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THE CABINET

**Wednesday, 8th February, 2017 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 Oykenar (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.

Cabinet are advised that any recommendations included within the reports being considered by Cabinet as part of this agenda, that are for noting only, will not be subject to the Council's call-in procedures. Such recommendations are not deemed to be decisions of the Cabinet, but matters of information for the Executive.

AGENDA – PART 1

1. APOLOGIES FOR ABSENCE

2. DECLARATION OF INTEREST

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 Nos.194 and 204 - Budget Report 2017/18 and Medium Term Financial Plan 2017/18 to 2020/21
2. Report No.195 – Housing Revenue Account (HRA) 30 Year Business Plan, Budget 2017/18, Rent Setting and Service Charges

6. BUDGET REPORT 2017/18 AND MEDIUM TERM FINANCIAL PLAN 2017/18 TO 2020/21

A report from the Executive Director of Finance, Resources and Customer Services **will be circulated as soon as possible**. (Report No.204, agenda part two also refers). **(Key decision – reference number 4371)**

(Report No.194)
(8.20 – 8.30 pm)

TO FOLLOW

7. HOUSING REVENUE ACCOUNT (HRA) 30-YEAR BUSINESS PLAN, BUDGET 2017/18, RENT SETTING AND SERVICE CHARGES

A report from the Executive Director of Finance, Resources and Customer Services and Executive Director of Regeneration and Environment **will be circulated as soon as possible. (Key decision – reference number 4451)**

(Report No.195)
(8.30 – 8.40 pm)

TO FOLLOW

8. REVENUE MONITORING REPORT 2016/17: DECEMBER 2016 (Pages 1 - 18)

A report from the Executive Director of Finance, Resources and Customer Services is attached. **(Key decision – reference number 4368)**

(Report No.196)
(8.40 – 8.45 pm)

9. CAPITAL PROGRAMME MONITOR - THIRD QUARTER DECEMBER 2016: BUDGET YEAR 2016-17 (Pages 19 - 30)

A report from the Executive Director of Finance, Resources and Customer Services is attached. This informs Members of the current position up to the end of December 2016. **(Key decision – reference number 4364)**

(Report No.197)
(8.45 – 8.50 pm)

10. AMENDMENT TO GOVERNANCE INDEPENDENCE AND WELL BEING ENFIELD LTD. (IWBE) (COUNCIL'S TRADING COMPANY)

A report from the Executive Director of Health, Housing and Adult Social Care **will be circulated as soon as possible. (Non key)**

(Report No.198)
(8.50 – 8.55 pm)

TO FOLLOW

11. PONDERS END HIGH STREET: PHASE 2 DELIVERY PROGRAMME (Pages 31 - 48)

A report from the Executive Director of Regeneration and Environment is attached. This seeks authorisation to initiate the Ponders End (Phase 2) programme. **(Key decision – reference number 4382)**

(Report No.200)
(8.55 – 9.00 pm)

12. BURY STREET WEST - DEVELOPMENT (Pages 49 - 60)

A report from the Executive Director of Finance, Resources and Customer Services and Executive Director of Regeneration and Environment is attached. This outlines the proposed way forward for approval. (Report No.206, agenda part two also refers). **(Key decision – reference number 4008)**

(Report No.201)
(9.00 – 9.05 pm)

13. LAND ACQUISITION AT MERIDIAN WATER (VOSA) (Pages 61 - 70)

A report from the Executive Director of Regeneration and Environment is attached. This seeks approval to the proposed land acquisition as detailed in the report. (Report No.207, agenda part two also refers) **(Key decision – reference number 4377)**

(Report No.202)
(9.05 – 9.10 pm)

14. ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE
(Pages 71 - 92)

School Places Scrutiny Workstream Report

A report from the Scrutiny Workstream on School Places is attached. (Non key)

(Report No.203)
(9.10 – 9.15 pm)

15. ENFIELD COMMUNITY SUPPORT FUND CABINET SUB-COMMITTEE FOR THE REMAINDER OF THE MUNICIPAL YEAR 2016/17

Cabinet is asked to agree to the re-establishment of an Enfield Community Support Fund Cabinet Sub-Committee for the remainder of the municipal year 2016/17, and confirm the membership of the Sub-Committee. (Note: the Sub-Committee was not set up at the start of this municipal year).

As in previous years, the Cabinet Sub-Committee will be the Assessment Panel for the Fund. All bids that pass the quality assurance process will be prepared and passed to the Cabinet Sub-Committee (Assessment Panel) for consideration. The re-establishment of the Sub-Committee is required to manage delivery of the Fund for schemes in 2017/18. It is anticipated that the Sub-Committee will meet once during the year according to the appropriate timetable of submission.

16. CABINET AGENDA PLANNING - FUTURE ITEMS (Pages 93 - 96)

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

17. MINUTES (Pages 97 - 110)

To confirm the minutes of the previous meeting of the Cabinet held on 18 January 2017.

INFORMATION ITEMS

18. ENFIELD STRATEGIC PARTNERSHIP UPDATE

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

19. DATE OF NEXT MEETING

To note that the next meeting of the Cabinet is scheduled to take place on Wednesday 15 March 2017.

CONFIDENTIAL ITEMS

20. 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. **196**

MEETING TITLE AND DATE:

Cabinet
8th February 2017

REPORT OF:

Executive Director of Finance,
Resources & Customer Services

Agenda – Part: 1	Item: No 8
Subject: Revenue Monitoring Report 2016/17: December 2016	
Wards: ALL	
Key Decision No:	
Cabinet Member consulted: Cllr Lemonides	

Contact officer and telephone number:

Stephen Fitzgerald, 0208 379 5910

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1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's revenue budget monitoring position based on information to the end of December 2016. The report forecasts an outturn position of £6.2m overspend for 2016/17 and the mitigating actions to bring the budget into balance.

2. RECOMMENDATIONS

Cabinet is recommended to note:

- 2.1 The £6.2m overspend revenue outturn projection. This position is a reduction of £1.0m from that last reported to Cabinet in October 2016.
- 2.2 That Cabinet Members will continue to work with Executive Directors to implement action plans to reduce the forecast overspend in 2016/17.
- 2.3 The mitigating actions proposed to date by Executive Directors of overspending departments as set out in Appendix A.

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 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, variations in this report are 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		
		Oct	Nov	Dec
Income and Expenditure position	• Year-end variances of £6.2m overspend have been forecast to date in relation to General Fund net controllable expenditure. Mitigating actions have been implemented to offset identified pressures.	Amber	Amber	Amber
	• Budget profiling across all departmental budgets will continue to be applied in order to better reflect predicted net spending patterns throughout the year.	Green	Green	Green
	• The HRA is projecting a £134,000 underspend at year-end outturn against budget.	Green	Green	Green
Balance Sheet	• 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	Green	Green	Green
	• The outturn projection for General Fund balances will meet the Council's Medium Term Financial Strategy target based on the use of uncommitted reserves to meet one-off overspends in 2016/17.	Green	Green	Green
Cash flow	• 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	Green
	• Interest receipts forecast for the year are on target with budget.	Green	Green	Green

4. December 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

December 16	Net Controllable Budget						
	Original Budget	Approved Changes	Approved Budget	Projected Outturn	December Variation	November Variation	October Variation
Department	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Chief Executive	4,307	(319)	3,988	3,988	0	0	0
Regeneration & Environment	24,956	659	25,615	24,743	(872)	(800)	(489)
Finance, Resources & Customer Services	38,799	9,074	47,873	48,411	538	1,028	1,278
Health, Housing and Adult Social Care	78,003	(2,599)	75,404	79,326	3,922	3,929	3,904
Education and Children's Services	44,935	(63)	44,872	47,436	2,564	2,563	2,506
Total Department Budgets	191,000	6,752	197,752	203,904	6,152	6,720	7,199
Contribution from reserves	0	0	0	0	0	0	0
Collection Fund	(1,319)	0	(1,319)	(1,319)	0	0	0
Corporate Items	46,791	(6,752)	40,039	40,039	0	0	0
Government Funding	(128,557)	0	(128,557)	(128,557)	0	0	0
Council Tax Requirement	107,915	0	107,915	114,067	6,152	6,720	7,199

- 4.2. Each of the departments has generated a list of the variances which are contributing to the projected outturn figures. Cabinet Members and Executive Directors are expected to manage their budgets in year and contain any forecast overspends by implementing offsetting savings measures. All Executive Directors reporting overspends have worked on mitigating actions for the current year and where pressures are ongoing these are also being worked up as part of the MTFP. This report details the mitigating actions being undertaken by each department. Details of these proposed actions can also be seen in each department's appendix.
- 4.3. Through mitigating action the position is gradually improving but without further intervention a balanced position cannot be guaranteed by the end of the year. As a result, further interventions are required, these are summarised in the table below:

Overspend as at December 2016	6.2m
Further Transformation capitalisation	-0.6m
Underspends in Corporate Budgets	-1.0m
Departmental Mitigating Actions	-1.6m
Use of Earmarked Reserves/balances	-3.0m
Sub-total: Actions to reduce overspend	-6.2m
Forecast Outturn position 2016/17	0.0m

- 4.4. The first item is planned to be funded from the use of new in year capital receipts which Property Services are actively working on to achieve. This is in accordance with the new flexibility where the Government will permit revenue expenditure to be treated as capital expenditure, and thus funded by capital receipts, where expenditure is "incurred on projects designed to reduce future revenue costs and/or transform service delivery".
- 4.5. Any remaining overspend at the year-end will be met from a contribution from the council's general balances, though it is intended to keep this as low as possible and which will be replenished in subsequent years.

5. DEPARTMENTAL MONITORING INFORMATION – BUDGET PRESSURES & MITIGATING ACTIONS

5.1. Chief Executive's Department (Appendix A1)

This department is reporting a nil variance to budget for December.

5.2. Regeneration & Environment (Appendix A2)

There has been an increase in the favourable variance to that which was reported in October.

5.3. Finance, Resources & Customer Services (Appendix A3)

There has been a reduction in the adverse variance that is reported for this department for October. Relevant mitigating actions which will target reducing this adverse variance can be seen in the appendix for FRCS.

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

The adverse variance reported is similar to October's reported figure. Control measures are in place to attempt to decrease this adverse variance. A plan of mitigating actions can be seen in the appendix.

5.5. Children's Services (Appendix A5)

The variance in this department has remained constant from October. The appendix shows reasons.

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

Over the coming months the economic outlook for Britain remains unclear as plans for Brexit have yet to be finalised. Nevertheless consumer confidence saw a modest increase in December 2016.

Low interest rates are expected to continue in the foreseeable future, reducing the council's total investment income. However expectations of a short term interest rates cut have largely evaporated in light of BoE comments in the latest Quarterly Inflation Report, stating that a rate move is as likely up as it is down. The Council's debt and investment position is outlined 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 Resource to Public Funds costs as agreed by Cabinet in 2014-15.

7. HOUSING REVENUE ACCOUNT (HRA) – £134k Underspend

The HRA projection for December shows an underspend of £134k. There are underspends of £428k on Repairs, £70k on Rents and £55k on Other Management Services offset by an overspend of £419k on Supervision & Management.

The main areas of underspend within Repairs are voids and responsive repairs, at £333k and £446k respectively, a continuation of the trend identified in previous reports. These are reduced by a predicted overspend on the boiler replacement programme of £265k, due to an increased number of boilers which have reached

the end of their useful lives and some additional planned maintenance costs of £86k.

An additional £70k of rental income will be received from Aerials and an additional shop letting.

The main reasons for the overspend within Supervision and Management are the preparatory work on the Civica implementation, project costs relating to the High Value Voids and Pay to Schemes, (these would have been refunded by central government had the schemes gone ahead) the Capital Cost of Early retirement for those staff affected by Enfield 2017.

The £55k underspend on Other Management Services mainly relates to vacancies in the Communal Services team.

All other HRA budgets are currently predicted to be on target.

This year, any identified underspends which are deemed to be ongoing have been 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. The target to find £2m of ongoing savings during 2016/17 has been exceeded, with ongoing savings of £2.3m identified (the full year effects of which will be realised in 2017/18). These are in addition to the savings of £1.955m identified in 2015/16. In 2016/17, £1.504m of one-off costs have been incurred which will deliver improved services in the future.

8. ACHIEVEMENT OF SAVINGS

- 8.1 The 2016/17 Budget Report included new savings and the achievement of increased income totaling £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 & 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. There is further work to be done to ensure a budget can be set within available resources.

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.
- Brexit and the 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.
- Impact of the fall in the pound on inflation and pay
- 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 considers the financial impact of changes arising from reduced funding. The projections and future pressures on the budget are viewed with due consideration of financial management and the most efficient use of resources.

16. HEALTH AND SAFETY IMPLICATIONS

Not applicable in this report.

17. HR IMPLICATIONS

Not applicable in this report.

18. PUBLIC HEALTH IMPLICATIONS

Not applicable in this report.

Appendix A1

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

Appendix A2

Regeneration and Environment	Budget Variation December 2016 (£'000)
Director & Programme Office - efficiencies identified following an on-going project to review services across the Regeneration and Environment department & HRA	(189)
Community Safety - police contract and community salaries underspend, Prevent project income and additional budget contribution from Env efficiencies to offset a loss of a grant from Home Office	(100)
Corporate Health and Safety - Contract and salary underspend and additional income received from undertaking asbestos surveys in HGL properties and Schools SLAs.	(90)
Development Management - this is a £50k variance in the Planning Applications Team, due to additional income from Planning applications, pre-application and PPA process.	(50)
Street Lighting - Festive Lighting Costs	50
Traffic and Transportation - Salary Recharge to Capital Schemes (LIP and Cycle Enfield) and additional Temporary Traffic Order income.	(130)
Commercial Services - Salary Underspend	(51)
Cemeteries Operations - Income Overachievement	(136)
Waste Client - £324k variance is related to the BIFFA comingled contract over spend. The over spend is due to the waste composition and contractual costs reflecting current difficult commodity and trading conditions.	324
Commercial Waste - this is due to salary underspend and additional income generated from the successful marketing of the commercial waste services	(161)
Commercial Service (Parks) - due to Parks events additional income and Parks Assets rental income overachievement	(112)
Regeneration Services - underspend in the revenue cost of consultancy, advertising and publications plus salary recharges to capital projects (Meridian Waters and Ponders End project).	(150)
Plus Other Minor Variances - Minor variances under 5k added up	(77)
Regeneration and Environment Total:	(872)

Finance, Resources & Customer Services	Budget Variation December 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 is being undertaken to re-profile revenue pressures.	300
Legal & Corporate Governance Services - Overspend within this service area is due to staffing cost overspends in Legal and Corporate Governance (£100k), Printing & Post costs in Electoral Services (£65k), Income target in registrars (£107k) no longer achievable because of a change in Home Office fees.	306
Property Services Facilities Management (+£617k) Variance due to shortfall in income from Edmonton Centre of £240k, Swan Annexe £100k, 9 Centre Way/ 3 Southway £159k and others £59k. In addition a rent review of Triangle House £159k, overspend in running costs of admin buildings of £140k and 50K due to security and maintenance pressures at Civic Centre, which is offset by underspend in salaries & over achievement in income of £290k, giving a net adverse variance of £617k. Strategic Property Services (-£65k) Anticipated Bund income of £300k & £40k demolition income is forecast, this is offset by an overspend in GVA contract/staffing of £100k & a shortfall in SPS recharge of £175K giving a net favourable variance of £65k.	552
Other Items - most notably Former Employees cost centre with an underspend of £90k.	(120)
Use of reserves and other control measures	(500)
Finance, Resources & Customer Services Total	538

Mitigating actions being taken to reduce overspend position - FRCS	
Property - Commercial Rents: Income shortfalls being reviewed with action plan to come to CMB, e.g. Claverings - £35k; Churchfields £25k. Proposals for additional income are included in the 2017/18 budget proposals.	
IT - Cloud / Civic / Serco Contract: A review of the capital programme is being undertaken to see whether any re-profiling could take place to pick up any of the revenue pressures. This exercise has so far reduced the overspend from £850k to the £300k currently being reported. Further staffing and contractual changes are currently in hand, with full year effects in 2017/18.	
Staffing cost overspends in Legal and Corporate Governance - Legal costs across the Council are being reviewed, with a view to reducing use of more expensive external legal firms.	

5.4 Health, Housing & Adult Social Care (Appendix 4)

Health, Housing and Adult Social Care	Forecast Budget Variation December 2016 (£'000)
Adult Social Care	
Key assumptions within the forecast are based on projected activity and year to year trends. In future years there is an 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 £130k of transport pressures. This is dependant on all the savings being achieved. This is offset by Service Development budgets being £120k under	17
Mental Health - The service is currently projecting an overspend for the year on care packages.	397
Learning Disabilities - The service continues to project an overspend position as a result of managing demand led services. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics and Ordinary Residence clients. Not included in the monitor are additional risks of £530k for Ordinary Residence.	2,647
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. Substantial savings have been made in year however, demand for services continues to rise as a result of demographics	4,781
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. There is a risk that demand led sexual health services could result in additional pressures. 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 £2.605m.	(4,255)
Adult Social Care	3,787
Housing Related Support - The savings in 16/17 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 as a result of delayed savings. This service will be closely monitored to ensure the achievement of future year savings.	835
Homelessness and temporary accommodation - There is forecast favourable variance of £0.400m for 2016/17. However, this area of spend remains volatile and the underlying pressure due to the increased volume of homelessness still remains. There has been a £1m net budget increase in 16/17 to reduce these pressures but there is on-going mitigation work being carried out looking at cost avoidance schemes which will manage both service demand and costs of all forms of temporary accommodation.	(700)
Housing-General Fund	135
Adult Social Care & Public Health	3,922

Mitigating actions being taken to reduce overspend position - HHASC	
Reducing personal budgets by target rate of 20%	
Re-provision of services no longer fit for purpose or cost effective (including reprovisions 1 & 2)	
Recommissioning the VCS to provide more integrated & outcome focused early intervention support	
Decommissioning/recommissioning preventative housing related support services	
Delivering an LATC to deliver commercially viable (what were in-house run) services	
Implementation of new supported living framework for LD services with improved quality framework and vfm (with same being developed for MH services)	
Development of new Positive Behaviour Support model in LD services to deliver improved outcomes and reduced support costs	
Development of strategic commissioning and procurement of residential/nursing services across the NCL area to reduce costs	
Ongoing review programme to target high cost placements to deliver against outcomes in different ways/reduce personal budgets)	
Development of a Personal Assistant market to provide more responsive, personalised support for people at home and improved vfm	
Further integration of services including establishment of integrated locality teams to prevent hospitalisation	
Reduction in people admitted to more expensive residential care through development of more supported living and post dementia diagnosis support services	
Further expansion of the enablement service to reduce the number of people both in community and from hospital needing ongoing support	
Additional funding available for increased DoLS applications	

