no human rights issues are engaged. The Council must also ensure that its sites are safe and secure and or prohibit access to unauthorised individuals.

11. HR IMPLICATIONS

- 11.1 Delivering this project together with various other projects in the pipeline will require additional resources. In-house support will be augmented from our co-sourcing partnering arrangements.
- 11.2 The establishment of a JV delivery vehicle will require officers to be appointed as Directors on the newly established company's management board. It is envisaged that these positions will not be remunerated, but that appropriate costs, such as insurance liabilities and travel expenses will be covered by the Council.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 The Montagu Industrial Estate suffers from high levels of pollution and ground contamination due to the activities undertaken by certain businesses currently located on the Estate. The redevelopment of the Estate will consequently have a positive impact on the environment, surrounding residents and the estate's new workforce.
- 12.2 Many of the current structures on the estate have asbestos containing materials. As a result, appropriate investigations will need to be undertaken prior to any demolition. In particular, an R and D Asbestos Survey will need to be undertaken for Unecol House.
- 12.3 The Management of Health & Safety at Work Regulations (HWSA) 1999 requires employers to manage health and safety by assessing risk. The main reason for conducting risk assessments is to ensure that adequate consideration is given to things that can go wrong. Adequate risk assessments are therefore fundamental for ensuring the effective management of Health & Safety Risks. Under the Managements of Safety Work Regulations 1999 (MWHSR) regulation 7, the Council as an employer will need to appoint one or more competent persons to assist in

undertaking the measures required for compliance, factoring in at all times the prohibitions imposed by legislation.

12.4 The Joint Venture will become the principal client for the purposes of the CDM regulations. This will however be managed by the development partner.

13. IMPACT ON COUNCIL PRIORITIES

13.1 Fairness for All

The proposed redevelopment of this site will significantly enhance the working environment of the estate's workforce. It will also have a positive impact on the surrounding neighbouring residents, particularly those residing on the estates boundary, as the built environment will significantly improve and relate better to adjacent residential units.

The uses will significantly improve can provide additional accommodation to a much higher standard. There will also be an increase in the supply of much needed new housing for different tenures and income levels.

13.2 Growth and Sustainability

The proposed redevelopment will provide a greater range of commercial employment use space. This will allow SMEs to be provided with suitable accommodation within the borough and also permit business to expand or shrink as required.

The provision of new commercial space will also allow the borough to attract new businesses and given the range of unit typologies to be provided, will support businesses in their growth trajectories. The retention of employment use space within the borough will also benefit the borough's workforce by providing employment opportunities in close proximity to where they live. Additionally, the creation of new jobs will also improve spending power within the borough.

13.3 Strong Communities

Local residents, businesses and key stakeholders within and in close proximity to the Estate will be consulted about the scheme.

A significant economic multiplier effect is envisaged, and it is estimated that c. 2520 jobs could be created and safeguarded by the development, and it would generate c. £4m of business rates annually.

Background Papers

None

THE CABINET

List of Items for Future Cabinet Meetings (NOTE: The items listed below are subject to change.)

MUNICIPAL YEAR 2016/2017

OCTOBER 2016

- 1. Quarterly Corporate Performance Report** Rob Leak

This will provide performance information against the indicators contained in the Corporate Performance Scorecard, which shows the progress being made in delivering the Council's priorities. **(Key decision – reference number 4330)**
- 2. Empty Property Compulsory Purchase Orders** James Rolfe

This will seek authorisation to make compulsory purchase orders on two empty residential properties. **(Key decision – reference number 4338)**
- 3. Re-provision Project – Award of Service Contract** Ray James

This will seek approval to the award of contract for the provision of residential, nursing and respite care. **(Key decision – reference number 4309)**
- 4. August 2016 Revenue Monitoring Report** James Rolfe

This will present the August 2016 revenue monitoring report. **(Key decision – reference number 4366)**
- 5. Safeguarding Adults Board Annual Report 2015-2016** Ray James

This will present the Safeguarding Adults Board Annual Report 2015-2016. (Non key)
- 6. Safeguarding Children Board Annual Report 2015-2016** Tony Theodoulou

This will present the Safeguarding Children Board Annual Report 2015-2016. (Non key)
- 7. Interim Local Implementation Plan (LIP) Annual Spending Submission: 2017/18** Ian Davis

This will seek approval to the interim Local Implementation Plan annual spending submission for 2017/18. **(Key decision – reference number 4373)**