Children's Services	Budget Variation December 2016 (£'000)
Catering The over achievement of income has increased. This is mainly due to the primary 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 approximately £2.1m this year.	2,167
External Care Placements This is an increase of £193k reported last month due to: <ul style="list-style-type: none"> • 1 additional secure order placement • 1 additional residential placement • 1 new parent and child foster placement 	327
Children In Need – Social Work Teams Referral rates remain consistently high and the increasing demand for front line social work services requires these teams to maintain their full staffing establishment to provide a safe service and controlled case loads. Consequently a number of key vacant posts are covered by agency staff. Projected overspends have been contained by holding a vacant Head of CiN post and further staff vacancies within the Family Support Service.	147
In House Fostering Allowances There is an overall overspend of £213k with an increase in allowances (£47k) projected due to 3 new placements and a further 2 planned. The projected cost for sessional workers has also increased due to increased numbers of SGO assessments however this was mostly offset by a growth in income associated with consortium placements. There is a risk that this overspend could rise further, as there is no provision for any unknown future placements.	213
In House Fostering Staff The projected underspend has increased by £13k due to two social work staff vacancies and delays in recruiting to a vacant care co-ordinator post.	(72)
Adoption Allowances This service area has seen a budget growth in 2016-17 of £350k, however the service is still projecting an overspend. This budget area presents a high risk of overspending further. Since last month there is a net reduction of £4k with delays in the commencement of some projected adoption/ SGO's cases.	121
Leaving Care - Client Costs This budget has increased by £870k in 2016-17. The significant pressure is the change of age and the volume of children coming into care and those in remand to care by criminal courts. The change from last month is due to 3 new placements and other placement extensions for existing clients.	260
Unaccompanied Asylum Seeking Children (134k) The increase (effective from July 2016) in the rates paid in the Home Office grant are for legacy cases coming in from July and does not apply to retrospective clients. The projected overspend of £151k has reduced to £134k with 3 new under 16 clients attracting the higher rate of grant income. 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 was one London Borough that had more than its share of UASCs within its overall LAC population however it has now fallen below the threshold so may be required to accommodate new arrivals. Former UASC 18 + (-3k) Overall saving of £3k reported with some clients transferring to lower cost accommodation.	131
Cheviots Centre, Overnight Breaks and Direct Payments - vacant post being held vacant in advance of a service restructure and demand for short-term breaks being less than originally anticipated.	(140)
Youth & Family Support Service - savings generated through reductions in the Youth strategy & Support programme.	(125)
Other Minor Variations	(267)
Children's Services Total	2,564

Mitigating actions being taken to reduce overspend position - Children's Services	
<u>Families with No Recourse to Public Funds:</u>	
· Enhanced assessment processes involving fraud and legal officers at an early stage.	
· More consistent application of policies and procedures	
· Better monitoring/performance management.	
· Liaise with Home Office for new resource to speed up decision-making processes.	
· Review of cohort to ensure eligibility.	
· Social worker now located in Housing Services to ensure a corporate response.	
· Better use of website to clarify expected service.	
<u>Looked After Children's [LAC] Placements:</u>	
· Resolute focus on helping families to care for their children.	
· Reshaping the offer for targeted and preventative interventions.	
· Best value through regional commissioning arrangements.	
· Opportunities for invest to save initiatives.	
· Develop services through DfE and DCLG grants.	
<u>Reduction in Number in Care:</u>	
· Further improvements in support to family in order to prevent family breakdown aimed at increasing family resilience to further reduce family breakdown.	
· The DfE funding that was just for one year has been well managed and will allow for the maintenance of this service until March 2017. This will allow more resource to be focussed on preventing family breakdown.	
· Troubled Families funding is being well targeted at the most needy families in a timely manner to reduce risk of family breakdown.	
· Reduction in UASC being accommodated. The London UASC protocol has been renegotiated and there is now a national UASC protocol and both aim for a fairer distribution of UASC. As a result no UASC arriving in Enfield will stay for more than a few weeks before being transferred to national scheme and Enfield will no longer take permanent responsibility for new arrivals in the next few months.	
· Where it is in their best interests, families are being supported to move from the borough and have a fresh start in other areas of the country. 9 families, including 24 children, have moved this year giving a potential saving of at least £0.5million per annum.	
· Consistent decision making about admissions to care.	
· Review of the accommodation service for 16/17 year olds to ensure fewer of these young people enter care by increasing family mediation services.	
<u>Reduction in the cost of care provision/increased efficiency in system:</u>	
· Improved, faster, foster carer recruitment process to increasing the quality and quantity of in house foster carers available to reduce the use of more expensive agency placements. Ernst and Young estimate that agency foster care costs £100 per week more than in house even when all hidden costs of in house are accounted for.	
· Reviewing our foster care allowances to ensure we remain competitive	
· More assessments of foster carers being undertaken by independent assessors to speed up process.	
· Restructuring of the fostering service to reduce management costs.	
· Better use of joint funding for placements with health via the complex issues panel.	
· Commissioned research into the increase in referrals.	
<u>Home School Travel Assistance for Eligible Children and Young People (SEN Transport) :</u>	
A major cross-departmental project led by Children's Services is underway to review all policies and processes related to travel assistance. Savings will be delivered as a result of the following actions:	
· Review of council travel assistance policy so that it is fully compliant with new SEND legislation and less likely to be challenged.	
· Improved consultation and engagement with parents.	
· New online access to information and application process.	
· Regular review of eligibility and mode of appropriate travel assistance.	
· Establishment of new Travel Brokerage Service for parents that offers different modes of travel assistance and no automatic assumption of directly provided transport.	
· New routing software to ensure more efficient use of resources.	
· Ensuring the most efficient, effective and economical option is used.	
· Better monitoring and improved IT system that allows individual financial tracking for each child.	
· New procurement exercise underway for external transport providers.	
· Review of terms and conditions and training for Drivers and Personal Assistants.	
· Closer working with schools to identify children capable of developing independent travel.	
· New approaches to Council provided transport e.g. communal pickup/drop off points, walking buses.	

Appendix A6

Schools Budget	Budget Variation December 2016 (£'000)
Education Services	
Behaviour Support: The Secondary Behaviour Support service is projecting a 99k overspend. Of this 50-60k is due to the charges for schooling of children in hospital as this was transferred from the NHS but no budget allocated. £30k relates to the increased costs of placements and the number of pupils requiring college provision. This is offset by the £24k underspend due to the vacancies in the primary division of this service.	75
Unplaced pupils spend has increased above budget by £117k this month. The Budget will be overspent on the cost of placements as there are an increasing number of Y11 Students needing placements before the end of the financial year. Where there are underspends in this budget code, they will be pooled to this subjective code to reduce the outturn deficit.	117
Early Years. This service is reporting an underspend due to placements for 2 yr olds and 3&4 year olds being over estimated and take up less than anticipated. Part of this may be a result of a cut in promoting the 2 yr old placements. The forecast for February and March is as planned and no extra expenditure is planned.	(2,894)
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
Asset Management: This relates to unforeseen security maintenance at a particular site and other overheads and that cannot be capitalised.	75
Special Education Needs	
Mainstream Tuition. Significant increase in pupils since September 2016.	407
LA Special Day provision: Increase of 17 pupils since September 16.	596
Independent Day Increase of 33 new pupils (41 starters 8 leavers) this represents a 32% increase in provision since April 16 .	953
Independent Residential. There has been a 31% increase in pupils since April 16 from 24 to 35	317
School Revenue Budget Increase in Educ, Health & Care Plans 670 (270 Summer, 300 Autumn and estimated 100 Spring). Overspend in this area offset by reduction in nursery funding for Primary Schools (30). Saving in rates costs due to Academy Conversion an in year revaluations (530)	110
Home and Hospital Service - Overspend due to increased costys of service in 15-16 & 16-17. Measures are now in place to bring the cost of this service back within budget provision	160
High Needs Post 16 Overspend caused by cost increase in high needs places and fluctuations in the volume of high needs places	709
Special School Provision: Overspend reflects increased number of special school places created during 2016/17.	684
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)	(2,086)
Budgets with no/ minor variances	(184)
Total Variation – Schools Budget	950

Schools Budget Risks A detailed review of the cost of SEN pupils placed in independent and other LA provision is currently being undertaken and early indications are that expenditure projections in these areas will significantly increase. N.B. There are a number of pupils waiting to be assessed (60) and although a contingency has been built into the monitoring to allow for some costs, the outcome of assessment may result in further budget overspends . An increase in Post 16 SEN is also expected based on the contracts for the 17/18 academic year that are currently being finalised.

Treasury Management Cashflow Investments & Borrowing as at 31st December 2016

The Treasury Management position as at month end:

	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Long term borrowing	362,241	362,241	430,736	429,236	428,565	429,315	449,315
Short-term borrowing	64,000	81,000	89,000	89,000	74,000	84,000	96,000
Total borrowing	426,241	443,241	519,736	518,236	502,565	513,315	545,315
Total investments	28,150	7,325	74,375	62,050	40,500	21,140	42,000
Net debt	398,091	435,916	445,361	456,186	462,065	492,175	503,315
Increase in Net debt past 7 months	0	37,825	47,270	58,095	63,974	94,084	105,224

Movement in debt

	30-Nov-16	Debt repaid	New debt	31-Dec-16
	£000's	£000's	£000's	£000's
Long Term PWLB	354,974	0	20,000	374,974
Long Term Commercial Loan	30,000	0	0	30,000
Long Term Local Authority	28,000	0	0	28,000
Long Term Salix Loan	942	0	0	942
Short Term Local Authority	84,000	0	12,000	96,000
Long Term LEEF	5,699	0	0	5,699
Long Term European Investment Bank	9,700	0	0	9,700
Total borrowing	513,315	0	32,000	545,315

London Borough of Enfield Investments

Financial Institution	Principal	Effective Maturity	Rate
Call Accounts			
HSBC Call Account	13,600	On demand	0.20%
Svenska Handelsbanken	0	On demand	0.15%
Fixed Deposit Accounts			
Pension Fund	0		
Money Market Funds			
HSBC Sterling MMF	0	On demand	0.27%
Deutsche Bank	12,000	On demand	0.23%
Goldman Sachs	6,300	On demand	0.10%
Ignis Liquidity Fund	10,100	On demand	0.29%
Total - Investments	42,000	Average	0.21%
Number of Investments	4		

London Borough of Enfield Short Term loans

Financial Institution	Principal	Start Date	Effective Maturity	Rate	Days to Maturity
MILTON KEYNES COUNCIL	£10,000,000	29/11/2016	28/11/2017	0.40%	332
WEST SOMERSET DISTRICT COUNCIL	£2,000,000	15/01/2016	13/01/2017	0.56%	13
POLICE AND CRIME COMM WEST MIDLANDS	£5,000,000	29/01/2016	27/01/2017	0.65%	27
ISLINGTON COUNCIL	£5,000,000	28/01/2016	26/01/2017	0.65%	26
WEST YORKSHIRE COMBINED AUTHORITY	£10,000,000	15/04/2016	13/04/2017	0.55%	103
SEDGEMOOR DISTRICT COUNCIL	£5,000,000	02/06/2016	03/04/2017	0.60%	93
POLICE AND CRIME COMMISSION FOR WEST YORKSHIRE	£5,000,000	07/06/2016	07/04/2017	0.58%	97
WEST YORKSHIRE COMBINED AUTHORITY	£5,000,000	15/07/2016	18/04/2017	0.47%	108
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	11/07/2016	11/04/2017	0.49%	101
CHELMSFORD BOROUGH COUNCIL	£5,000,000	15/07/2016	14/07/2017	0.42%	195
LONDON BOROUGH OF EALING COUNCIL	£5,000,000	19/07/2016	18/07/2017	0.39%	199
LONDON BOROUGH OF HILLINGDON	£10,000,000	30/08/2016	30/05/2017	0.35%	150
MILTON KEYNES COUNCIL	£5,000,000	29/11/2016	28/11/2017	0.40%	332
TAMESIDE METROPOLITAN BOROUGH COUNCIL	£5,000,000	29/11/2016	28/11/2017	0.42%	332
WANDSWORTH BOROUGH COUNCIL	£10,000,000	22/12/2016	21/12/2017	0.50%	355
WOKINGHAM BOROUGH COUNCIL	£4,000,000	01/12/2016	28/11/2017	0.40%	332
Total	£96,000,000		Average	0.49%	175

Savings Monitoring 2016/17
Summary Position - December

Appendix C

Department	Red		Amber		Green		Blue		Total
	£000's	%	£000's	%	£000's	%	£000's	%	£000's
Regeneration & Environment	0	0%	0	0%	(2,180)	100%	0	0%	(2,180)
Finance, Resources & Customer	0	0%	0	0%	(331)	100%	0	0%	(331)
Housing, Health & Adult Social Care	(400)	6%	(4,557)	66%	(1,912)	28%	0	0%	(6,869)
Schools & Children's Services	(250)	7%	(84)	3%	(2,847)	90%	0	0%	(3,181)
Chief Executive	0	0%	0	0%	(300)	100%	0	0%	(300)
Total New Savings for 2016/17	(650)	5%	(4,641)	36%	(7,570)	59%	0	0%	(12,861)
									(12,861)

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MUNICIPAL YEAR 2016/2017 REPORT NO. **197**

MEETING TITLE AND DATE:

Cabinet: 8th February 2017

REPORT OF:

Executive Director of Finance,
Resources & Customer Services

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Agenda – Part: 1	Item: 9
Subject: Capital Programme Monitor Third Quarter December 2016 Budget Year 2016-17	
Wards: All	
Key Decision No: 4364	
Cabinet Member consulted: Cllr Lemonides	

1. EXECUTIVE SUMMARY

The purpose of this report is to inform Members of the current position up to the end of December 2016 regarding the Council's Capital Programme 2016/17 - 2019/20 taking into account the latest information for all capital schemes including the funding arrangements.

The report shows that the overall expenditure is projected to be £230.3M for the General Fund and £55.2M for the HRA for 2016/17.

The report:

- 1.1 Sets out the forecast capital programme for 2016/17- 2019/20
- 1.2 Confirms details of slippage, growth and reductions in the current financial year's programme

2. RECOMMENDATIONS

It is recommended that Cabinet:

1. Agrees the revised 2016/17 Capital Programme totalling £230.3M for the General Fund & £55.2M for the HRA.
2. Notes the approved full four-year programme as per Appendix A and Indicative programme in Appendix B.
3. Notes the additions to the programme which are for information only and either require no additional borrowing as they are grant funded or have already been approved as part of the Councils democratic process as detailed in Table 3.

3. BACKGROUND

The Council's Capital Programme is continually reviewed and monitoring reports are submitted to Cabinet on a quarterly basis.

The Council continually strives to maximise external grants and contributions, attracting new revenue streams to fund projects wherever possible and minimising the need to borrow. As part of the 2017/18 budget cycle, a review of the capital programme was undertaken resulting in a reduction of £21.7M across the 4-year programme as detailed in table 4.

This is the third quarterly report on the 2016/17 capital budget and four-year Capital Programme 2016/17- 2019/20, as approved by Council in February 2016.

4. 2016/17 CAPITAL PROGRAMME BUDGET

The full approved Capital programme is contained within Appendix A and is a four-year programme with the budgets shown inclusive of previous years carry forwards, reported as slippage.

The capital budget for the current financial year @ December 2016 is summarised in Table 1 below.

TABLE 1 – Current Year APPROVED Capital Programme	2016/17 Budget @ Q2 £'000	Slippage to/from future years £'000	Additions £'000	Q3 Reductions £'000	Capital Review Reductions £'000	Virements (between service areas) £'000	Revised Budget as at Q3	Actuals & Commitments @ Q3 £'000
Environment & Regeneration	101,527	(25,240)	2,467	(2,673)	(813)	(828)	74,440	52,374
Finance, Resources and Customer Services	21,389	(5,596)	-	(54)	(1,308)	4,825	19,256	15,199
Health, Housing and Adult Social Care	62,707	(647)	173	(102)	(2,370)	(49,112)	10,649	7,523
Schools and Children's Services	41,692	(6,488)	-	-	(2,025)	-	33,179	21,285
Housing Gateway *	-		39,940			45,115	85,055	85,055
Enfield Innovations *	-	7,754					7,754	7,754
Total General Fund Expenditure	227,315	(30,217)	42,580	(2,829)	(6,516)	0	230,333	189,190
Housing Revenue Account	65,225	(12,281)	2,312	-	-	-	55,256	40,437
Total Capital Expenditure	292,540	(42,498)	44,892	(2,829)	(6,516)	0	285,589	229,627

* Figures relate to loan amounts made by the Council to wholly owned subsidiaries

Slippage to/from future years

These are changes regarding the forecast timing of the expenditure from the approved programme between financial years with no reported increase or decrease in budget requirement. Unless otherwise reported by responsible officers below, these movements have minimal impact on the overall delivery of the project. Where service delivery may be impacted these will be reported quarterly to members.

The primary slippage this quarter has been summarised in Table 2 below:

TABLE 2 – SLIPPAGE	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Civic Centre Refurbishment	1,934	(1,934)	-	-
Building Improvement Programme	(111)	111	-	-
Corridor Improvements (Hertford Rd)	(1,400)	1,400	-	-
Highways Footway Renewal Program	(250)	250	-	-
Highways Gateway Improvements	(15)	15	-	-
Parks - Fencing, Footway & Play Equipment	(566)	566	-	-
Parks - Enfield Playing Fields	(25)	25	-	-
Waste & Recycling	364	(364)	-	-
Mini Holland	(441)	(1,054)	3,208	(1,713)
Future Years TFL - Major Schemes	255	(255)	-	-
Broomfield House	(205)	205	-	-
Vehicle Replacement Programme	(3,016)	3,016	-	-
The Crescent @ Edmonton	(264)	264	-	-
Meridian Water	(21,500)	21,500	-	-
Environment & Regeneration	(25,240)	23,745	3,208	(1,713)
Bury Street West Depot Project	(1,677)	(4,683)	6,360	-
Southgate Circus Library Development	(250)	250	-	-
William Preye	(260)	260	-	-
IT Delivery	(1,750)	1,750	-	-
Palmers Green Library Refurbishment	(150)	150	-	-
Edmonton Green Library Improvements	(1,509)	1,509	-	-
Finance, Resources and Customer Services	(5,596)	(764)	6,360	-
Reprovision 1 - Elizabeth House	(647)	647		
Health, Housing and Adult Social Care	(647)	647	0	0
Schools Condition Funding - Brimsdown Kitchen	(1,276)	1,276	-	-
Orchard Side Referral Unit	(5,212)	5,212	-	-
Schools and Children's Services	(6,488)	6,488	-	-

TABLE 2 – SLIPPAGE	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Enfield Innovations	7,754	-	-	-
Companies	7,754	-	-	-
Total General Fund Slippage	(30,217)	30,116	9,568	(1,713)
Major Works	(11,669)	11,669	-	-
Minor Works	(612)	612	-	-
Total HRA Slippage	(12,281)	12,281	0	0
TOTAL	(42,498)	42,397	9,568	(1,713)

Additions to the Programme

Additions to the programme will arise between quarterly monitoring cycles with appropriate levels of authorisation obtained as required by the democratic process. Once approved these project budgets are reflected as additions in the capital programme and the financial impact built in to the Medium term financial plan as required.

Additions this quarter are detailed below in Table 3.