8. **Green Bin Collection Service** Ian Davis
- This will detail the review of the green bin collection service and seek agreement to proposed changes to the service. **(Key decision – reference number 4376)**
9. **The Council’s Main Investment Decision in Lee Valley Heat Network Ltd.** Ian Davis
- This will seek approval for referral to full Council. **(Key decision – reference number 4266)**
10. **Development of Edmonton Cemetery** Ian Davis
- This will seek to extend Edmonton Cemetery to provide new provisions for burials within the borough given the limited capacity in existing cemeteries for future years, for referral to full Council. **(Key decision – reference number 4234)**
11. **Taking Forward Enfield Council’s IT Offer** James Rolfe
- This will progress taking forward Enfield’s Council’s IT Offer following the previous Cabinet decision. **(Key decision – reference number 4378)**
12. **Upper Secondary Autistic Provision** Jenny Tosh
- This will present the full business case for the Minchenden Scheme and all development options. **(Key decision – reference number 4293)**
13. **Bury Street West** James Rolfe
- This will provide an update on the progression of the redevelopment of the former depot. **(Key decision – reference number 4008)**
14. **Housing Revenue Account (HRA) Affordable Rent Levels To Apply to New Homes** Ian Davis
- This will propose the level of rent to be set for newly built or newly acquired properties within the HRA in the 2016-17 year. **(Key decision – reference number 4341)**
15. **Investment Property Asset Management** James Rolfe
- This will seek approval to the establishment of an investment property asset management fund. **(Key decision – reference number 4356)**
16. **Claverings Industrial Estate** James Rolfe
- (Key decision – reference number 4381)**

17. Assets of Community Value James Rolfe

This will review the existing process and recommended modifications to the process. **(Key decision – reference number 4388)**

18. Proposed Submission Central Leaside Area Action Plan Ian Davis

The Central Leaside Area Action Plan will form part of Enfield's Local Plan and will deliver the spatial vision and land use strategy for this part of south east Enfield which includes Meridian Water. **(Key decision – reference number 4389)**

19. The Appropriation of Additional Land at the Electric Quarter For Planning Purposes Ian Davis

This will seek approval of the appropriation of additional land at the Electric Quarter for planning purposes. **(Key decision – reference number 4392)**

NOVEMBER 2016

1. Housing Gateway Budget James Rolfe

This will seek approval to increase its total budget to enable it to continue purchasing properties. **(Key decision – reference number 4326)**

2. Estate Renewal Programme Report Ian Davis

This will provide an update on the estate renewal programme and related activity and approvals where required. **(Key decision – reference number 4272)**

3. Drug and Alcohol Action Team (DAAT) Substance Misuse Services Tender Ray James

This will set out the tendering process for the provision of Adult Substance Misuse Services in Enfield and seek approval to contract award. **(Key decision – reference number 4302)**

4. Regionalisation of Adoption Services Tony Theodoulou

This will outline proposals regarding the regionalisation of adoption services. **(Key decision – reference number 4375)**

5. Draft Submission Version North London Waste Plan Ian Davis

Following consultation on the Draft North London Waste Plan in 2015, approval is required for the draft submission version of the Plan before further consultation in the summer. **(Key decision – reference number 4280)**

6. **Approval of Cycle Enfield Proposals for Enfield Town** Ian Davis
This will seek approval of Cycle Enfield proposals for Enfield Town for implementation. **(Key decision – reference number 4112)**
7. **Approval of Cycle Enfield Proposals for the A110 Southbury Road** Ian Davis
This will seek approval of Cycle Enfield proposals for the A110 for implementation. **(Key decision – reference number 4113)**
8. **Enfield Innovations Ltd. Annual Report** James Rolfe
This will present an annual report to Enfield Innovation's sole shareholder detailing the company's progress over the past year. (Non key)
9. **Small Housing Sites 2 (Phase 2b) Delivery** Ian Davis
This will set out a business case for delivering over 100 new homes across Council owned HRA sites. **(Key decision – reference number 4304)**
10. **Small Sites Update** Ian Davis
This will provide a summary of the current position and proposed next steps to deliver the scheme. **(Key decision – reference number 4298)**
11. **Land Acquisition at Meridian Water** Ian Davis
This will seek approval to acquire a 2.13 acre plot of land within the Meridian Water opportunity area. **(Key decision – reference number 4377)**
12. **Ponders End Delivery Programme** Ian Davis
This will outline for approval the Ponders End Delivery Programme. **(Key decision – reference number 4382)**
13. **Flexible Housing – Capital Programme** Ray James/Ian Davis
This will seek approval of capital funding to deliver flexible housing. **(Key decision – reference number 4333)**

DECEMBER 2016

1. **Quarterly Corporate Performance Report** Rob Leak
This will provide performance information against the indicators contained in the Corporate Performance Scorecard, which shows the progress being made in delivering the Council's priorities. **(Key decision – reference number 4330)**

2. **Capital Programme Monitor – 2nd Quarter 2016/17** James Rolfe

This will present the capital programme monitor second quarter 2016/17. **(Key decision – reference number 4363)**

3. **October 2016 Revenue Monitoring Report** James Rolfe

This will present the October 2016 revenue monitoring report. **(Key decision – reference number 4367)**

4. **Housing Supply and Delivery** Ian Davis

This will set out how the Council will increase housing supply in the short and medium terms. **(Key decision – reference number 4165)**

JANUARY 2017

1. **Approval of Cycle Enfield Proposals for the A1010 (North)** Ian Davis

This will seek approval of Cycle Enfield proposals for the A1010 (North) for implementation. **(Key decision – reference number 4115)**

2. **November 2016 Revenue Monitoring Report** James Rolfe

This will present the November 2016 revenue monitoring report. **(Key decision – reference number 4368)**

3. **Meridian Water Station** Ian Davis

This will outline the Network Rail contribution and implementation agreements. **(Key decision – reference number 4349)**

FEBRUARY 2017

1. **Budget Report 2017/18 and Medium Term Financial Plan 2017/18 to 2020/21** James Rolfe

This will present the budget report 2017/18 and the Medium Term Financial Plan 2017/18 to 2010/21. **(Key decision – reference number 4371)**

MARCH 2017

1. **Capital Programme Monitor – 3rd Quarter 2016/17** James Rolfe

This will present the capital programme monitor third quarter 2016/17. **(Key decision – reference number 4364)**

2. **January 2017 Revenue Monitoring Report** James Rolfe

This will present the January 2017 revenue monitoring report. **(Key decision – reference number 4369)**

APRIL 2017

1. **Quarterly Corporate Performance Report** Rob Leak

This will provide performance information against the indicators contained in the Corporate Performance Scorecard, which shows the progress being made in delivering the Council's priorities. **(Key decision – reference number 4330)**

2. **February 2017 Revenue Monitoring Report** James Rolfe

This will present the February 2017 revenue monitoring report. **(Key decision – reference number 4370)**

CABINET - 16.8.2016

**MINUTES OF THE MEETING OF THE CABINET
HELD ON TUESDAY, 16 AUGUST 2016**

COUNCILLORS**PRESENT**

Doug Taylor (Leader of the Council), Achilleas Georgiou (Deputy Leader), Daniel Anderson (Cabinet Member for Environment), Yasemin Brett (Cabinet Member for Community, Arts and Culture), Alev Cazimoglu (Cabinet Member for Health and Social Care), Krystle Fonyonga (Cabinet Member for Community Safety and Public Health), Dino Lemonides (Cabinet Member for Finance and Efficiency), Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection) and Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development)

Associate Cabinet Member (Non-Executive and Non-Voting): Bambos Charalambous (Enfield West)

ABSENT

Ahmet Oykenner (Cabinet Member for Housing and Housing Regeneration), Vicki Pite (Associate Cabinet Member – Enfield North), George Savva (Associate Cabinet Member – Enfield South East)

OFFICERS:

Ray James (Director of Health, Housing and Adult Social Care), Isabel Brittain (Assistant Director of Financial Management), Jenny Tosh (Chief Education Officer), Peter George (Assistant Director - Regeneration and Environment), Patricia Salami (Programme Manager - Neighbourhood Regeneration Team), Jayne Middleton-Albooye (Head of Legal Services) and Laura Berryman (Press Officer) Jacqui Hurst (Secretary)

Also Attending: Councillor Derek Levy (Chair of the Overview and Scrutiny Committee)

1**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Ahmet Oykenner (Cabinet Member for Housing and Housing Regeneration), Vicki Pite (Associate Cabinet Member – Enfield North) and George Savva (Associate Cabinet Member – Enfield South East); and, Rob Leak (Chief Executive), Ian Davis (Director – Regeneration and Environment), James Rolfe (Director of Finance, Resources and Customer Services) and Asmat Hussain (Assistant Director – Legal and Governance).