TABLE 3 Growth	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total 16-20 £'000	Funding source
CCTV Camera Replacement	245	-	-	-	245	Earmarked Reserve
Firs farm Wetlands Outdoor Classroom	47	-	-	-	47	Revenue Contribution
Affordable Housing	2,175	-	-	-	2,175	Right to Buy Receipts
Environment & Regeneration	2,467	-	-	-	2,467	
Sub Regional Housing	173	-	-	-	173	New Homes Bonus Grant
Disabled Facilities Grant	-	663	663	663	1,989	Grant funding
Health, Housing and Adult Social Care	173	663	663	663	2,162	
New ICT Investment	-	14,000	12,000	6,000	32,000	General Resources
Finance, Resources and Customer Services	-	14,000	12,000	6,000	32,000	
Housing Gateway Ltd	39,940	36,630	6,120	-	82,690	General Resources
Companies	39,940	36,630	6,120	-	82,690	
Total General Fund Growth	42,580	51,293	18,783	6,663	119,319	
Estate Renewal	2,312	-	-	-	2,312	Right To Buy Receipts
Total HRA Growth	2,312	-	-	-	2,312	

Reductions to the programme

These represent the removal of budgets from the programme due to either an underspend on a completed project, the adjustment of a project budget to reflect a loss of funding or to remove the project from the programme entirely. In addition, as part of the 2017/18 budgeting cycle, a review of the Capital programme was undertaken with each department, with the aim of reducing the revenue cost of borrowing to the Council's general fund. This resulted in a number of Capital schemes, that were identified as being funded from borrowing (totalling £21.7m,) being removed from the programme, as detailed below.

TABLE 4 – REDUCTIONS	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total 2016- 2020 £'000
Capital Review Reductions					
Disability Access Programme	(150)	0	0	0	(150)
Parks - Aylands Playgrounds, Play Space @ Hadley Wood & Forty Hall Landscaping	(663)	0	0	0	(663)
Waste & Recycling	0	(64)	0	0	(64)
Market Gardening	0	(1,500)	0	0	(1,500)
Housing Assistance	(823)	(643)	(643)	(643)	(2,752)
Environment & Regeneration	(1,636)	(2,207)	(643)	(643)	(5,129)
Enfield Town Library	(800)	0	0	0	(800)
Palmers Green Library	(400)	0	0	0	(400)
Bullsmoor Library	(108)	0	0	0	(108)
Bury Street West Depot Project	0	(11,000)	0	0	(11,000)
Finance, Resources and Customer Services	(1,308)	(11,000)	0	0	(12,308)
Reprovision 1 - Elizabeth House	(1,547)	0	0	0	(1,547)
Mental Health & Wellbeing Centre	0	(34)	(684)	0	(718)
Health, Housing and Adult Social Care	(1,547)	(34)	(684)	0	(2,265)
Loft Extensions for Foster Carers	(50)	0	0	0	(50)
Cheviots refurb & improvement works	(51)	0	0	0	(51)
Primary Expansion Programme - Phase 2	(1,038)	0	0	0	(1,038)
PEP2 St Johns Expansion 2014	(33)	0	0	0	(33)
Chase Farm Temporary School @ Bishops Stopford	(760)	0	0	0	(760)
Enfield2 Academy	(93)	0	0	0	(93)

TABLE 4 – REDUCTIONS	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total 2016- 2020 £'000
Schools and Children's Services	(2,025)	0	0	0	(2,025)
Total Capital review	(6,516)	(13,241)	(1,327)	(643)	(21,727)
Q3 Reductions					
High Streets Shop Front Scheme	(501)	0	0	0	(501)
energetik	(1,349)	0	0	0	(1,349)
Environment & Regeneration	(1,850)	0	0	0	(1,850)
Sloemans Farm	(23)	0	0	0	(23)
Joint Service Centre- Ordnance Road	(31)	0	0	0	(31)
Finance, Resources and Customer Services	(54)	0	0	0	(54)
Reprovision 2 - Coppice Wood Lodge	(925)	0	0	0	(925)
Health, Housing and Adult Social Care	(925)	0	0	0	(925)
Total Q3 Reductions	(2,829)	0	0	0	(2,829)
Total General Fund Reductions	(9,345)	(13,241)	(1,327)	(643)	(24,556)

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

6.1 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 quarterly capital monitoring is part of this review process. If required, measures will be put in place to address risks identified through the monitoring process and to contain expenditure within approved budgets.

The funding of the current approved programme is as follows:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Total approved General Fund Programme (App A)	230,333	190,905	82,255	36,580	540,073
Funded from:					
Earmarked Resources	(48,135)	(44,715)	(26,780)	(12,051)	(131,681)
Unapplied Capital Receipts	(494)	0	0	0	(494)
General Fund Capital Reserve	(73)	0	0	0	(73)
Capital Financing Requirement	181,631	146,190	55,475	24,529	407,825
Total HRA Programme	55,256	82,371	55,025	40,481	233,133
Funded from:					
Earmarked Resources	(55,256)	(65,171)	(44,825)	(33,581)	(198,833)
Capital Financing Requirement	0	0	0	0	0
Total Increase in CFR	181,631	146,190	55,475	24,529	407,825

Types of Capital Funding

Earmarked Resources	Specific government grants or other contributions from external parties and the use of specific reserves within the Council's available resources. Funding is specific to certain schemes or certain types of capital investment e.g. provision for additional school places. There is a high level of certainty over these funding streams.
Unapplied Capital Receipts	Capital receipts from previous years' disposals, brought forward from 2015/16 and the balance in the General Fund Capital Reserve.
Council Borrowing	Capital expenditure that cannot be funded immediately from grants, capital receipts or direct revenue/reserve contributions must be funded from borrowing, funded by the annual set aside from the revenue budget, Minimum revenue provision (MRP) MRP is determined according to statutory regulation based on the Capital Financing Requirement. There are equivalent statutory arrangements for the funding of HRA capital expenditure which do not involve an HRA Minimum Revenue Provision.

6.2 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.

6.3 Property Implications

All of the property implications are included within the main report.

7. KEY RISKS

All of the key risks relating to the first quarter are included within the main report.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

8.2 Growth and Sustainability

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

8.3 Strong Communities

The Capital Programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

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

10. HEALTH AND SAFETY IMPLICATIONS

Not applicable to this Report.

11. PUBLIC HEALTH IMPLICATION

None specific to this Report

Appendix A

4 Year Programme:	Capital Programme Budget				
APPROVED PROGRAMME	2016/17	2017/18	2018/19	2019/20	Total 16-17 to 19-20
	£'000	£'000	£'000	£'000	£'000
Environment & Regeneration					
Transport for London funding:					
Major Schemes	3,433	0	0	0	3,433
Cycle Enfield	5,929	15,282	6,177	0	27,388
Highways & Street scene:					0
Main Programme	9,521	393	0	0	9,914
Corridor Improvements Hertford Rd	219	1,400	0	0	1,619
Environmental Protection	122	0	0	0	122
Community Safety	592	0	0	0	592
Waste & Recycling	364	419	0	0	783
Parks	1,833	3,534	0	0	5,367
Vehicle Replacement Programme	853	5,188	3,430	486	9,957
Building Improvement Programme (BIP)	1,945	111	0	0	2,056
Housing Assistance Grants	175	175	175	175	700
Affordable Housing	4,675	0	0	0	4,675
Disability Access Programme	163	0	0	0	163
Regeneration:					
Meridian Water	39,659	58,570	28,190	18,370	144,789
Meridian Water Hinterland	1,680	1,230	400	0	3,310
Ponders End	500	4,030	2,000	145	6,675
Electric Quarter	2,500	5,000	1,000	1,742	10,242
Edmonton Green	0	2,000	2,000	0	4,000
Enfield Town	0	1,000	1,000	0	2,000
Angel Edmonton	71	0	0	0	71
Market Gardening	71	0	0	0	71
Broomfield House	25	205	0	0	230
The Crescent Edmonton	26	264	0	0	290
Business & Economic Development/Regeneration	84	0	0	0	84
Regen & Environment Total	74,440	98,801	44,372	20,918	238,531

4 Year Programme:	Capital Programme Budget				
APPROVED PROGRAMME	2016/17	2017/18	2018/19	2019/20	Total 16-17 to 19-20
	£'000	£'000	£'000	£'000	£'000
FRCS :					
IT Work Plan	9,093	15,750	12,000	6,000	42,843
Enfield 2017	4,141	0	0	0	4,141
Sloemans farm	1	0	0	0	1
Southgate Circus Library Enabling Works	350	250	0	0	600
William Preye Day Centre	40	260	0	0	300
Bury Street Depot Redevelopment	323	13,217	6,360	0	19,900
Civic Centre (BIP)	4,326	0	0	0	4,326
Edmonton Green Library	250	3,949	0	0	4,199
Palmers Green Library	0	150	0	0	150
Southgate Circus Library Improvements	20	0	0	0	20
Enfield Highway Library Improvements	0	10	0	0	10
Winchmore Hill Library Improvements	80	0	0	0	80
Culture - HLF Forty Hall CCTV & Lighting	133	0	0	0	133
Ridge Ave Clinic	499	0	0	0	499
FRCS Total	19,256	33,586	18,360	6,000	77,202
Health, Housing & Adult Social Care					
Disabled Facilities Grant (£1.819m grant funded)	2,108	1,819	1,819	1,819	7,565
Sub Regional Housing Grants	363	0	0	0	363
Residential & Social Care Provision Elizabeth House	8,098	647	0	0	8,745
New Options	80	0	0	0	80
Mental Health and Wellbeing Centre	0	938	684	0	1,622
HHASC TOTAL	10,649	3,404	2,503	1,819	18,375

4 Year Programme:	Capital Programme Budget				
APPROVED PROGRAMME	2016/17	2017/18	2018/19	2019/20	Total 16-17 to 19-20
	£'000	£'000	£'000	£'000	£'000
Schools & Children's Services					
Schools Access Initiative	93	0	0	0	93
Target Capital Special Needs (inc. Orchard Side Referral)	3,989	5,212	0	0	9,201
Children's Centres	701	0	0	0	701
Targeted Capital School Meals Programme	237	2,872	0	0	3,109
Schools Condition Funding	7,419	0	0	0	7,419
Basic Need Primary School Places	792	0	0	0	792
Primary Expansion Plan Phase 1	1,954	0	0	1,843	3,797
Primary Expansion Phase 2 Grange School	605	0	0	0	605
Primary Expansion Phase 2 Garfield School	2,825	0	0	0	2,825
Primary Expansion Plan Phase 2	241	0	0	0	241
Minchenden School (Upper Autism)	7,610	4,400	4,900	0	16,910
Fire Precaution Works	713	0	0	0	713
Programme before Devolved Funding	27,179	12,484	4,900	1,843	46,406
Devolved Schools Capital Schemes	6,000	6,000	6,000	6,000	24,000
SCS TOTAL	33,179	18,484	10,900	7,843	70,406
Companies					
Housing Gateway	85,055	36,630	6,120	0	127,805
Enfield Innovations	7,754	0		0	7,754
Companies Total	92,809	36,630	6,120	0	135,559
TOTAL GENERAL FUND	230,333	190,905	82,255	36,580	540,073
Housing Revenue Account					
Major Works	30,641	30,309	29,015	19,676	109,641
Minor Works	1,823	1,900	1,900	1,900	7,523
Estate Renewals	22,702	50,162	24,110	18,905	115,879
Grants to vacate	90	0	0	0	90
HRA TOTAL	55,256	82,371	55,025	40,481	233,133
APPROVED CAPITAL PROGRAMME	285,589	273,276	137,280	77,061	773,206

PROPOSED SCHEMES NOT YET FUNDED OR APPROVED					Appendix B
4 Year Programme:	Capital Programme Budget				
INDICATIVE PROGRAMME	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000
Environment & Regeneration					
TFL :					
Future Years / Major Schemes	0	2,924	4,453	1,903	9,280
Highways & Street scene: Main Programme	0	6,450	6,450	6,450	19,350
Building Improvement Programme (BIP)	0	1,500	1,500	1,500	4,500
Regeneration:					
New Southgate	0	500	500	0	1,000
REGENERATION & ENVIRONMENT TOTAL	0	11,374	12,903	9,853	34,130
Health, Housing & Adult Social Care					
Affordable Housing	0	7,106	2,100	2,100	11,306
Welfare Adaptations	100	100	100	100	400
HHASC TOTAL	100	7,206	2,200	2,200	11,706
Schools & Children's Services					
Schools Access Initiative	0	250	250	250	750
School Expansion Plan (Phase 2 PEP)	0	10,939	0	6,000	16,939
Schools Condition Funding	0	5,776	4,483	4,483	14,742
Fire Precaution Works	0	467	500	500	1,467
SCS TOTAL	0	17,432	5,233	11,233	33,898
GENERAL FUND INDICATIVE	100	36,012	20,336	23,286	79,734
TOTAL INDICATIVE PROGRAMME	100	36,012	20,336	23,286	79,734

MUNICIPAL YEAR 2016/2017 REPORT NO. **200**

MEETING TITLE AND DATE:
CABINET - 8 February 2017

REPORT OF:
Executive Director –
Regeneration & Environment

Contact officer and telephone number:
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Agenda – Part: 1	Item: 11
Subject: Ponders End High Street: Phase 2 Delivery Programme	
Wards: Ponders End	
Key Decision No: 4382	
Cabinet Members consulted: Cllr Ahmet Oykenyer and Cllr Alan Sitkin	

1. EXECUTIVE SUMMARY

- 1.1 The report seeks authorisation to initiate the Ponders End (Phase 2) programme, and a budget to progress design work with the objective of delivering a minimum of 300 new homes, together with commercial, community and high quality civic uses.
- 1.2 This report also sets out the Council's approach for developing Ponders End High Street for the continued regeneration of Ponders End as part of a 'Ponders End rolling programme', and it identifies the resources needed to deliver future phases of the programme as outlined in the Neighbourhood Regeneration Capital Programme Report Key Decision 4229.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the progress made to date on the ongoing Regeneration of Ponders End and agrees the next phase of programme;
- 2.2 Authorises draw down of approved 16-17 budget for expenditure of no more than £1.0m to progress design and architectural work across sites at Ponders End identified and in accordance with the scope under section 7;
- 2.3 Authorises draw down of approved 16-17 budget for of £100k to carry out a series of small to medium scale public realm improvements;
- 2.4 Approves the Ponders End governance arrangements; and
- 2.5 Authorises draw down of approved 16-17 budget for no more than £310k for quantity surveying, engineering and valuation advice for sites identified within this report to undertake an options appraisal as explained in section 8.

3. BACKGROUND

- 3.1 The Neighbourhood Regeneration Team has the overarching responsibility for revitalising some of the most deprived neighbourhoods in the borough. This focus continues in areas of Edmonton, Enfield Town, Ponders End and New Southgate.
- 3.2 Ponders End is one of the more long standing regeneration areas that has been subject to change since 2008. In 2011 the Ponders End Central Planning brief Supplementary Planning Document sought to provide a plan for how areas around the high street and Queensway could be developed in future. This progress can be clearly seen along South Street where the Alma Estate is undergoing a complete transformation to provide existing residents with modern energy efficient homes. On the high street, improvements to Ponders End Park are being well used by the community and the recent planning approval of Electric Quarter indicates that Ponders End is well on track towards improving the lives of residents and visitors to the area. This is a great achievement in itself which will only help to support the Council's Sustainable Community Strategy which seeks to improve the quality of life through employment and enterprise, the local environment, housing, leisure and culture.
- 3.3 In order to build on this success and to ensure that the area keeps moving forward in a positive manner, it is important that regeneration does not stand still. This report seeks authorisation to initiate a programme of regeneration projects to assist the high streets vibrancy and vitality. In addition, a range of small to medium sized beautification treatments are also proposed to ensure the high street complements the wider improvements being made to the high street and surrounding roads through the Cycle Enfield Initiative and TFL Major Works scheme which will be completed by 2018.
- 3.4 The high street sits firmly at the centre of Ponders End and offers a diversity of local shops and services. Traders on the high street have been significantly affected in recent years by the loss of footfall resulting from the closure of the Middlesex University and the slow recovery following the start of the economic recession in December 2007.
- 3.5 With consultation on Crossrail 2 coming to a close and a report to be presented by Theresa May at the next Autumn Statement, the prospect of a higher frequency of service at a revitalised Ponders End station, now becomes a realistic option and the right time to consider the next phase of regeneration to ensure that the transformational change continues along the right path.
- 3.6 Successful regeneration has to be holistic, comprehensive and community focused. Physical, economic and social interventions are all essential to achieving a mixed and balanced community. It is recognised that in order to create this outcome, a focused strategy of interventions needs to be progressed. The purpose of these recommendations is to extend the work

outlined in the 2011 planning brief with a view to creating another attractive and integrated town centre in the borough.

4. Progress to Date

4.1 Regeneration work continues at a pace and an update is provided below on the current projects in the Ponders End ward.

4.2 Electric Quarter

4.2.1 The Electric Quarter consists of approximately 2.14 hectares (5.29 acres) of land fronting Ponders End High Street. The Electric Quarter will deliver 167 residential units and 1379 square metres of commercial and community space in two phases. Phase A will deliver 61 units (comprising of 40 private sale town houses and 21 affordable rent units) and will complete in Autumn/Winter 2017. Phase B will deliver 106 units, nursery on ground floor and communal rooftop open space area, a library and 5 commercial units.

- Planning consent was given in February 2016 for 167 new homes, together with new shops and a new library building to be built in 2 phases.
- There have been a few snagging issues with managing a construction site whilst ensuring access for the Heron Hall Academy which is open. Agreement has now been reached and will be implementing a new travel plan and construction management plan to ensure all parties have unobstructed use.
- The Planning Inspectorate has now concluded a Public Inquiry into the Compulsory Purchase Order of properties within the Electric Quarter development. The Inquiry lasted three days and the Inspector heard from two objectors. A decision is expected in six months' time.

4.2.2 Whilst the replacement of the library is currently proposed to be delivered on the Electric Quarter, there is another option which is considered to be a more cost effective solution. This entails, bringing library services in with the current educational and community facilities at Swan Annexe. Cabinet is asked to authorise the amendment of the plans for relocation of the library to coincide with an option to relocate the library at Swan Annexe.

4.2.3 The Council will explore whether the new facility at the Electric Quarter should continue as a leisure use or where the space should be reconsidered for residential or commercial use to improve the overall viability of the site.

4.3 Alma Estate

4.3.1 The council's partner Countryside Properties have secured detailed planning permission for phase 1 of the redevelopment project - Phase 1 includes the demolition of Kestrel House and the adjoining two maisonettes

blocks in Alma Road, and construction of new buildings including a 'landmark' 12 storey new tower by the station. This first phase of the redevelopment will provide 363 new homes, 97 of which will be Council homes for rent, 68 will be housing association low cost home ownership (shared ownership) homes and the remaining 198 will be homes for sale. In addition, the first phase will contain space for an affordable gym and for a café.

4.3.2 Demolition works were due to start in the spring of 2016, but unfortunately there has been a slight delay due to it taking slightly longer to move residents out of Kestrel House than originally planned. The problems have now been resolved and demolition of Kestrel House is underway. Due to the proximity to the rail line, demolition of Kestrel has to be undertaken very carefully and so will take approximately five months to complete. New homes in phase one are scheduled to be completed by the summer of 2018.

4.3.3 The current programme indicates that redevelopment of the phase 2 would start in August 2017. Further work is underway to ensure that replacement buildings comply with the Outline Planning consent and also provide a good operational space. The intention once agreement can be reached will be to submit a Reserved Matters application to the Local Planning Authority for determination. This should take around 8-weeks to complete.

4.4 Dujardin Mews

4.4.1 Dujardin Mews is the name for the new Council homes being constructed between Falcon Crescent/ Spur Road Car Park and Oasis Hadley Academy.

4.4.2 The site consists of 38 new homes, of which 19 will be for rent and 19 will be for shared equity. All of the rented properties have earmarked for tenants leaving the Alma estate and leaseholders on the Alma estate have been given first call on the shared equity homes.

4.4.3 The new homes are on target to complete in February. Electric and service installations are well underway with the plastering to follow close behind. All outstanding legal agreements have now been completed so we are well on track to complete the project in February 2017.

4.4.4 More than 20% of the site workforce has been taken from the local area and there is an agreement with the local College to provide short term work experience for several young persons on a rolling basis.

4.5 Ponders End Qube

4.5.1 The Ponders End Qube is the name given to the temporary multi-purpose community building located at the site of the former Police Station on Ponders End High Street. The building is catering for a variety of community-led functions and will remain on site for a maximum of 2 years until the second phase of the Electric Quarter commences.

- 4.5.2 At the end of the expiration of 2 years or when the site is required for redevelopment, an exit strategy will be in place to ensure that there is a new site to accommodate the Qube.



4.6 TFL Major Scheme

- 4.6.1 A radical change to the A1010 Ponders End High Street will shortly be underway to provide more space and better crossings for pedestrians, reduce collisions and traffic dominance, create a more attractive street scene, give easier access for those on foot or cycle, and ease congestion at the junction with Derby Road, south Street and Lincoln Road. Works are due to start December/January.

5. **Justification for Further Regeneration**

- 5.1 Ponders End High Street consists of a mix of different types of uses including retail, residential, employment and community facilities. Buildings are a mix of ages and styles, all with a scale of two to four storeys. The majority of the retail units are located on the western side of the high street with small interspersed retail units along the high street. The eastern side of the high street is predominantly made up of non-active spaces such as the Eagle House car park and the abandoned White Hart Public House along with civic functions such as the Swan Annexe building and the Ponders End Park. Whilst these all play a role in supporting the function of the high street, there is still little reason to come and visit the centre. The inactive frontages do not help sustain the sense of a bustling centre. The offer is limited along the high street reducing its competitiveness and its success as a centre.

- 5.2 There are however, opportunities to create a more defined town centre with a clearly defined character and purpose. The area is served by two stations. Southbury Station is located 500m west of the centre and takes commuters straight into Liverpool Street Railway Station in 24 minutes and Ponders End Station is located towards the east and is earmarked for Crossrail 2 and is within 30 minutes of Stratford International. The area is amply served by a number of buses and bus routes with direct services to Enfield Town, Hertford Road, the Lee Valley and Edmonton.
- 5.3 The total population was estimated to be about 16,100 at 2014. This was the 7th largest population of the 21 wards in Enfield. It is projected to increase by 11.0% over the next five years, compared to a Borough average increase of 2.7%.¹This is compounded by the high number of buy-to-lets in the area which do a number of things to the community. Firstly, they give rise to a loss of family sized homes; there are instances where some properties are below a basic living standard which has implications to health and wellbeing; it destabilises the community as tenants do not stay for long and thus do not always support the local area and issues over waste management of homes and parking can contribute towards how someone might perceive the area.
- 5.4 According to the Indices of Deprivation 2015, Ponders End has been estimated to be the 5th most deprived of the 21 wards in Enfield and within the 15% most deprived in England. CACI Paycheck's assessment in 2016 indicated that 27.9% of households in the ward have an annual income of less than £15,000 pa, compared with the borough average of 19.5%. As at May 2014 the number of people claiming the key out of work benefits was 1,840; 19.6%² of the estimated working age population. This compared to a Borough average of 15.1%. The estimated proportion of people in work or looking for work (the economically active) was much lower than the borough average in 2011. It is important that as regeneration continues to progress that opportunities for the young and those looking for employment are given the best start for doing that in their local borough. The most recent adopted planning obligations Supplementary Planning Document adopted in 2016 will seek to ensure that wherever possible, apprenticeships and opportunities to work in the construction sector are explored. That developments give way for opportunities for low skilled workers to work in an area close to them. A revitalised high street can seek to meet this demand through increasing the number of commercial units and increasing the footfall that will enable retailers to employ more staff.
- 5.5 The Electric Quarter, Ponders End Housing Market Assessment, 2012 revealed that there will be a need of approximately 1,070 homes required by 2031 with an acute need for one-bedroom properties (75%) in Ponders End. As well as this the Boroughs adopted Core Strategy, 2010 Core Policy 5 makes clear reference for the need for more family sized homes. There is

¹ Source: GLA 2013 Round of ward projections

² Data from the Ponders End Ward Profile 2015

also a big push towards ensuring that there are homes for first time buyers to get a foothold on the property ladder. This will mean a concerted effort towards increasing the amount of intermediate properties (for e.g. shared ownership, help to buy, living rent)

- 5.6 The property market in the ward has seen steady rises of around 8% which is consistent with much of London. At the time of writing, average sales prices were around the £303,000 and average asking rents of £570 per calendar month (pcm) for a 1-bed property to £1,800pcm for a 4-bed property. Whilst this is considered to be a relatively cheaper part of London to live in, when this is compared against the average salaries, the affordability gap becomes wider. Opportunities for increasing the amount of affordable housing will continue to be explored and implemented to ensure that people who have grown up in the area can continue to live in the area.
- 5.7 In summary, Ponders End is defined as a culturally diverse area, with a young and increasing population; a high street struggling to cope with the high turnover in population and all the associated problems along with this transience. On the plus side, it has great potential for sustainable growth and cultural vitality. A real opportunity to characterise and improve the centre for the benefit of everyone who lives, works and visits the area..

6. Area Objectives

- 6.1 Through a series of internal and external consultation and engagement exercises (see annex A.) the following objectives have been identified for the next phase of regeneration at Ponders End:
- More homes – with an emphasis on a better mix of quality private, social and intermediate affordable housing;
 - More jobs - to include all types of employment both full time and part time;
 - Creating the right evening economy - to meets the needs of the local population;
 - Creating a distinctive cultural offer;
 - Ensuring high quality neighbourhood facilities;
 - Increasing footfall to the high street; and
 - Ensuring all projects in Ponders End are sustainable.
 - A rejuvenated town centre
 - Strong public pedestrian, cycle and vehicular connections
 - Substantial improvement in linkages and overall connectivity with the High Street
 - An Improvement in lifestyle and well-being including dedicated public community facilities

7. The Next phase of Delivery

- 7.1 Whilst the area of focus to be considered is the High Street (part of Hertford Street) from the junction of Southbury Road/ Nags Head Road at the

Northern end to the junction of Derby Road/South Street at its southern end, sites considered to contribute towards the overall aim will also be included.

- 7.2 Building on the adopted North East Enfield Area Action Plan (NEEAAP), the aim will be to produce a more detailed picture of what happens when you develop more than one site which will look at a massing study to include a phasing plan for bringing forward sites identified along the high street, development viability and a planning strategy that includes an analysis of parking provision.
- 7.3. One of the issues identified is about how we provide a vibrant and fully functional high street to cater to all tastes and all budgets so that the high street evolves in line with the local population. A bespoke and detailed assessment will need to be carried out to inform the future retail provision for Ponders End.
- 7.4 Cabinet should note that each of these proposed interventions will require separate (start on site) reports recommending approval to commence delivery and budget approval of these interventions should the initial investigation prove that these are feasible propositions

- a. Ponders End Delivery Plan

- 7.4.1 A major shift in change is proposed. The NEEAAP provides a platform for preparing plans to provide intensified development along the high street. However, it will be important to understand from a detailed design, phasing and functional aspect as to how this will all work together. Cabinet is asked to authorise the preparation of this new work with a view that if necessary, it is adopted as supplementary planning guidance for developing a coherent masterplan for Ponders End. It is envisaged that the outputs will be a highly visual document that will be used for consultation and a physical tool for explaining how proposals will work together. A car parking survey and a retail and town centres strategy will also accompany the Plan.

- b. Swan Annexe Recommendation

- 7.4.2 Former community facility providing an educational facility, community related functions and council offices. The Swan Annexe has been identified as a building of architectural merit and is identified in the Council's draft local heritage list. It also serves a beacon to provide a central focus for the high street. A number of options have been proposed and no clear strategy for its future has been agreed. There is some certainty that the Swan Annexe must remain in education use. Therefore, it is proposed that Cabinet agree to an options appraisal study to be carried out to explore a new refurbished facility to provide a more modern educational facility alongside a mix of a small independent cinema, café/restaurant and library provision to assist in diversifying the high street's offer, providing a natural destination for visitors and a much needed anchor to the high street. Cabinet is asked to agree, following the outcome of the options appraisal, a start on site report authorising a budget for the delivery of the proposed works.

c. Queensway

7.4.3 This stretch of road accommodates the Electric Quarter, Heron Hall and some small employment units to the south and larger industrial size sheds together with the southern portion of Tesco's car park. The delivery of Electric Quarter and the Heron Hall Academy is well underway and the Queensway has the potential to offer an exciting employment –led mixed use development which could include workspace, residential, a dedicated banqueting/community facility with additional car parking. Development options could include; the amalgamation of land in the area subject to consultation and co-operation from landowners. Options for development would be led on the basis of delivering high quality homes and workspace to keep up with demand for more modern workspaces. The Council are also working with Enterprise Enfield to consider a mixed use development scheme that would involve co-working space, training room with some enabling residential development. Cabinet is asked to approve the investigation of these options with a view to formulating a proposal.

d. White Hart Public house

7.4.4 The White Hart Pub has been vacant for many years. It consists of a detached public house with ancillary residential accommodation above it. It has car parking facility located to the front and north side of the building; and benefits from two points of vehicular access to the Hertford Road/High Street. The landowners have expressed a desire to work with the Council to re-develop a town centre mixed use scheme that would include residential and commercial uses, with associated amenity space and car parking. The landowner has agreed to an exclusivity agreement lasting six months to allow the Council time to consider a development offer. Officers are exploring the potential to purchase additional land to improve the deliverability of the site as a whole. Cabinet is asked to authorise a feasibility study to determine whether this scheme is a viable proposition for the Council. If a viable scheme can be demonstrated, a recommendation to authorise a project budget to deliver the scheme to its completion will be subsequently put to the Portfolio member for economic development for authorisation..

e. Ponders End Park

7.4.5 The site comprises an old disused changing facility located in the park. It is known that the Ponders End Park provides both football and cricket but suffers from a lack of bookings due to inadequate changing facilities. As well as this, the improvements that have been to the front end of Ponders End Park have been welcomed by the community and it continues to provide a welcome respite from the rest of the centre. However, the increase in footfall that was hoped for has not materialised and as such, a fresh look is required to see how we can improve the vibrancy of this much loved space. Cabinet is therefore asked to authorise feasibility work to explore the option of an

outdoor market, a permanent café and pavilion option to include modernised changing facilities. The feasibility exercise would seek to ascertain how the café facility could be self-sufficient to add value to the Council's portfolio. A Start on site report will follow outlining a strategy to bring forward a proposal.

f. Public Realm Improvements

7.4.6 The TFL Major Scheme and Cycle Enfield programme will bring a marked change to Ponders End. The look and feel of the centre will really tie in all the developments that are coming forward which will provide an added boost to the Council's regeneration aims. However, a number of retail units, buildings and civic areas are also in need of revamp to ensure that the effects of regeneration are spread across the high street. Therefore, Cabinet is asked to authorise a budget of **£100k** to carry out a series of small to medium sized interventions with a view that beneficiaries contribute towards the initial investment to ensure that they buy in and maintain the improvement.

g. Eagle House

7.4.7 The site includes a large landscaped area to the north and a council owned car park to the south. There may be an option to develop over the car park which would allow the re-provision of the car park and possibly a re-provision of the adjoining surgery to achieve a viable quantum of development. Cabinet is asked to authorise development capacity options to include a residential-led mixed use development with re-provision of the car park and surgery. Should there be any merit in bringing this forward, that a separate Start on site report is brought to Cabinet to authorise the project and its associated costs.

h. Boundary House

7.4.8 The Boundary House Public House has suffered from anti-social behaviour and illegal activity in recent months. The site no longer operates as a licensed public house and requires a wholesale approach to its future. Officers are in discussion about bringing forward alternative uses to the site with the potential to amalgamate this site together with council land that is sited next to it. A feasibility exercise will better inform the Council to the extent of what development options could be brought forward and Cabinet is asked to allow officers to prepare some options should the landowner be willing to work with the Council.

i. Glyn Road Car Park

7.4.9 This site is a Council owned car park. It has potential for residential development. The site is located to the rear of a number of residential units. Development and design options must provide innovative solutions to a constrained site with potential overlooking issues but allows a further opportunity to unlock this underutilised site for much needed housing.

Design options to coincide with the delivery plan will seek to mitigate any loss of car parking.

j. Additional Development opportunities

7.4.10 In consideration of the interventions already identified, officers are continuing to explore other development opportunities that would contribute towards the physical, social and economic fortunes of Ponders End. Should any further opportunities be in the favour of these indicators, a separate report will be brought forward outlining its merits.

8. The Delivery Approach

8.1 In order to ensure these proposals are viable and deliverable, the Council will carry out a competitive exercise to obtain best value for a number of consultancy commissions to ensure the delivery of projects along the high street. A separate commission for a framework of architects has already been procured and approved by the Cabinet members for Economic Regeneration and Housing.

8.2 Individual design briefs will be prepared to test and propose a number of options to ensure a sustainable solution. The contract with the lead architect firm will allow a degree of flexibility.

8.3 The commission will require the following services:

- Undertake sketching/massing studies to ascertain potential numbers for deliverable sites;
- Preliminary design capacity work plus engineering advice on constraints from services.
- Concept design work up to Stage 2 or equivalent from the RIBA Plan of Work 2013 or equivalent.
- Urban design and planning advice
- Leading on consultation events for stakeholders including residents for all of the sites.

8.4 A pre-commencement development appraisal using a residual land method will be employed for every site to determine the overall land receipts when taking into account the build costs, developer's profit, planning obligations and interest rates on loans. The list below indicates some of the broad assumptions that will be used to determine whether the scheme as a whole is capable of being viable. The list highlights the revenue, (the value of the homes/commercial space to be sold) when taking into account the income generated by the sale of homes and the commercial revenue. The residual land value equates to the value left after all the costs (expenditure) has been deducted from the revenue received.

ITEM
Total Build Cost
Sales and Marketing
Overheads at 5%
Profit at 20%
Finance costs at 6%
CIL & CPZ
TOTAL SCHEME COSTS
Sales Revenue
Affordable Rent Revenue
Shared Ownership Revenue
Commercial Revenue
TOTAL SCHEME REVENUE
RESIDUAL LAND RECEIPTS

- 8.5 The Residual Land Receipt is equal to the Total Scheme Costs minus the Total Scheme Revenue. It is considered that any projects to be proposed for further development will need to at the very minimum break even. A negative residual value more than the allowable profit would be considered to be unviable and an alternative option would need to be utilised. The overall aim will be to maximise the amount of profit to be able to recycle onto new sites. It is considered that for every scheme an effort to maximise the amount of affordable housing will be considered and where feasible, delivered.
- 8.6 Based on previous commissions and the scope of work required for this programme of delivery, it is estimated that a budget of up to **£1.0m** will be required to appoint an architect led team, along with landscape design, planning and engineering consultants to carry out this commission through all stages up to and including Stage 2 of the RIBA Plan of Work 2013 or equivalent.
- 8.7 The procurement of these companies will allow for **optional** stages post Stage 2 from the RIBA Plan of Work should the Council choose to progress the schemes to delivery stage, including detailed design, planning submission, tender stage drawings and another option for novation as the project architect. Any budget required for services post Stage 2 will be sought in a subsequent Portfolio report.
- 8.8 The Council will need to commission a quantity surveying firm to carry out the following tasks:
- Scheme cost estimates throughout the design process
- 8.9 The Council will also need to commission valuation expertise to carry out the following tasks:

- Undertake a viability assessment of sites to inform progression of design work on each site.
 - Undertake valuation of the completed proposals to inform the options appraisal prior to any decision on the development strategy.
- 8.10 The above services will be commissioned with a lead firm and sub consultancy arrangement.
- 8.11 It is estimated that the budget required for this commission will be up to **£300k** and therefore this report recommends that Cabinet authorise this funding.
- 8.12 The brief of these consultants will allow for **optional** tasks after the options appraisal should the Council choose to progress schemes, which would include:
- value engineering up the final budget estimate if the Council pursues a traditional development or Design & Build contract approach;
 - preparation and evaluation of tender documents if the Council chooses to take a Design & Build contract approach;
 - value the final scheme designs if the Council develops the land, to ascertain the gross development value; and
 - Employers Agent and Construction and Design Manual Co-coordinator during construction.
- 8.13 Any budget required that goes beyond these services will be sought in a further Cabinet report with an options appraisal included.
- 8.14 To save costs, the Council will procure development appraisal software in-house to ensure that the initial feasibility of sites are carried out before committing resources. The council expects to pay no more than **£10k** for the software and four, full access licences and training for the next 5 years. Cabinet is asked to endorse this arrangement.

9. Governance – PE Programme Board

- 9.1 In consideration of the overlapping services and complex arrangements in developing the next phase of regeneration at Ponders End, it is proposed that a Programme Board is set up to oversee the progress, issues and risks to project delivery. The suggested arrangement is outlined in the table below.
- 9.2 It should be noted that the Ponders End Partnership meeting currently exists and is chaired by a local ward councillor. It meets at quarterly intervals throughout the year and acts as an advisory board to the Council on projects happening in the area. It is suggested that this continues to ensure

that the community are well informed and are supportive of the proposed plans for the area.

Role:	Key Responsibility:	Resource:
Ponders End Strategic Board	<p>The strategic board will be responsible for setting the overall strategic direction.</p> <p>Has ownership of all the individual projects which form part of the Ponders End High Street Regeneration programme.</p>	<p>Executive Director of Regeneration and Environment Assistant Director of Neighbourhood Regeneration Councillors</p>
Programme Board	<p>Responsible for overseeing at a senior level the Ponders End High Street Regeneration programme.</p> <p>The board will approve all escalation routes for risks, issues, scope change, costs and benefits.</p> <p>Will be responsible for the overall management of the programme.</p> <p>The Board will be supported by members of the Regeneration Neighbourhood Team who will ensure that all paper work is collated prior to meetings, liaising with the chair, getting updates or relevant speakers to attend, ensuring that agendas are circulated to members 5 working days prior to the meeting. In addition coordinating responses from the action points.</p>	<p>Head of Neighbourhood Regeneration Head of Strategic Planning and Design Head of Development Management Environment Head of Traffic and Transportation Head of Development and Estate Renewal Head of Legal Services Head of Corporate Finance Assistant Director Procurement Assistant Director Economic Development Assistant Director Strategic Property Services Head of Sustainability Corporate Communications Manager Programme Manager Community Representative Groups e.g. Alma Residents Association, Ponders End Community Development Trust, NEEAP</p>
Programme Manager	<p>Responsible for the day to day management of the programme and reporting and escalating as required to the Programme Board.</p> <p>Responsible for ensuring that key officers and external colleagues are fully informed of all aspects of the programme.</p>	Senior Regeneration Manager

Role:	Key Responsibility:	Resource:
	The Programme Manager will also be responsible for reviewing and disseminating any lessons learnt and best practice.	
Project Group	<p>Responsible for the day to day management of the individual projects within the programme</p> <p>Project Managers will be responsible for completing the Highlight / Progress Report and maintaining the project risk register for their project and submitting this to the Programme Manager by the deadlines.</p> <p>The Project Managers will also be responsible for completing a Project Closure Report on completion of a project.</p>	Regeneration Officers/Project Manager

10. FUNDING

- 10.1 Following feasibility, further reports will be brought forward for recommending that the project becomes live. Start on Site Cabinet reports will come forward seeking authorisation of the project and budget.
- 10.2 To coincide with our request for capital will be an investigation of external funding opportunities to assist in de-risking the negative impacts of the projects identified in Section 7.