CABINET - 16.8.2016

2

DECLARATION OF INTERESTS

Councillor Achilleas Georgiou (Deputy Leader) declared a disclosable pecuniary interest in Report Nos. 54 and 55 – Remediation Framework (Minute Nos. 8 and 15 below refer) in his capacity as an employee of Amec Foster Wheeler Environment and Infrastructure UK Ltd (Amec). Councillor Georgiou left the meeting for the discussion of these reports.

3

TRIBUTES

Councillor Achilleas Georgiou (Deputy Leader) took this opportunity, on behalf of the Cabinet, to express appreciation and thanks to Laura Berryman, Press Officer, for the advice and guidance that she had provided to Members of the Council over the last 20 years. Members expressed their best wishes to Laura on her forthcoming retirement from the Council.

Councillor Doug Taylor (Leader of the Council) also paid tribute to Charlotte Dujardin who had won gold at the Rio 2016 Olympics with her horse Valegro in the dressage Grand Prix Freestyle event. This was Charlotte's third gold Olympic medal. Charlotte Dujardin had been born in Enfield; the Council would send its congratulations to her. Members discussed the housing development in progress in Ponders End and, the street and housing block names to be used within the development. There would be an opening ceremony when the development had been completed.

4

URGENT ITEMS

NOTED, that the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012. These requirements state that agendas and reports should be circulated at least 5 clear working days in advance of meetings.

5

DEPUTATIONS

NOTED, that no requests for deputations had been received for presentation to this Cabinet meeting.

CABINET - 16.8.2016

6

ITEMS TO BE REFERRED TO THE COUNCIL

NOTED, that there were no items to be referred to full Council.

7

EDUCATION SERVICES: A NEW MODEL OF SERVICE DELIVERY

Councillor Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection) introduced the report of the Chief Education Officer (No.53) proposing a new model of service delivery for education services.

NOTED

1. Councillor Orhan highlighted the excellent and well-established Education Services in Enfield working in partnership with schools to bring about continued improvement. The skilled staff and quality provision provided by them was recognised. The ongoing reduction of funds to the Council and the proposed changes to the schools' funding formula were placing increasing pressure on Education Services' budgets.
2. That the report sought approval to investigate alternative models of service delivery that would still enable the council to work with all schools, whatever their status, as set out in the report.
3. The proposed phased approach as set out in section 3 of the report. During phase 1 the following services had been identified for inclusion within the shadow structure: school improvement service; schools personnel service; behaviour support service; and, early years. It was proposed that "Ensen" would be registered as a not for profit company as soon as possible with marketing to be launched in September 2016 and with a view to trading under this name from April 2017.
4. Jenny Tosh (Chief Education Officer) reiterated the reasons for the proposals, set out in full in the report, which would provide an opportunity to build on and further strengthen the best of Enfield Education Services working in partnership with schools and providers. Consultation had also taken place with other Local Education Authorities to inform the proposed way forward.

Alternative Options Considered: NOTED that the alternative options considered were set out in full in section 4 of the report and covered the following:

- Continue with the current Education Services/do nothing
- Immediately cease all services except statutory duties
- Outsourcing/Privatisation of services
- Joint working with other local authorities
- Supporting a schools company

CABINET - 16.8.2016

DECISION: The Cabinet agreed that the Chief Education Officer:

1. Set up a shadow board, to be called Ensen, as part of the portfolio in Education Services for 2016/17, maintaining the existing budgetary and employment arrangements for 2016/17, therefore enabling the Education Services to fulfil the current Service Level Agreements with schools.
2. Develop a full business plan to be operational from 2017/18 to address the future financial viability of the company. This would also include a marketing strategy within and outside Enfield so that schools and settings were clear about the traded offer from Ensen from April 2017.
3. Ensure that Ensen, as a key part of Education Services, contributed to delivering the council savings agreed in the Medium Term Financial Plan.
4. In consultation with the Director of Children's Services and Cabinet Member for Education, Children's Services and Protection to:
 - Investigate the range of possible legal structures and propose the most appropriate model
 - Propose the structure and operating principles of Ensen
 - Consult with schools and council partners and other stakeholders regarding the proposal
5. Produce a follow up report to Cabinet setting out options for the formation and formal establishment of a company, called Ensen, with a distinct legal entity based on the most advantageous model and structure. This would also include a business plan.