11. ALTERNATIVE OPTIONS CONSIDERED

- 11.1 Further reports will follow considering an analysis of each of the interventions described in Section 7 and what options may follow from this work.

12. REASONS FOR RECOMMENDATIONS

- 12.1 The regeneration of Ponders End is well underway but it is vital that the Council continue the ongoing development of this town centre. The recommendations seek to allow the further investigation of additional development sites so that the Council is well informed of any future decisions.

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

13.1 Financial Implications

13.1.1 The report contains a variety of future options for improvements to the High Street in Ponders End but does not in itself commit Enfield Council to additional expenditure that cannot be contained from within the existing 16-17 capital programme approved in KD 4229. This report requests approval to draw down budget that has already been approved and the funding for which has already been included in the Medium term Financial Plan.

13.1.2 Any future proposals with cost implications would need to be subject to separate reports, red book valuations to support costs and a full financial appraisal.

13.1.3 The £100k requested for small to medium sized interventions is expected to be supported by additional contributions from the community including existing shop owners and other related parties. This will help to ensure their buy-in to the overall neighbourhood improvements.

13.2 Legal Implications

13.2.1 The general power of competence in s1.1 of the Localism Act 2011 provides the Council with the power to approve this project. The general power of competence states that “A local authority has power to do anything that individuals generally may do”. provided that it is not prohibited by legislation and subject to Public Law principles Section 2 sets out the boundaries of the general power, requiring local authorities to act in accordance with statutory limitations or restrictions. The developments within the Delivery Programme to be put in place, including procurements to be pursued, are pursuant to these powers.

13.2.2 With regard to obtaining best value, and fulfilling its obligations under the Council’s Contract Procedure Rules (“CPR”) and EU procurement law in general (including the Public Contracts Regulations 2015 (“the Regulations”), all contracts which are offered as an output of the Delivery Programme moving forward, must be offered and concluded in compliance with the CPR, EU procurement law, and the Regulations, as appropriate.

13.2.3 By virtue of S.120 Local Government Act 1972 the Council has the power to acquire property by agreement for the purpose of the improvement or development of their area notwithstanding the fact that it may not be required immediately for that purpose. The acquisition of properties must comply with the Councils Property Procedure Rules. The Council has the power to purchase land compulsorily under s226(1) of the Town and Country Planning Act 1990 as amended.

13.2.4 The legal agreement(s) will need to be in a form approved by the Assistant Director of Legal Services.

13.3 Property Implications

13.3.1 It should be noted that the majority of the peripheral assets this report discusses are not in the ownership of the Council.

13.3.2 Any feasibility work should be undertaken internally including massing and density calculations together with financial appraisals as this will reduce costs.

13.3.3 If the internal feasibility suggests a scheme is viable on a site, subject to other factors, then an external validation should be sought.

13.3.4 Any acquisitions of third party owned sites by the Council will be undertaken through Strategic Property Services to obtain best value under s120 LGA 1972.

13.3.5 The Swan Annexe is an Education use building accommodating the secondary pupil referral unit and should remain in use as an education asset. If there is an option to redesign the internal layout and maximise space for mixed use building, project officers from Regeneration and SCS Asset Management should liaise and work up a schedule of accommodation.

14. KEY RISKS

14.1 At this early stage, the risks of all these interventions are largely unknown. However, as further reports are produced, a thorough risk analysis will accompany each intervention for consideration.

15. IMPACT ON COUNCIL PRIORITIES

15.1 Fairness for All

One of the drivers for change is one that is inclusive of the existing community that exist in the area. Ponders End is well known for its strong community presence and this is one of the positive traits of the area. The Council through the Ponders End Partnership will seek to ensure that it continues to maintain its link with the community to help ensure that any considerations are well thought out and discussed.

15.2 Growth and Sustainability

It is considered that as a minimum, with all the interventions combined that the borough would benefit from a minimum of 300 additional homes, new commercial, community and leisure floorspace. The drive towards creating a day economy where there are offices located on the high street could assist

in sustaining the centre is currently being investigated. This would provide a much needed boost to retailers along the high street.

15.3 Strong Communities

The eventual outputs on Ponders End High Street will help to increase home ownership levels in the area, create employment opportunities and support the creative and strong community offer. The proposals will seek to build on a stronger, more core competitive centre that will serve all residents, workers and visitors to the area.

16. EQUALITIES IMPACT IMPLICATIONS

16.1 At this early stage of the programme, it is too early to ascertain what the likely outcomes of an equalities impact assessment might say. As part of the proposed Ponders End Delivery Plan, a predictive equality impact assessment will be carried out to give a more comprehensive view of the likely risks and proposed mitigation should any be identified.

17. PERFORMANCE MANAGEMENT IMPLICATIONS

17.1 The Regeneration of Ponders End High Street contributes towards the achievement of:

- Core Policy 41 of the Enfield Core Strategy
- Shaping Enfield's Future
- North East Enfield Area Action Plan 2016
- Ponders End Central Planning Brief 2011
- 5a of the Sustainable Community Strategy 2007-2017
- 2.10 "Improve the Quality of life for residents through the regeneration of the priority regeneration areas" of the Enfield Council Business Plan.

18. PUBLIC HEALTH IMPLICATIONS

18.1 Housing is a fundamental determinant of health, seeking to meet current and future housing requirements will help to fulfil this determinant. Work should be undertaken to ensure that new housing is available to all social groups. The proposals have the potential to benefit several vulnerable groups which have been identified in the area. These groups include the unemployed, young people and children in poverty. A more prosperous centre will only seek to serve these identified groups to ensure there are services and opportunities open to them. For example, being in work has shown to decrease mental health problems in later life.

Background Papers

None

MUNICIPAL YEAR 2016/2017 REPORT NO. **201**

MEETING TITLE AND DATE:
CABINET 8th February 2017

JOINT REPORT OF:
Executive Director of Finance,
Resources & Customer Service &
Executive Director of Regeneration
and Environment

Agenda – Part 1	Item: 12
Subject: Bury Street West - Development	
KD: 4008	
Wards: All	
Cabinet Members consulted: - Cllrs Sitkin, Oykenner & Lemonides	

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1. EXECUTIVE SUMMARY

- 1.1 A report to Cabinet and Council on the 12th November 2014 under KD 3959, approved the redevelopment and budget required for the former parks depot site at Bury Street West.
- 1.2 A further update report was presented to Cabinet on the 14th December 2016 and recommended that in order for the Council to obtain maximum value for money from the site, the disposal strategy for Bury Street West should be reviewed in light of current macro-economic conditions.
- 1.3 Since January 2015, several high level negotiations and consultations with planning officers from both the GLA and LPA have been facilitated to obtain an in principle decision to progress with a residential scheme on the site which is designated as and constrained by Metropolitan Open Land (MOL).
- 1.4 In early spring of 2016, before the Mayoral Elections an 'in principle' approval was obtained from the GLA (Subject to further consultation) of the Council's scheme.
- 1.5 The scheme presented to the GLA significantly required a reduction in the permissible developable area due to the MOL designation. Further meetings held with the GLA with further analysis and design iterations, a final scheme was prepared which obtained the support of both the GLA and Local Planning Authority.
- 1.6 As a consequence of the guidance given by the GLA to the reduction of units on site, it is prudent the Council revisits its options in relation to the delivery of this site and these options are discussed within the Part 2 Report.

2. RECOMMENDATIONS

- 2.1 Cabinet approves the development to proceed as a Council self-build project.
- 2.2 Cabinet approves the budget as detailed in Part 2 which is profiled over the next three years for the development at Bury Street West and Cabinet notes the downward cost reprofiling of the project budget within the Capital Programme.
- 2.3 Cabinet delegates authority to the Executive Director of Finance, Resources and Customer Services in conjunction with the Cabinet Member for Finance & Efficiency and Cabinet Member for Housing and Housing Regeneration to procure a contractor(s) for the demolition and redevelopment of the Bury Street West site for the purposes of a new residential neighbourhood, and to award contracts subject to the receipt of planning permission.

3. BACKGROUND

- 3.1 The Bury Street West development scheme was envisioned over the summer of 2014, this was in response to the depot use ceasing. During the inception of the project which was 'themed' as exemplar in design and materials that would be used, but also the delivery vehicle that may be used to develop out the site. The site gained national coverage through the Guardian newspaper and later through GLA support with both planning and grant funding for the affordable homes.
- 3.2 Discussions with the GLA have been protracted due to the planning designation of the land as Metropolitan Open Land (MOL), and the sensitivity of the Mayoral elections in April 2016. Although the site is recognised as previously developed 'brownfield' land, the scale and siting of development must still respect the planning test of MOL 'openness'. The delayed advice was received in April 2016 this is despite the site having a certificate of lawful use as a depot/B8 Storage.
- 3.3 The Bury Street West site has excellent potential to deliver a high quality, 'exemplar' housing scheme. It is located in an existing residential area with good access to services and amenities, including Bury Lodge Park to the west of the site and local town centres via the bus network. The site is bound to the south by Salmon's Brook giving opportunities for access to nature and healthy living.
- 3.4 The former and lawful use of the site is as a Council depot which is an employment use. Policy allows for the change of use from employment outside strategic locations, provided the site is no longer suitable or viable. As the Council depot is neither required nor viable in this location and residential use is more compatible with the surrounding neighbourhood, the change of use from employment to residential is considered acceptable in principle.

- 3.5 The Bury Street West site is also within Metropolitan Open Land (MOL) where policy generally limits development; however, as it is a previously developed Brownfield site, policy does allow for some development provided it can be incorporated without unacceptable harm to the openness of the MOL. The development proposes new homes in the least sensitive parts of the site and the character, scale and form of the buildings and spaces are designed to maximise views through the site and provide a sense of openness. Whilst the increase in the amount of development will have an impact on openness when compared to the existing situation, this impact is limited and substantially outweighed by the benefits of the scheme.
- 3.6 The residential offer includes a significant and policy compliant proportion of affordable housing at 40% with a 60/40 split between social rent and intermediate tenures. It proposes houses rather than flats and provides a uniquely high proportion of family homes (3 bed or over) at 64% of the total, with the remainder of the houses being 2 bed and therefore capable of accommodating smaller families.
- 3.7 The site will be opened up to the public with new public walking and cycling routes leading through and connecting into the 'Quiet way'. A generous area of circa 2.5 acres of new publicly accessible open space will be provided across the southern part of the site, accessible to all future residents and to the existing community. This flexible meadow will provide space for a mix of activities, including informal play and recreation, exercise and temporary exclusive community events.
- 3.8 The character and layout of the scheme at Bury Street West will substantially enhance the setting of the Grade II* listed Salisbury House and will contribute towards its long term sustainability. The current condition of the former depot provides a poor setting to Salisbury House and the character of the new development, with low rise houses of semi-rural nature set within open spaces and informal streets, will provide a bespoke response which enhances its historic significance.
- 3.9 The new layout will remove the insensitive bungalow, replacing it with houses which allow new views of Salisbury House and are subservient in scale. By locating the new homes further to the east, a large area of the former Salisbury House garden is restored. Furthermore, the whole eastern side of the garden will be upgraded to provide an improved, flexible and low maintenance outdoor space with the potential for outdoor events and an enhanced, sustainable rental income from the property.
- 3.10 The new homes are designed to an exceptionally high standard, meeting and exceeding internal space standards, providing generous dedicated private gardens, dedicated car parking spaces for each home, and excellent cycling facilities. The high quality brick material, landscaping and environmental attributes result in a scheme that is both attractive and sustainable.
- 3.11 Overall the scheme demonstrates an exceptionally high level of design and residential quality and many benefits for the community, which will set a

leading example for future developments across the Borough and in other parts of London.

- 3.12 The team which has consulted extensively with GLA, Enfield Planning, Conservation and Design Officers and with Historic England to shape the proposals and all parties have confirmed in principle support for the development. There will be continuing discussions and consultation with all parties throughout the process.
- 3.13 During the negotiations with GLA officers considered that the overall benefits of developing the site will include the following factors and weighted in favour of;
- Deliverability and the Council's commitment to the site and its ability to deliver;
 - Previously developed land; Brownfield site
 - Conservation benefits; Salisbury House
 - Affordable Housing which is compliant with planning policy;
 - Improved accessible landscape and open space to the north of Salmon's Brook all add in favour of a partial development upon this site.

The GLA concluded that there are considerations and benefits which warrant support of this site at a strategic planning level and that there are considerations weighing in favour of development and benefits to be gained in the wider environment from the proposed scaled down scheme.

- 3.14 In addition to the range of environmental benefits, the scheme delivers 40% affordable housing, in a form that meets the requirements of housing colleagues and the Council's planning policies, as follows:

UNIT TYPE	No
SOCIAL RENT	
2 Bed House	10
3 Bed Semi	2
Total	12
INTERMEDIATE	
2 Bed House	4
3 Bed Semi	4
Total	8
PRIVATE	
2 Bed House	4
3 Bed Semi	12
3 Bed Detached	7
4 Bed Detached	7
Total	30
Grand Total	50

Indicative Layout – Karakusevic Carson Architects & Periscope



CONSULTATION

- 3.15 Public consultation has been a key component of this development site. Earlier stages of consultation covered the principles of development. The latest consultation held in November 2016 set out the preferred development option for public comment.
- 3.16 All the public consultations afforded the opportunity for specific stakeholders, including the Bowls Club and Friends of Bury Lodge Park, local Ward Members and the Bush Hill Park Residents Association to be closely involved.
- 3.16 A further public consultation event was held on Wednesday 23rd and Saturday 26th November 2016 following on from the earlier public consultation events held in October 2014 and March 2015. This exhibition / display presented the revised scheme proposal following detailed and lengthy consultation with GLA and LBE planners. The consultation display also explained how the proposals have evolved in response to previous feedback received.

A huge number of local residents and stakeholders interested in the redevelopment of the site were invited to view the proposals and meet with the project team to discuss further and provide feedback.

- 3.17 To publicise the event, leaflets were dropped to 3,000 properties in surrounding roads and the wider local area with the details of the consultation event. Individual emails and letters were also sent to those people on the consultation database who had previously expressed interest in the redevelopment proposals and/or who had previously attended. An advert was placed in the local newspaper. Individual Specific invitations were issued to key local and other interest groups including Bush Hill Park Residents Association, Bury Lodge Bowls Club, the Conservation Advisory Group (CAG) and the Friends of Bury Lodge Park. Ward Councillors were kept closely informed and invited to attend a specific briefing prior to the event. The consultation event took place at Salisbury House, located adjacent to the site. Over the two days there was an attendance of approximately 90 people.
- 3.18 Visitors to the consultation event were encouraged to complete a feedback form and the team also took account and noted the verbal comments. Approximately 30 questionnaires were completed and some other feedback was submitted by email.
- 3.19 The response to the revised scheme was generally very positive, with the majority of respondents supporting the reduction in overall housing numbers, the focus on houses and family homes, rather than flats, the proposed tenure split, with 40% of homes in the affordable category, specific improvements and dedicated parking for the Bowls Club, and improvements to the setting of Salisbury House.
- 3.20 A substantial 85% of respondents supported the revised housing numbers and the proposed density of development. Approximately 60% of respondents supported the proposed housing tenure mix and proportion of affordable homes. Some concerns remained about traffic issues and possible 'overflow' parking onto surrounding roads. Feedback received has been taken into account and further revisions are being incorporated into the proposals including reviewing the amount of on-site parking and allocating more spaces to the larger house types.

PROCUREMENT STRATEGY

- 3.21 Procurement options for the construction works contract on the site have been reviewed by the wider design team. The key objectives for the procurement are certainty of delivery, most economically advantageous price, earliest completion and quality. The review of procurement options therefore will consider timescales, risks, constraints and lessons learnt from other projects around the Council.
- 3.22 To mitigate risk to the Council (the Employer), it is proposed to procure the works either under a JCT design and build Contract 2011 or NEC3 Option C – Target Price Contract. The project team are to be offered an opportunity to

contribute to this strategy through draft publication of the procurement strategy report prior to a final decision being made.

- 3.23 Utilising the JCT design and build form of Contract enables sensible levels of risk transfer from Employer to a main Contractor. However, areas of risk are likely to remain such as contaminated ground though these can be further reduced by carrying out further site investigations prior to the main works being tendered by a main Contractor. To mitigate risks further, it is proposed to procure an enabling works package to commence on site at the earliest opportunity. This is currently programmed for June 2017, though if elements of this can be brought forward to enable site clearance to take place before spring time; this reduces ecological risks associated with such works.
- 3.24 NEC was launched in 1991 and its contracts are specifically designed for clarity, flexibility and to stimulate good management. NEC demands a more detailed set of documents that make up the programme to be submitted at the regular basis prescribed by the employer. When accepted by the project manager, this becomes the tool by which change is assessed, progress is monitored and assists the management of early warnings and compensation events.
- 3.25 Both NEC and JCT contracts are standard forms of contract that are part of standard families for procuring works or consultancy services (JCT), goods, works or services (NEC). Each has an allotted person to act on behalf of the employer (contract administrator in JCT, project manager in NEC). They both include obligations relating to time, cost and quality, although the explicit requirements are quite different, NEC includes procedures providing for a more proactive and collaborative approach to managing the contract and requires the parties to follow these procedures. Key NEC drafting features centre around flexibility, clarity and simplicity, and a stimulus to good management.
- 3.26 Completion of an enabling works package, to enable the site to be mostly cleared before engaging with a main Contractor, will seek to entice more interest from the market as areas of risk will have already been dealt with. This will also assist in securing more competitive prices from main Contractors.
- 3.27 It is intended to pre-qualify main Contractors to establish their interest and commitment to the project at an early stage. This will offer an opportunity to test the market and assess its appetite for either single stage or two stage tendering. Single stage tendering assures more cost certainty and can be secured in a shorter time period than two stage tendering. However, it substantially reduces the Employer's ability to make changes to the scheme's designs, whereas two stage tendering offers more flexibility in this regard.

Project Stages

- 3.28 With regards to programme and timing, GVA Second London Wall (GVASLW - Project Managers) has been appointed to oversee this development to completion.

STAGE 1 - PLANNING	STAGE 2 – PRE DELIVERY	STAGE 3 - DELIVERY
Jan - April 2017	March - June 2017	July 2017 – December 2018
Design Freeze & Submission of Planning application	Develop design to RIBA stage 2/3	Award of Main Contract
Approval to commence Procurement and Product testing.	Procurement of Contractor	Mobilisation & Start on site
Sales & marketing strategy	Commencement of site enabling works	Completion and sales handover.

- 3.29 It was recommended to proceed with the development of this site with the formation of the SPV to deliver the units for sale. Legal Advice has been sought that has confirmed that the Council itself can develop this land without the requirement to construct a vehicle to develop the site out. This in itself has financial advantages for the Council in terms of saving considerable funds in the setup of a company, corporation tax paid via the company including the Council's ability to utilise Right to Buy receipts via a Registered Provider for the affordable units.

4. REASONS FOR RECOMMENDATIONS

- 4.1 With outline approval from the GLA with regards deliverability, planning viability with a scheme that is financially viable and delivering high quality affordable housing, it would be a lost opportunity for the Council not to deliver this site.
- 4.2 The development also will improve the setting of Salisbury House by enlarging the formal garden area. Further benefits include improved access and designated parking for the Bury Lodge Bowls Club, environmental enhancements to the majority of the site by including a meadow and accessible routes through to the south of Salmons Brook.
- 4.3 The Council can utilise and lever in HRA Right to Buy receipts for this housing development via a Registered Provider (RP) as this site would be eligible under the RTB conditions and use; this funding would subsidise the build cost considerably for the affordable units.
- 4.4 The GLA have also approved grant funding via the Mayor's Housing Covenant Fund for Bury Street West which currently stands at circa £35k per unit for Affordable Rent and £20k per unit Intermediate Rent equating to £580,000.

5. ALTERNATIVE OPTIONS CONSIDERED

Please see Part 2 of this Report

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

6.1 Financial Implications

Please see Part 2 Report

6.2 Legal Implications

6.2.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do subject to the constraints stated in the section.

6.2.2 There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. In addition, section 111 of the Local Government Act 1972 gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

6.2.3 The recommendations in this report are in accordance with these powers.

6.2.4 The procurement of contractors for this project must be carried out in accordance with the Council's Contract Procedure Rules and applicable laws.

6.3 Property Implications

6.3.1 As embedded within this report

7. KEY RISKS

Key Risk	Description
BREXIT	The residential market seems buoyant especially in Enfield with the lack of stock; however the uncertainty in the market will remain some time until after Article 50 is triggered.
Consultation Risk	<p>The local community may resist or oppose the form / tenure and /or level of development proposed and maintain those objections through the statutory planning process.</p> <p>To help mitigate this risk, local residents and other interested and affected parties are part of an ongoing consultation and community engagement process to discuss all aspects of the proposals, with the</p>

	opportunity to design out any contentious issues.
Planning Risk (ARBORCULTURAL)	There are mature trees on the site with a wide root system. Any development will include removal of some trees which will be subject to consultation with Officers from the Parks department. Initial discussions with the LPA have been held and comments received were complimentary and supportive of the proposed scheme.
Contamination Risk	The site has been surveyed and contamination appears to be limited to specific defined areas.
Development Risk (EXIT STRATEGY/ OPTIONS)	Planning permission may not be obtained for the intended use. The Council could adopt one of the following three options to clawback value: <ul style="list-style-type: none"> - Dispose of the site on the open market via agents as the Council has added considerable value to the site and LBE is continually doing so. - Lease the depot to an external user (investment) - Use the depot for the Council's own purposes.
Financial Risk	The Council over estimates the sales/rental values and under-estimates the scheme's costs. Independent advice in both fields has been sought and verified and is in line with internal costings.
Financial Risk (FUNDING)	Funding availability for the scheme is not yet finalised. Interest rates may increase due to uncertainty within the market.
Contractor Procurement Risk	Procurement of a contractor and fixing their price is a must as the market is overheating in some areas and cost prices are rising. Availability of reputable builders will also be difficult as the market heats up.
Economic Risk	The state of the economy may deteriorate over the next two years, uncertainty may kick in and unemployment could increase – the Council may be unable to let/sell in difficult economic climates.
Reputation Risk	This is a significant project and failure to deliver by the Authority may embarrass the Council.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The development will bring benefits such as public open space, a nature trail, well designed urban landscapes and an enhancement to the whole area in key aspects of public realm that will be readily accessible to all and cater for all communities within the Borough.

Further, the tenure mix allows for all communities to be brought together to create a new neighbourhood for all

8.2 Growth and Sustainability

To ensure the site is brought back into beneficial use for development purposes the end result will improve the quality of residential housing in the area, improved streetscape, improve the quality of life for local residents and increase local economic development by creating jobs in the local area. The development will have high standards of environmental technologies thereby contributing to environmental sustainability.

Delivery of this comprehensive development site within this locale will provide green linkages through to Edmonton Green and eventually beyond to Meridian Water including cycle routes. Investment into the public realm will improve the quality of life to the residents in the area and promote growth and sustainability.

8.3 Strong Communities

The design and inclusive nature of a mixed tenure scheme will allow the Council to build into the fabric of the development a new safer, stronger and cohesive neighbourhood.

The engagement with the local community from the onset has established a community buy in to this project as they have seen it evolve through the comments and ideas brought forward by the individuals who live and work in the locality.

9. EQUALITIES IMPACT IMPLICATIONS

A rapid equalities impact assessment has been undertaken for this project. No significant issues have been identified that may impact on any of the identified statutory defined protected groups. However, care is being taken to ensure communication events are as inclusive as possible to solicit opinions and suggestions from the local community. Further equalities impact issues will be examined throughout the design process to ensure an emerging design is also inclusive and promotes community cohesion.

It is envisaged that the properties to be built will have the 16 basic principles of Lifetime Homes standards inbuilt and engineered into the fabric and design of the residences. A Lifetime Home will meet the requirements of a wide range of households, including families with push chairs as well as some wheelchair users. The additional functionality and accessibility it provides is also helpful to everyone in ordinary daily life, for example when carrying large and bulky items.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

With regards to the development management of the site there will be set milestones to achieve within agreed timescales with a project manager tasked to deliver the scheme on time which will be the Council's appointed Project Managers from GVA SLW.

11. HEALTH AND SAFETY IMPLICATIONS

The site has been kept secure and gated within the boundary, together with an active CCTV presence to ensure that no illegal occupancy of the site occurs.

12. HR IMPLICATIONS

Delivering this development scheme and bringing several others forward represents a significant undertaking for the Council. Strategic Property Services may need to bring on expertise where necessary to complement existing staff.

As the projects(s) evolve there will be a requirement at different stages for further skill sets to complete various tasks, this could be achieved either through the Strategic Partnership Co-Sourcing agreement or through another short term agreement as described within the report

13. PUBLIC HEALTH IMPLICATIONS

A key component of developing this scheme entails its closeness to its surroundings and in particular its relationship with the environmental setting. The creation of the open space will offer significant recreational and environmental benefits with an eco-wetland also being created which facilitate wider health and wellbeing benefits to the wider community.

The homes will perform to the highest environmental standards and this will enable the reduction of fuel poverty and eventually contribute to the wellbeing of residents.

The profits and receipts generated from this development will feed back into the Council's finances to enable investment into front line services to the wider community.

There are a number of implications that arise from developing a site such as this. Issues that arise during demolition and construction phases will be monitored closely and contractors will be required to work in accordance with the Considerate Constructors Scheme

Background Papers

None

MUNICIPAL YEAR 2016/2017 REPORT NO.**202****MEETING TITLE AND DATE:**

Cabinet
8th February 2017

REPORT OF:

Executive Director of
Regeneration and
Environment

Contact officer and telephone number:
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Agenda – Part: 1**Item: 13**

**Subject: Land Acquisition at Meridian
Water (VOSA)**

**Wards: Edmonton Green, Upper
Edmonton
KD 4377**

Cabinet Members consulted:

Cllr Alan Sitkin and Cllr Dino Lemonides

1. EXECUTIVE SUMMARY

- 1.1 On the 10th February 2016 the Cabinet Report (KD4229) agreed the increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of a number of regeneration initiatives which include Meridian Water land acquisition.
- 1.2 The purpose of this report is to approve the price and terms of sale for the acquisition of a 2.13 acre (0.86 hectares) site at Meridian Water and to seek authorisation to enter into the Contract for Sale.

2. RECOMMENDATIONS

- 2.1 To approve the sale price for the purchase of a 2.13 acre (0.86 ha) site at Meridian Water, details of which are in Part 2 of this report.
- 2.2 To approve the terms of sale as set out in the Contract for Sale, appended to Part 2 of this report.
- 2.2 To authorise the Assistant Director Legal and Governance to enter into the Contract for Sale.
- 2.3 To authorise all necessary expenditure associated with the purchase of this land as detailed in Part 2 of this report, noting that it will be contained within the existing approved capital budget.

3. BACKGROUND

- 3.1 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.
- 3.2 On the 10th February 2016 Cabinet (KD4229) agreed to increase the Neighbourhood Regeneration Capital Programme to fund the next stages of a number of regeneration initiatives which included Meridian Water land acquisition.
- 3.3 On 18th May 2016 Cabinet (KD4241) approved the outcome of the Meridian Water Master Development Partner procurement process. Barratt London is the preferred Master Developer, and is currently working towards contract close.
- 3.4 The Council has adopted a proactive strategy of acquiring all the land at Meridian Water and coordinating the delivery of the development in partnership with the selected Master Developer.
- 3.5 On 6th September 2016 Cabinet (KD 4348) passed a resolution stating that the Council agrees, in principle, to use its compulsory purchase powers for acquisition of all land necessary for the delivery of regeneration at Meridian Water.
- 3.6 Jones Lang LaSalle (JLL) has been instructed to negotiate the purchase of all remaining land interests in Meridian Water. The Council's preference is to negotiate private treaty acquisitions of all land interests.
- 3.7 To date the Council has acquired c. 22 hectares of land within Meridian Water by negotiated agreement. 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
 - Ikea Clear in December 2016
- 3.8 This acquisition is being made on the basis of future plans to develop the site for residential-led mixed use as set out in the Meridian Water Masterplan and in accordance with the Master Developer Framework Agreement. This acquisition will take the amount of land in Council ownership up to c. 23 hectares out of 55 hectares of developable land in Meridian Water.

- 3.9 In the period between acquisition and development, the site will be used for meanwhile uses. Further details of expected future development values, and anticipated rental income from meanwhile uses are given in Part 2 of this report.
- 3.10 This proposed purchase is a further example of a successfully negotiated land acquisition, and is another significant step forward in acquiring the land necessary that will enable the vision of Meridian Water to become a reality.

Description of The Site

- 3.11 The site is located within the Harbet Road industrial estate, at the eastern end of the Meridian Water Regeneration area. The site is surrounded by a variety of industrial and light industrial units and open storage.
- 3.12 The site itself is a roughly rectangular shaped parcel of land extending to 2.13 acres (0.86 hectares) and comprises a building and a concreted open area.
- 3.13 The site has planning consent for Class B2 or B8.
- 3.14 A full site address and site plan is attached to Part 2 of this report.
- 3.15 Trowers commissioned a basic desktop environmental search (dated 1 September 2016). The search advises that potential liabilities have been identified under Part 2A of the Environmental Protection Act 1990 and/or the Water Resources Act 1991 – the following possible risks have been identified: (i) a potential ground instability hazard; (ii) areas of potentially in-filled land; and (iii) flooding.
- 3.16 Responsibility to remediate future development sites in Meridian Water rests with the Master Developer. Site investigations and appropriate remediation measures will be undertaken in due course by the Master Developer as part of their statutory and development responsibilities.

Title and Contract for Sale

- 3.17 The site is owner-occupied and there are no existing leases in place. Therefore the site will be acquired with vacant possession.
- 3.18 JLL has been appointed as the acquisition agent advising the Council on the purchase of the site. As part of their estate agency role JLL have done a financial analysis of the opportunity and have negotiated the

terms of the contract for sale. More detail and JLL's Supporting Purchase Report are provided in Part 2 of this report.

- 3.19 Trowers & Hamlins LLP (Trowers) has been instructed to provide legal support and undertake the conveyancing for the acquisition of the site. The Report on Title and the Agreement for Sale are described in more detail in Part 2 of this report.

Red Book Valuation

- 3.17 In accordance with the Council's Property Procedure Rules, RICS accredited Glennys have been commissioned to provide a Red Book Valuation, which was produced on 9th August 2016 and is described in more detail in Part 2 of this Report.
- 3.18 Valuation was undertaken for Market Value of the freehold interest of the site. The comparable method of valuation was employed, using the capital value per acre of comparable sites to calculate a value for this site. The Valuation Report made a number of assumptions including:
- The valuation has regard to the ongoing regeneration and redevelopment of the local area, as set out in the Meridian Water Masterplan.
 - The valuation assumes that no significant remediation will be required in respect of the ongoing industrial use
- 3.19 Glennys's Valuation report confirms that the Land Valuation can support the purchase price detailed in the Agreement for Sale.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The principal alternative option for acquiring this site would be via a Compulsory Purchase Order (CPO). There are strong financial and strategic reasons why it is preferable to acquire the site now rather than via CPO.
- 4.2 Firstly, this acquisition will bring in a net revenue surplus to the Council of an estimated £40,000/annum. A Compulsory Purchase process can take up to three years, which would be equivalent to lost net income of £120,000.
- 4.3 Secondly, if we do not proceed with the acquisition now, the Seller is likely to sell to a third party because the Seller wants to dispose of the asset before the end of the financial year in order to release its value. The new owner is likely to purchase the site on a medium to long term basis for industrial use, and redevelop the site as such with the aim of maximising revenue. This would increase the market value of the site,

meaning that it would be more expensive for the Council to acquire the site by CPO in three years' time. An indication of the mark-up of a redeveloped site for industrial use is given in JLL's Purchase Report (see Part 2). In addition statutory compensation payments would be added to the acquisition cost were the site to be acquired via CPO.

- 4.4 Thirdly, there is no guarantee that a future acquisition whether by private treaty or CPO would be successful. Currently a sale has been agreed with a willing seller, and there is no need to compulsory purchase the Site, which is typically used as a measure of last resort. If the Council were to face the prospect of negotiating with a new owner, who may be unwilling to sell, this would make the negotiations more difficult and potentially less favourable for the Council. If the CPO went to Public Inquiry, an inspector may reasonably ask the question why the Council did not proceed with the acquisition at the time when an agreement had been mutually agreed with a willing seller at a price that was confirmed by an independent Red Book Valuation.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The acquisition of the site will enable the Council to exercise control over the land within the Meridian Water Masterplan area, which will help accelerate housing delivery.
- 5.2 To provide a greater level of certainty over the timescales associated with the development of Meridian Water and to increase developer and stakeholder confidence in the delivery of the Masterplan.
- 5.3 The purchase of the site will underpin the delivery of the Meridian Water Housing Zone and this land could support a mixed use development at a later date.
- 5.4 Also see Part 2 of this Report.

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

6.1 Financial Implications

Contained within the Part 2 report.

6.2 Legal Implications

- 6.2.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles. The

recommendations detailed in this report are in accordance with the Council's powers.

- 6.2.2 Section 120(1)(b) of the Local Government Act 1972 (LGA) gives Councils a specific power to acquire land for the benefit, improvement or development of their area. In addition, the Council has powers under section 227 of the Town and Country Planning Act 1990 (as amended) to acquire land by agreement for 'planning purposes'. Where agreement cannot be reached, the Council has the power under various enactments to acquire land compulsorily using a Compulsory Purchase Order. However, CPO is a lengthy process and a measure of last resort. It is therefore preferable to pursue purchase by agreement as has been done in this case.
- 6.2.3 The Council has a fiduciary duty to look after the funds entrusted to it and to ensure that its Council tax and ratepayers' money is spent appropriately. For that reason, the Council must carefully consider any project it embarks on to ensure that it is making decisions based on a proper assessment of risk and rewards/outcomes
- 6.2.4 When considering an acquisition of property the Council must act in accordance with its Property Procedure Rules, including obtaining advice that the terms negotiated represent value for money and the property is suitable for its intended use.

6.3 Property Implications

- 6.3.1 The Council have appointed external property advisers Jones Lang La Salle (JLL) to provide technical and commercial advice on this property transaction and Glenny LLP to provide formal valuation advice , therefore Strategic Property Services (SPS) role in this instance is limited to providing an overview and highlighting risk areas for emphasis or further consideration in terms of contract documentation. SPS fully support the initiative to purchase this site.
- 6.3.2 SPS have been provided with a copy of the "Red Book" (formal) valuation by Glenny LLP and therefore the process requirement within the Council's Property Procedure Rules has been complied with. The valuation itself is stated to be based upon existing use value including an element of "Hope Value" and therefore does have regard to ongoing regeneration of the area which does enhance the value. A residual risk does however remain that if in the future the site were not included in a regeneration scheme the assessment of Market Value now reported may not be attainable. This is mitigated by an 8-10 year lead in period for development wherein it is anticipated that property values will rise in line with historical property cycles.

- 6.3.3 The price agreed for the site through private treaty negotiation is in line with the valuation and does not take into consideration the cost and time savings associated with a full Compulsory Purchase process.
- 6.3.4 The Council's property consultant (JLL) need to satisfy themselves and the Council that sufficient thorough and comprehensive due diligence investigations have been completed on the site.
- 6.3.5 The report states that no remediation is necessary for the existing industrial use , however, further remediation will be required for a future residential use , however, as yet this is uncosted. It is anticipated that the Master Developer will pay for this cost as part of the signed Master Developer Agreement estimated to occur in March 2017. In the event that the costs prove prohibitive, the current model is to wait until viability improves. In mitigation the Council have a good and increasing body of knowledge around likely remediation costs based upon other sites it has acquired.
- 6.3.6 The financial "holding costs" of the acquisition should be adequately considered within the overall project viability appraisal, particularly bearing in mind the potentially lengthy timeframe for remediation, onward sale and redevelopment.
- 6.3.7 The Council's property consultant (JLL) need to satisfy themselves and the Council that any risks associated with claims from third parties either now or in the future have been mitigated as far as is reasonably practicable in terms of ground or airborne contaminants and potential contamination of ground water.
- 6.3.8 As the Council may need to retain this property for an indeterminate period before it is redeveloped it is important to have both a Meanwhile Uses Strategy and pro-active asset management to enhance rental values and to ensure that the prospective income receivable (gross) is sufficient to meet the prudential borrowing costs.

7. KEY RISKS

Key risks considered arise from the liabilities associated with the acquisition and development of the site. Conversely not acquiring the site poses a risk to the Council's ability to deliver the vision for Meridian Water.

7.1 Legal

- 7.1.2 **Risk** – The Seller of the Site does not have an insurance policy in place for the site and the Council will not insure an asset until it is fully in the Council's ownership. Therefore, the Site will not be insured for the period between exchange and completion.

Mitigation: Exchange and completion will happen on the same day.

7.2 Financial

Risk – The key financial risk is that the Council is unable to recover the amount it is paying for the Site.

Mitigation: The deal offered by the selected Master Developer for Meridian Water ensures that disposal of land plots for development is governed by four guiding financial principles that guarantee a return on investment. For example, there is a minimum residential plot value which means that development of a particular phase cannot proceed until this plot value can be achieved.

7.2.2 **Risk** – By the time the Council comes to dispose of the Site for development, there has been a downturn in the housing market, which could be due to a number of possible causes of which Britain leaving the European Union and the resultant economic consequences could be one.

Mitigation – The Master Developer Framework Agreement (MDFA), which is being put in place with the preferred Master Developer (the Council is working towards contract close in March 2017), requires a financially viable position to be achieved before the Council disposes of any land. The MDFA protects the Council against downside risk while not capping the Council's ability to capture upside.

7.2.3 **Risk** - There is currently no established residential market at Meridian Water and therefore levels of sales and values assumed in the development appraisal, produced by Glenny, are yet to be tested.

Mitigation - The Site is being purchased using commercial valuation which is consistent with the Red Book. Any change in planning designation to residential / mixed use is likely to increase the land value.

7.3 Development

7.3.1 **Risk** – There is a risk that the Site will not be developed for the residential-led mixed use scheme. One of the primary reasons for this could be that the station does not run a 4-trains-per-hour service, and/or the requisite transport infrastructure is not in place.

Mitigation – If the Site is not developed for the residential scheme planned, the Council will retain the option to sell the Site to a third party for industrial use and recover its costs.

In the short term, if the Council decided to use the Site as open storage, it should receive sufficient income to cover borrowing costs, and could continue until such time as the residential market improves

or infrastructure and improved transport services make development viable.