Reason: The detailed reasons for the above recommendations were set out in full in section 5 of the report. The recommended option specifically addressed the Council's priorities and was an opportunity to build on and further strengthen the best of Enfield Education Services. It sought to ensure that the Education Services' purpose, vision and functions were protected and enhanced as a result of the future-proofing by establishing as a company.
(Key decision – reference number 4339)

8 REMIEDIATION FRAMEWORK

Councillor Achilleas Georgiou (Deputy Leader) left the meeting at this point and took no part in the decisions outlined below.

Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development) introduced the report of the Director – Regeneration and Environment and Director of Finance, Resources and Customer Services

CABINET - 16.8.2016

(No.54) seeking approval for the establishment of a remediation framework for Enfield Council and other public sector authorities.

NOTED

1. That Report No.55 also referred, as detailed in Minute No.15 below.
2. The rationale for establishing a remediation framework and the potential financial benefits to the Council of doing so, as set out in full in the report.
3. That any organisation that wished to access the framework in the future would be directed to the Enfield procurement and commissioning hub who would administer the framework on behalf of the London Borough of Enfield (decision 2 below refers).
4. The proposed timescales for commencing remediation work at Meridian Water were outlined to Members.

Alternative Options Considered: NOTED, the alternative options set out in section 5 of the report covering the following: Do nothing; Direct award; and, Collaborate with another department or local authority in respect of procurement.

DECISION: The Cabinet agreed that

1. All five contractors be appointed to the framework.
2. Any organisation that would like to access the framework be directed to the Enfield procurement and commissioning hub who would administer the framework on behalf of the London Borough of Enfield.
3. The five contractors appointed to the framework be asked to resubmit a tender for the works at Willoughby Lane under the new brief and delegates the finalisation of the call-off contract (and all ancillary documentation) to the Cabinet Member for Economic Regeneration and Business Development and Cabinet Member for Finance and Efficiency in conjunction with the Director – Regeneration and Environment and the Director of Finance, Resources and Customer Services.

Reason: The recommendation to appoint all five contractors to the framework would enhance the speed of delivery of the Meridian Water Programme and would ensure that there was a selection of contractors with the capability to undertake remediation works on a variety of sites which might run concurrently. In addition all contractors selected had a wealth of experience and a track record within the industry (section 6 of the report referred).

(Key decision – reference number 4351)

CABINET - 16.8.2016

9

ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE

There were no issues arising for consideration at this meeting.

10

CABINET AGENDA PLANNING - FUTURE ITEMS

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

11

MINUTES

AGREED, that the minutes of the previous meeting of the Cabinet held on 7 July 2016 be confirmed and signed by the Chair as a correct record.

12

ENFIELD STRATEGIC PARTNERSHIP UPDATE

NOTED, that there were no written updates to be received at this meeting.

13

DATE OF NEXT MEETING

NOTED, that the next meeting of the Cabinet was scheduled to take place on Tuesday 6 September 2016 at 8.15pm.

Apologies for absence for this meeting were received from Councillor Krystle Fonyonga (Cabinet Member for Community Safety and Public Health) and Councillor Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection).

14

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED, in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the item listed on part 2 of the agenda on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

CABINET - 16.8.2016

**15
REMIEDIATION FRAMEWORK**

Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development introduced the report of the Director – Regeneration and Environment and the Director of Finance, Resources and Customer Services (No.55).

NOTED

1. That Report No.54 also referred as detailed in Minute No.8 above.
2. The tender pricing and scoring information within the report and the recommendations for moving forward, as set out in the decisions below.

Alternative Options Considered: As detailed in Report No.54, Minute No.8 above referred.

DECISION: The Cabinet agreed that

1. All five contractors be appointed to the framework.
2. Any organisation that would like to access the framework be directed to the Enfield Procurement and Commissioning Hub who would administer the framework on behalf of the London Borough of Enfield.
3. The five contractors appointed to the framework be asked to resubmit a tender for the works at Willoughby Lane under the new brief and delegate the finalisation of the call-off contract (and all ancillary documentation) to the Cabinet Member for Economic Regeneration and Business Development and the Cabinet Member for Finance and Efficiency in conjunction with the Director – Regeneration and Environment and the Director of Finance, Resources and Customer Services.
4. All remediation work undertaken in respect of Meridian Water be delegated to the Cabinet Member for Economic Regeneration and Business Development and the Cabinet Member for Finance and Efficiency in conjunction with the Director – Regeneration and Environment and the Director of Finance, Resources and Customer Services.

Reason: As detailed in Report No.54, Minute No.8 above referred.
(Key decision – reference number 4351)

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