- 7.3.2 **Risk** – No intrusive site investigations have been undertaken thus far and therefore uncertainty exists with respect to contamination levels of the Site.

Mitigation – From desktop studies undertaken to date, the Site is believed to be no more contaminated than other parts of Meridian Water. Further site investigations and appropriate remediation measures will be undertaken in due course by the Master Developer as part of their statutory and development responsibilities. If at the time of disposal, the cost of remediation of the Site means that a phase is unviable for development, the Council will not release the land to the Master Developer until such time as it is viable and can recover its investment (through the mechanisms of the financial model). The mitigation would be to continue to use the Site for industrial use until such time as the market improves to make the Site viable.

- 7.3.3 **Risk** - The development could be affected by flooding given the provisions of the Strategic Flood Risk Assessment.

Mitigation – Flood risk will be mitigated through the measures set out in the Masterplan and through the implementation of appropriate design solutions. In short, this allows for an appropriate amount of flood storage. Provided that proper attention is paid to design, which will be tested by the Environment Agency through the planning process, there is no reason why residential development here should prove any more problematical than anywhere else, in so far as flood-risk is concerned.

8. IMPACT ON COUNCIL PRIORITIES

- 8.1 The immediate acquisition of the land described in this report would enable the early development of new homes in Meridian Water. Given that a Master Developer has now been appointed and has begun work with the Council and the design team on progressing delivery of Meridian Water, this acquisition helps to confirm and open up new opportunities for developing the next stages of mixed use residential-led development after Zone 1. Any subsequent development would be guided by the Meridian Water Masterplan which, amongst other objectives, seeks to achieve fairness for all, sustainable growth and development of strong communities.

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 EqlA report that was reported to the Local Plan Cabinet Sub-Committee at its 11th September 2013 meeting.
- 9.3 Any further equalities impact issues will be examined at the planning application stage on individual sites.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 Delivery of a comprehensive regeneration scheme at Meridian Water is a corporate priority within the Council's Business Plan for 2016-2018. Completion of the Masterplan and the delivery of phased infrastructure improvements including increased rail services, station improvements and new homes will help to meet the strategic priority: "a borough that attracts inward investment and supports sustainable regeneration and growth."

11. HEALTH AND SAFETY IMPLICATIONS

- 12.1 A component of the Meridian Water Masterplan concerns the need to improve access to healthy living corridors. In accordance with the Core Strategy, all new areas brought forward for development will have appropriate provision of green space, parks, as well as sufficient access to new community, sports and health facilities to support the new communities.

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

- 11.1 There are no Public Health Implications directly arising from this land acquisition, but the intention to remediate and develop the site when finally used for residential development is likely to have positive benefits.

Background Papers

None

MUNICIPAL YEAR 2016/2017 - REPORT NO. 203

MEETING TITLE AND DATE :
Overview and Scrutiny Committee,
14 July 2016
Cabinet: 8 February 2017

REPORT OF:
 Executive Director of Finance,
 Resources and Customer Service
 Contact officer and telephone number:
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Agenda - Part: 1	Item: 14
Subject: School Places Scrutiny Workstream	
Wards: All	
Key Decision No: N/A	
Cabinet Member consulted: Cllr Orhan	

1. EXECUTIVE SUMMARY

- 1.1 The Scrutiny workstream on Pupil Places looked at provision of school places in the borough and examined how the local authority is ensuring that both current and future demand can be met for primary, secondary and special schools.
- 1.2 The Council has a statutory duty to provide sufficient school places. Demand for primary pupil places in Enfield, as in other London Boroughs, has been increasing year on year and surpassing previous capacity since 2008.
- 1.3 The report makes a number of recommendations, designed to improve further the Council's school places planning and provision, and to support the Administration in delivery in this complex and rapidly changing area.

2. RECOMMENDATIONS

Cabinet are asked to note this report and the Cabinet Member and Directors response to the recommendations (attached as Appendix A)

Workstream recommendations

- 2.1 That representation from the workstream (letter from the Chair) will be made to National Government regarding early consultation with local authorities on the provisions of new free schools. (see 8.3-8.6)
- 2.2 That the council continues to seek support nationally for research into why substantial increases in autism are being seen. (see 11.2-11.9, 11.14, 11:15)
- 2.3 That the Overview & Scrutiny Committee holds a symposium inviting health professionals from CAMHS, paediatricians and Head teachers/ SEN leads to discuss this increase in autism and any potential common factors, linking in with officers in education, health and Public Health. The findings from the symposium to inform the future forecasting of demand of Autistic Spectrum Disorder and any research. (see 11.2-11.13)
- 2.4 That the additional provision for autism in the borough continues to be progressed as a priority (see 11.2-11.5, 11.14,11.15)
- 2.5 That the Council continues to formalise relationships with neighbouring authorities to ensure that information is shared on a regular basis on known pressures and plans affecting school places (including information on schools and housing developments) (see 12.1-12.7)
- 2.6 Given a context in which national legislation is creating a more fragmented education system, the Council builds on existing positive relations by ensuring that all policies and protocols explicitly refer to working with all types of school in Enfield. (see 13.1-13.6)
- 2.7 Given the recent changing situation regarding levels of Local Education Authority control over the opening of schools, that the Council gives consideration to using its website to encourage those seeking to establish a new free school, or expand an existing school to build within the right location and timeframe that will meet the projected need and not have an adverse effect on other schools (similar to that currently in use at Waltham Forest). (See 13.7)

Workstream Membership

The workstream consisted of the following Councillors:

Cllr Katherine Chibah (Chair), Cllr Nick Dines (Vice Chair), Cllr Christiana During, Cllr Alessandro Georgiou, Cllr Jansev Jamal and Cllr Vicki Pite.

The workstream members would like to thank the following officers and members for their contribution to the work of the review:

Jenny Tosh (Assistant Director- Education), Jacqueline Martyr (Education Regulatory Frameworks Development Officer), Michael Toyer (Interim Programme Manager), Neil Best (Stakeholder Engagement Manager), James Carrick (Head of Behaviour Support), Keith Rowley (Interim Head of Asset Management & Development), Lynne Dawes (Principal, Oasis Hadley), Jerry Collins (Principal, Ark John Keats), Dr Susan Tranter (Executive Headteacher, Edmonton County), Joanne Hamill (Deputy Head, Edmonton County), Erini Franciosa (Head of Primary, Edmonton County), Cllr Ayfer Orhan (Cabinet Member, Education, Children's Services and Protection), Allison Duggal (Consultant in Public Health), Clare Wright, (Head of Children's Commissioning, NHS, North Central London).

3. BACKGROUND

- 3.1 The school places workstream was set up by the Overview and Scrutiny Committee (OSC). This followed on from a report that OSC previously received advising that secondary places would need to be increased from September 2018. Members felt that they would like to examine what had been achieved in terms of provision and what still needed to be done.
- 3.2 Although this matter was previously examined by a scrutiny working group in 2010/11 with the recommendations accepted and included in a report that went to Cabinet in December 2011. Enfield has continued to experience rising demand at primary level whilst at secondary level there is currently some overcapacity. However as large primary cohorts move through schools, more secondary school places will be ultimately needed.
- 3.3 This workstream sought to establish how we as a Council are meeting the pressure on school places at primary, secondary and special schools. The objectives of the review at the outset were to answer specific questions:
 - What are the challenges we face in forward planning?
 - Are there challenges specific to Enfield?
 - Are we meeting these challenges in the best way possible?
 - How do other Boroughs deal with particular challenges and are their approaches useful to us?
 - Given economic pressures, are we managing resources effectively as possible in this area?
 - Are there factors outside our direct control that impact upon this issue?

- If so, how can we manage these to ensure the best outcomes for Enfield parents and children seeking school places?
- How is the impact of significant housing developments (both inside of the borough and outside but close to borough boundaries) taken into account?
- How is the impact of the cross borough movement of pupils taken into account?
- How do we work with free schools and academies?
- How does the funding work on this issue?

3.4 The workstream met on four occasions; receiving an overview of school places planning including; the assessment of supply and demand; background information on population modelling and the process for creating additional places for academies, free schools and local authority schools. This included a public meeting which was attended by the Cabinet Member and which looked at the Council's Strategy and Approach to delivering pupil places, a report on Special Educational Needs (SEND) school places provision and the SEND Education Strategy.

3.5 Members from the workstream have also undertaken visits to three Enfield schools in the borough to see the expansions that have taken place and hear the views of the schools. In addition they have also undertaken independent research liaising with other London boroughs and London Councils.

3.6 The workstream noted that a Government White Paper 'Educational, Excellence, Everywhere' was published on the 17 March 2016. This proposes changes to schools and to the role of the local authority which will mean that the local authority will retain the duty to provide sufficient school places; however, as it is the case currently, it cannot require or direct an academy to expand or take additional pupils.

3.7 The workstream felt that the recommendations it has put forward will remain valid and under the proposed changes and good relationships with all schools will be paramount under the local authority's role of securing sufficient school places.

4. School types

4.1 There are currently several types of publically funded schools in England with the majority of pupils attending either a maintained school or an academy. Maintained schools are maintained and funded by the local authority. Maintained schools in Enfield include:

- Community schools- responsibility of the local authority
- Foundation Trust schools- responsibility of the trust and governing body

- Voluntary Aided (VA) schools – mainly faith schools and supported by a trust
- 4.2 Academies, Free Schools and Academy converters all have the same status in law meaning that they are all funded directly by the Department for Education (DfE) and are independent of local authority control.
- 4.3 Academies are self-governing and constituted as charitable trusts. Free schools are a type of academy, free to attend and are governed by a non-profit charitable trust who have signed funding agreements with the Secretary of State.

Enfield schools are at the time of the workstream were made up as follows:

School Type	Community	VA	Foundation	Academy	Free	Independent
	LA Maintained Schools			DfE Maintained		
Infant	5					
Junior	4	1				
Primary	36	17		1	4	
Secondary	6	4	1	5	1	
All Through	1			1	1	
Special	6					
PRU	1					
Total	59	22	1	7	6	
	Non Maintained					
Independent						10

5. School Place Planning

- 5.1 The Local Authority has a statutory duty to provide sufficient pupil places for the children in their area that require a place.
- 5.2 Nationally and locally the demand for primary school places has risen steeply. London as a whole is disproportionately affected and has seen very large increases in its pupil population, the majority of which has been within the primary sector.
- 5.3 'The London Equation' produced by London Councils states that between 2010/11 and 2014/15, London's pupil population (aged 5-19) has increased by 112,000 which represents 35 per cent of the overall national pupil growth.
- 5.4 London has been facing an increase in demand for the last seven years, and this continues to grow. A combination of rising pupil populations, spiralling building costs and lack of available land has put increasing pressure on London boroughs.

- 5.5 The Council has responded to rising rolls by creating sufficient new primary pupil places to meet demand through a significant programme of construction works on school sites. At secondary level the Councils policy is that places will be met by Academies, in line with Government policy and using government funding.
- 5.6 Since 2010, 6,720 primary places have been created, 5,370 are local authority and 1,350 through academy expansion and free schools. This equates to roughly 180 new maintained primary classes and 45 academy/ free school classes.
- 5.7 The workstream was informed that Enfield is in the top quartile in London for being able to offer parents their first choice of Primary Schools through the admissions process. For reception 2015, 85.04% of in time applicants were offered their first preference with 94.53% offered one of their first three preferences. For Secondary transfer for 2015, 74.7% of on time applicants were offered their first choice with 91.99% offered one of their first three preferences.

6. Demand

- 6.1 The workstream heard that every year Enfield reviews the projected demand for school places against the current available capacity; focussing on the projected demand for Reception year for primary and Year 7 for secondary.
- 6.2 Demand and capacity are assessed and checked for accuracy of this information with the schools; an action plan will then be developed to fill any gaps. This information will be regularly checked. Currently the demand continues to be significant at primary whilst there is some capacity at secondary.
- 6.3 Like many other education authorities in London, Enfield uses the Greater London Authority (GLA) produced school roll projections as the basis of demand for both primary and secondary schools. This data includes:
- Population change from birth, deaths, in-country and international migration (from Office of National Statistics)
 - Population Change as a result of residential development (from London Development Database)
 - Cross-borough movement of pupils (based on historic trends)
- 6.4 The workstream were advised that school roll projections are very complex with the main challenges on the GLA projections being:
- Keeping pace with rapidly changing migration patterns with families in London now increasingly living in overcrowded conditions.
 - Data is only entered on London Development Database once planning consent has been given.

- Consideration of cross borough movement is based on historic trends. However as this is a relatively new methodology and will not necessarily be a strong predictor.
- 6.5 The Council makes an allowance for these challenges and in addition looks to provide an element of parental choice. To achieve this the GLA projections are increased by 5% for primary and 3% for secondary. These are added after an assessment of the projections against actual school rolls as recorded in the census data.
- 6.6 The GLA forecasts are subject to ongoing review and improvement. The workstream were advised that the GLA forecasts for Enfield in each of the last 3 years had shown surplus at primary level but a small shortfall at secondary level.
- 6.7 The workstream undertook independent research on this complex issue of modelling contacting other London boroughs and London Councils, with responses being received from 15 other London Boroughs.
- 6.8 This information showed that all of the responding London boroughs bought into the GLA projections; although they were used in a number of different ways. For example some were used as a checking facility and some were enhanced using various other strands of local data.
- 6.9 Examples of the local data that other London boroughs used in various combinations to supplement their own GLA projections included:
- GP registration data
 - Historic applications to schools
 - Admissions pupil preference and allocation information
 - ONS births and transfer rates based on a three year average
 - Manual projections for individual schools based on known popularity and increases in births in an area
 - Adjustments using local knowledge of migration patterns and new school provisions
 - For secondary in addition to transition rates from primary an allowance was made to adjust for numbers going in and out of the borough based on a three year average.
- 6.10 All boroughs that responded indicated that their methodology for modelling was reviewed continually to ensure the best fit locally.
- 6.11 The London Equation published in June 2015 by London Councils advised that in the past three years, forecasts by London boroughs have been 98% accurate.

- 6.12 The workstream considered whether using local data to add to these projections could enhance the accuracy of the GLA figures. They felt that given; Enfield already make an allowance and increase the projections; the accuracy of the Enfield figures over the last three years and the accuracy of the forecasts across London using different methods, that at present this was not necessary.
- 6.13 The workstreams view was that Enfield should continue to review the accuracy of the GLA projections on an annual basis making adjustments where necessary. Should there be a change in the levels of accuracy the workstream was of the opinion that the Council should review how it uses the GLA data to ensure that the best fit locally.
- 6.14 In addition to the challenges with projections other factors the workstream were informed that were difficult to predict included:
- Parental preference which can be influenced by many things including perception of schools, transport links, geographic location, siblings, type of school (i.e. faith school)
 - New Housing developments
 - Ofsted ratings whether good or bad will affect the popularity of a school
 - Temporary accommodation, benefit changes, refugee crisis and immigration
 - Migration in and out is particularly difficult to track. In general in Enfield more primary children come in than out but with secondary the opposite is true.
- 6.15 Members were informed that secondary schools are more complex to plan for as pupils are prepared to travel further, many Enfield children receive education outside the borough and significant numbers also come in from other authorities. Since 2011, more secondary age Enfield pupils are educated outside the borough than come in from other boroughs.

7. Supply

- 7.1 The workstream was advised that alongside an assessment of demand an assessment of the current supply is undertaken to identify gaps in capacity.
- 7.2 The information used for this assessment is the schools statistical return that every school must submit to central government on their capacity. A school census is also undertaken three times a year, providing information on the numbers in each year group. Information will also be received from academies however there maybe delays to this.

In year admissions demand and supply

- 7.3 This is a challenge for schools in Enfield and creates additional demand pressures which can be across any of the school year groups. The workstream were advised that during the Autumn 2015 term, 1030 in year applications were received, this included applications in every single year group from nursery through to Year 11.
- 7.4 The schools that the workstream visited also raised concerns on this issue advising that any affected school invests considerable time and resources dealing with this issue.
- 7.5 The Council's Admissions team manage the demand assessment on an on-going basis and if necessary will make temporary arrangements. The current admissions system is unable to distinguish between those children who have made an application from one school to another and those new to the area and need a school place. This restricts the analysis that can be undertaken into this trend.
- 7.6 The workstream undertook independent research on this emerging issue contacting other London boroughs and London Councils. A very limited response was received from the boroughs. However London Councils provided a detailed response.
- 7.7 London Councils advised that due to the complexities of collating information on a pan-London level that they only have limited data on in-year admissions.
- 7.8 Overall, levels of pupil mobility are affected by a number of factors, including demographics, the level of spare capacity present in schools, the ease of navigating the school admissions programme, and wider government reforms not linked to education. Non-standard moves – defined as joining a state maintained school other than as part of a standard intake – are very common amounting to about 20 per cent of all pupil moves nationally and over 60,000 moves per year in London. The burden of integrating non-standard moves falls unevenly on schools, with some managing many more than others.
- 7.9 They state that it is possible to identify four different types of non-standard move:
- (i) first arrivals to a state maintained school in England;
 - (ii) returners previously found at a state-maintained school but with a break;
 - (iii) house-movers who change home postcode when they move school; and
 - (iv) switchers who move from one state maintained school to another without moving house

- 7.10 Non-standard moves can be grouped into 'low cost' moves and 'high cost' moves, reflecting diversity in the costs incurred by both schools and local authorities in arranging and integrating these pupil moves. 'Low cost' moves consist of house-movers and pupils who have been on a school waiting list, with all other non-standard movers associated with 'high costs'. London has rates of first registration and returners at about double the national average, yet lower rates of school moves associated with house moves (within London or into the capital from elsewhere). This implied the costs they incur in managing non-standard moves are much higher than elsewhere but are not recognised in government revenue funding allocations.
- 7.11 Pupil mobility in both Inner and Outer London is about 20 per cent higher than in other regions of England, though there is considerable variation between London boroughs. There are very high levels of pupil mobility in central and west London, with other isolated pockets. However, overall, there is no clear trend in rates of pupil mobility between 2009/10 and 2013/14, although 2013/14 has somewhat higher levels of mobility than the years that preceded it.
- 7.12 Both Inner and Outer London have rates of first registration and returners, at about double the national average, a key driver behind the London figures. By contrast, the rates of school moves associated with a house move are lower in London than elsewhere. Levels of switching between schools without a house move in London roughly reflect the national average.
- 7.13 They stated that local authorities with high levels of in-year admissions arguably need to maintain greater spare capacity to manage this turbulence; equally though, high levels of spare capacity facilitates higher levels of in-year admissions
- 7.14 The workstream felt that the Council may wish to consider changes to the current admission system to allow detailed analysis to be undertaken in the future to inform pupil place planning.
- 8. Delivery of additional capacity**
- 8.1 Should there be a need for additional capacity there are two options available:
- Expand an existing school either on current site or another suitable site to create a split site school or
 - Build a new school.

How additional places are created

- 8.2 Since 2010 there has been a significant change in legislation preventing local authorities from opening new schools. All new schools that are built must be free schools or academies and are delivered by the Education Funding Agency (EFA).
- 8.3 Workstream members were provided with examples where there had been little or no consultation with the local authorities regarding new free schools. The result of this had been some new academies have opened in areas too close to existing schools which had created overcapacity and had an effect on both the existing schools in the area and the new school itself. The example was provided to the workstream of where no consultation with the local authority had occurred with the result being that a new academy opened with 4 forms of entry and the closest academy experienced a drop in numbers by 4 forms of entry.
- 8.4 The workstream heard that currently in Enfield there is overcapacity at secondary level in the current and medium term resulting in schools struggling with low school rolls (both LA maintained and academies). Overcapacity in schools can have a negative destabilising effect on schools and significant financial pressures. The Council works with these schools to assist them to manage finances.
- 8.5 In September 2014, Regional Commissioners were appointed across the country to oversee free schools and academies. The workstream was advised that regular meetings take place with Enfield's regional commissioner and although the relationship has greatly improved, there have still been cases of approved academies that Enfield is unaware of. The workstream encourages the Council to continue to work pro-actively with the EFA.
- 8.6 The workstream felt that local authorities should be consulted with at a much earlier stage to allow the local authority to both inform and influence with a view that any new schools are built where they are needed and in the appropriate timeframe.

Recommendation: To note that the workstream will make representation in the form of a Letter from the Chair to National Government regarding early consultation with local authorities on the provision of new free schools.

- 8.7 It should be noted that not all workstream members supported this. Councillor Alessandro Georgiou felt unable to support this stating his personal view that he had a lack of trust in the Administration's views with regards to free schools and academies.

School expansions challenges

8.8 The workstream was advised that the challenges around expansions are:

- School, or governing body needs to be in agreement,
- Funding - the gap in Basic Needs Funding.
- Identifying existing sites for expansion this is a particular problem as almost all suitable primary schools that could be expanded have been.
- Very few opportunities to acquire land either adjacent or on nearby sites

8.9 Additional capacity at secondary level will be needed by 2019.

Challenges around the delivery of new schools

8.10 The workstream was advised that the challenges for the local authority on new schools are:

- Applications to develop new schools apply directly to the Department of Education and Enfield is often not consulted
- Very few suitable sites and no government funding available to purchase land for the provision of additional school capacity

9. Funding/ Costs

9.1 The government provides a Basic Needs grant to local authorities to provide new school places. This can be used to expand existing maintained schools, free schools or academies, and for establishing new schools. Basic Need Funding is calculated on a four year projection.

9.2 Unfortunately the Basic Needs Funding does not reflect the actual amount of delivery costs and there is no allowance for land acquisition for additional land to support school expansions. The difference in government funding and the real cost of building is increasing as a result of rising costs in a buoyant construction industry

9.3 The workstream were informed that available capital funding from central government for the provision of additional school places is limited; and that the generally accepted opinion is that it is an underestimate and has not kept pace with recent inflation in the construction market. This creates a funding gap where the stated central government expectation is that Council's bridge the funding gap from other income sources. The main reliable income source is contributions from developers (through either CIL or s106) but there are others such as asset disposals.

10. Strategy and approach to delivering pupil places

10.1 The workstream considered the Council's Strategy and Approach to delivering pupil places. This advised that information on spare capacity

in schools and plans to create additional places mean that demand for places can be met over the 2015 to 2019 period at borough level.

- 10.2 The current overcapacity at secondary will both meet demand and provide a high degree of parental choice until 2019, this includes a projected need for an additional 10 forms of entry between 2018/19 with EFA plans to deliver 11 forms over this period. Whilst at Primary, 11 additional permanent forms of primary entry are required from Sep 16 to 19. The workstream learned that there are plans for 9 and 2 more are subject to progressing early discussions about options. The West of the Borough has the greatest flexibility to deliver these and negotiations are in place regarding building a school in Groveland's Park
- 10.3 The workstream also received a detailed breakdown on works undertaken and planned under the school expansion programme broken down by area and demand and delivery required for both the Primary and Secondary areas and details of the need for Special school places.
- 10.4 The strategy advised that increased capacity is needed in schools and establishments that provide education services for the most acute need. Autistic Spectrum Disorder is the highest priority and needs to increase by 1 form of entry at all age ranges (class sizes vary from 5 to 8).

11. Special Need School demand and supply

- 11.1 The workstream were informed that this is a highly complex area and the most difficult to plan for.

They were advised that the challenges to support future planning are:

- There are a number of pupils with a Special Educational Needs or Disability (SEND) attending mainstream schools whose needs would be better met by attending a Special school. Whilst some children are placed in a mainstream setting due to parental preference there are also pupils who cannot be accommodated in a special school due to lack of sufficient specialist provision
- The revised Code of Practice on SEND introduced changes to the categorisation of SEND needs and requires all Send Statements to be converted to Education Health Care Plans (EHCP) over a period of several years. Therefore it is not possible to provide consistent trend data to aid place planning. In addition the conversion process may mean data held on school systems, which is the prime source used by the Government, may differ to that held by the local authority.
- Work is progressing on assessment, especially of high support needs to ensure rounded consideration of other factors in diagnosis and education professionals are involved- this will affect data over time

- Enfield aspires to increase mid-level support in mainstream school environments

11.2 As the need has continued to increase Enfield has had to place children in special schools outside the borough at very high costs both in terms of provision and transport, as well as being very disruptive to the pupil and other family/carers. Where out-of-borough provision for autism had to be utilised then significant costs per pupil are incurred of between £50k to £80k (day provision) depending on the level of need and institution. This excludes the cost of transport which further raises the overall cost significantly.

11.3 The workstream was informed that current assessment shows a gap of 63 places needing to be addressed immediately given the very high costs of out of borough placements.

Autism

11.4 The numbers of children with SEN is rising nationally. Enfield has seen a particular rise in Social, Emotional and Mental Health (SEMH) issues and autism and is above the national average. The workstream was advised that the Council is seeking support nationally for research as to why this is the case. Members were further advised that there are also more pupils at the complex end of the spectrum and an increasing level of need at a much younger age.

11.5 Members noted that at an Overview and Scrutiny (OSC) Call-in meeting in September 2014, OSC were advised that in the preceding year there had been an unprecedented 44% increase in diagnosis of autism in the Borough.

11.6 It was also noted at the Call-in meeting that this increase was an issue of concern for everyone and that the Council would need to undertake further research across its health, social services and educational teams to see if the reasons could be identified.

11.7 The workstream was advised that the Council had been unable to undertake this further research. They were informed of work that had been established with Russet House School and the Advisory Service for Autism with a focus on early identification and providing high quality support and training for schools and meeting the needs of parents and children.

11.8 Whilst the workstream was encouraged by this work they felt that research could identify the reasons behind the disproportionate increase in Enfield, and any genetic, biological or environmental factors behind the increase. This would assist the Council to plan more effectively for services that are needed for children and young people with autism.

- 11.9 The workstream discussed the issues around the increased numbers in Enfield with autism and whilst the possibility of increased diagnosis was discussed there was no evidence to form any conclusions.

Recommendation: That the Council continues to seek support nationally for research into why substantial increases in autism are being seen.

- 11.10 Scrutiny officers have met with Allison Duggal, Consultant in Public Health, and the Head of Children's Commissioning, NHS, North Central London to discuss the increase in autism. The workstream was informed that the increase in numbers with autism represents the increase in the number of children accessing services and the number of children with a statement.

- 11.11 The public health consultant advised that the data recorded around autism is limited and this prohibits analysis, and the Head of Children's Commissioning NHS, North Central London advised that the most comprehensive data on autism is likely to be the SEN figures.

- 11.12 The Head of Children's' Commissioning advised that she was aware from colleagues that increases in autism were also being seen across North Central London, although exact details were unknown.

- 11.13 A symposium had been discussed with health in the past but had never been progressed. However, the Head of Children's Commissioning felt that this might be effective in bringing different professionals together and that people would be keen to attend such an event.

Recommendation: That the Overview & Scrutiny Committee holds a symposium inviting health professionals from CAMHS, paediatricians and Head teachers/ SEN leads to discuss this increase and any potential common factors, linking in with officers in Education, health and Public Health. The findings from the meeting to inform the future forecasting of demand of Autistic Spectrum Disorder and any research.

- 11.14 Enfield has developed plans to meet the needs of the increasing numbers of pupils with autism in the borough. This will include provision for older secondary aged pupils with complex needs as they make the transition to adulthood.

- 11.15 These plans have experienced delays for several reasons. The workstream were informed that one of the reasons was the Council deciding that this facility was required on a permanent basis and not a temporary one.

Recommendation: That the additional provision for autism in the borough continues to be progressed as a priority.

12. Working with neighbouring authorities and other London boroughs

- 12.1 The workstream were advised that if housing developments took place outside the borough but on the border, the Council might not necessarily be aware of these and therefore any potential impacts these might have on pupil places. Large developments built very quickly could create unexpected demand; however larger developments would normally have natural lead times of between 2 and 3 years which allowed time to plan for capacity. The workstream were also informed that schools built on the borders could have an impact on Enfield pupil places and could happen without the knowledge of the Local Authority.
- 12.2 The workstream therefore sought to understand; how closely Enfield works with neighbouring boroughs regarding both new housing developments and on new and existing schools that may impact on our school places; and also how Enfield liaised with other London boroughs regarding their approaches to school places.
- 12.3 Members was advised that Enfield meets with its neighbouring peers at national forums, collects relevant data and looks with neighbouring boroughs at cross borough data.
- 12.4 The workstream was advised that closer working with neighbouring boroughs where there is potential for any increased school capacity close to the border to serve Enfield needs to be explored and understood.
- 12.5 The GLA arrange quarterly meetings of pupil place planners to discuss current trends and initiatives for improving accuracy. Enfield also meets with its statistical neighbours quarterly with discussions held on primary, secondary and special school demand, initiatives in pupil place planning and capital works/ new school provision will also be shared.
- 12.6 In addition Enfield is represented at the Association of London Directors of Children's Services meetings on pupil place planning. Separate national meetings are also attended to assess best practice and assess advantages for Enfield's school place planning.
- 12.7 The workstream encourages close working with neighbouring boroughs to assist in place planning and forecasting pupil numbers. They thought that relationships with neighbouring authorities should be formalised to ensure that information is regularly shared on cross border flows of pupils, school reorganisations which impact on cross border flows, and on new housing developments. Members thought it useful that several other local authorities include within their Cabinet

reports on pupil places; sections on the likely impact of changes in neighbouring boroughs including known pressures and plans in these boroughs.

Recommendation: That the Council continues to formalise relationships with its neighbouring authorities ensuring that information is shared on a regular basis on known pressures and plans affecting school places (including information on schools and housing developments).

13. Relationships with schools

- 13.1 The workstream was encouraged to note that Enfield adopts a 'family of schools' approach and that the Council is also keen to foster good relationships with free schools and academies. Members were advised that a close working relationship with all schools can help guard against any destabilising impacts.
- 13.2 The workstream observed that not all schools appeared to have the same relationship with the local authority.
- 13.3 They also noted that if there had been a lack of consultation on a new school this could represent a challenge to the relationship especially if the opening might impact negatively on provision planning.
- 13.4 The workstream was also provided with some positive examples of working with new schools; a new academy agreed to defer the opening date due to current overcapacity at secondary and joint working on an expansion of an academy.
- 13.5 The workstream felt that it is important to build on existing good relationships and encourage good communication at both member and officer level between the Council and all schools whether they be maintained, academies or free schools.
- 13.6 Given the recent Government White Paper and the proposed changes to both the types of school and the role of the local authority, strong effective partnership working/ relationships will be paramount to the Council's role in securing school places for every child.

Recommendation: Given a context in which national legislation is creating a more fragmented education system, the Council builds on existing positive relations by ensuring that all policies and protocols explicitly refer to working with all types of school in Enfield to ensure that the Council and all schools work together

- 13.7 The workstream also considered a Local Government Association document 'The Council role in school place planning' which contained a series of case studies. Members noted that Waltham Forest had developed a series of web pages regarding the demand for school

places and the need for new schools and published this information on their website to encourage new providers to build in the right location and timeframe. This included providing details of what is needed in the borough and when. Members also felt this might also assist in fostering a good relationship with the new provider at the earliest stage.

Recommendation: Given the recent changing situation regarding levels of Local Education Authority control over the opening of schools, that the Council considers using its website to encourage those seeking to establish a new free school, or expand an existing school to build within the right location and timeframe that will meet projected need and not have an adverse effect on other schools (similar to that currently in use at Waltham Forest)

14. Visit to Schools in the borough

14.1 Workstream Members visited three schools in the borough to hear their views on; the increases in pupil numbers; working with the local authority and view the expansions within the schools. They met with the Principal and staff at three all through schools; the Oasis Hadley, Ark at John Keats and Edmonton County.

14.2 Members were pleased to discover that all three schools followed the Council's admissions policy and provided very positive feedback on this.

14.3 The workstream observed that the schools worked in different ways and had different relationships with the local authority. Some of the concerns or issues that the school raised are listed below:

- School places capacity and in-year admissions and the challenges that this produces.
- Parents are often attracted to new schools with new facilities and move their children accordingly.
- Under capacity and the effect that this can have on schools
- Population mobility is a concern for some schools and is an issue that they have to deal with from year to year

14.4 The workstream would like to thank the officers for organising these visits and the schools for their time and their views.

15. ALTERNATIVE OPTIONS CONSIDERED

None

16. COMMENTS FROM CMB

CMB noted the report and the comments made by the Cabinet Member and the Director in response to the recommendations.

17. REASONS FOR RECOMMENDATIONS

To assist the Council to fulfil its statutory duty to provide sufficient pupil places to meet anticipated demand.

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

18.1 Financial Implications

Financial implications of expanding schools and academies are considered by Schools Forum as part of the school budget setting process. Currently the Authority is allocated Dedicated Schools Grant funding for all schools and academies and the element relating to academies is then recouped and paid direct by the Education Funding Agency.

These arrangements may change with the proposed move to a national funding formula for schools and schools being encouraged to convert to academy status but no details are available at this stage.

18.2 Legal Implications

Section 14(1) of the Education Act 1996 imposes a duty on English local authorities to secure that sufficient schools for providing primary and secondary education are available for their area. The schools must also be suitable for the differing needs of pupils.

Section 14 (3A) of the Education Act 1996 requires a local authority to exercise its functions under Section 14 (i.e. the provision above) with a view to securing diversity in the provision of schools and increasing opportunities for parental choice.

In addition, local authorities have power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do.

The proposals set out above comply with the above legislation.

18.3 Property Implications

Strategic Property Services together with SCS Asset Management are actively assisting the Education Funding Agency and various Academy sponsors to source land for primary and secondary schools within the Borough.

The Council has successfully expanded strategic primary schools (where possible) to take up the extra demand in school places in the pupil place areas across the Borough.

The Council has also set out a strategy and solution to the rising need in school places for the Autistic Spectrum Disorder under the report to Cabinet and Council - Upper Secondary Autistic Provision (KD 4209).

19. KEY RISKS

Providing school places carries a risk due to the increasing demands and must be continually addressed and the Council must meet this need under its statutory duty, the Council must balance this risk that providing more places may attract more pupils from outside the borough. The recommendations in this report should help towards this.

Understanding the cause of the increase in autism is important for planning service provision, the findings of the symposium will inform the future forecasting of Autistic Spectrum Disorder.

20. IMPACT ON COUNCIL PRIORITIES

Fairness for All

Providing an appropriate school place for all children in Enfield, particularly those on the Autistic Spectrum will contribute to all children fulfilling their potential.

Growth and Sustainability

Effective future planning for an increasing number of school places will ensure that sufficient places are available in the right areas to meet demand.

Strong Communities

Enduring that children have access to high quality local schools contributes to the development of strong communities

21. EQUALITIES IMPACT IMPLICATIONS

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

22. PERFORMANCE MANAGEMENT IMPLICATIONS

Effective planning will ensure that the Council is able to fulfil its statutory duty to provide all children with a school place.

23. PUBLIC HEALTH IMPLICATIONS

There is a strong positive correlation between education and health and the borough is legally mandated to provide sufficient school places. Understanding the cause of the increase in autism is important for planning, service provision and prevention.

Background Papers

None

Appendix A

**CABINET MEMBERS' AND DIRECTORS' RESPONSE TO THE
SCHOOL PLACES SCRUTINY WORKSTREAM REPORT &
RECOMMENDATION**

Recommendations	Director/Cabinet Members Response
Recommendations relating to the Cabinet Member for Education, Children's Services and Protection	Meeting with Cllr Orhan, Cllr Chibbah, Tony Theodoulou , Jenny Tosh 3/10/2016
That representation from the workstream (letter from the Chair) will be made to National Government regarding early consultation with local authorities on the provisions of new free schools.	Agreed
That the council continues to seek support nationally for research into why substantial increases in autism are being seen.	Agreed
That the Overview & Scrutiny Committee holds a symposium inviting health professionals from CAMHS, paediatricians and Head teachers/ SEN leads to discuss this increase in autism and any potential common factors, linking in with officers in education, health and Public Health. The findings from the symposium to inform the future forecasting of demand of Autistic Spectrum Disorder and any research.	Agreed
That the additional provision for autism in the borough continues to be progressed as a priority	Agreed
That the Council continues to formalise relationships with neighbouring authorities to ensure that information is shared on a regular basis on known pressures and plans affecting school places (including information on schools and housing developments)	Agreed
Given a context in which national legislation is creating a more fragmented education system, the Council builds on existing positive relations by ensuring that all policies and protocols explicitly refer to working with all types of school in Enfield.	Agreed
Given the recent changing situation regarding levels of Local Education Authority control over the opening of schools, that the Council gives consideration to using its website to encourage those seeking to establish a new free school, or expand an existing school to build within the right location and timeframe that will meet the projected need and not have an adverse effect on other schools (similar to that currently in use at Waltham Forest).	Agreed

THE CABINET

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

MUNICIPAL YEAR 2016/2017

MARCH 2017

- 1. January 2017 Revenue Monitoring Report** James Rolfe

This will present the January 2017 revenue monitoring report. **(Key decision – reference number 4369)**
- 2. Housing Development and Estate Renewal Programme Report** Ian Davis

This will provide an update on housing development and the estate renewal programme, and related activity and approvals where required. **(Key decision – reference number 4272)**
- 3. Meridian Water: Land Acquisition** Ian Davis

This will seek authorisation to, and provide an update on, a number of aspects of the Meridian Water scheme. **(Key decision – reference number 4442)**
- 4. Claverings Industrial Estate** James Rolfe

(Key decision – reference number 4381)
- 5. Domestic Abuse Refuge Provision for Women and Children** Ray James

This will seek approval to the provision of refuge accommodation and support services to women with or without children, who are fleeing from or are at risk of domestic violence. **(Key decision – reference number 4409)**
- 6. 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)**
- 7. Small Housing 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)**

8. **Update Report: Education Services: A New Model of Service Delivery** Tony Theodoulou/Jenny Tosh

This will provide an update on the proposed new model of services delivery for Education Services. (Non key)

9. **Reprovision Project – Business Plan Due Diligence** Ray James

(Key decision – reference number 4309)

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)**

3. **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)**

4. **Flexible Housing – Capital Programme** Ray James/Ian Davis

This will seek approval of capital funding to deliver flexible housing. **(Key decision – reference number 4333)**

5. **William Preye Redevelopment** James Rolfe

This will seek approval of the development of the William Preye Centre. **(Key decision – reference number 4433)**

6. **Southgate Circus Redevelopment** James Rolfe

This will seek approval to the development of Southgate Circus Library and the Alan Pullinger Centre. **(Key decision – reference number 4432)**

7. **Broomfield House** Ian Davis

The report will refer to the Broomfield Conservation Management Plan and Options Appraisal and will set out options for the next steps. **(Key decision – reference number 4419)**

8. **Meridian Water Zone 1: Highway Compulsory Purchase Order (CPO)** Ian Davis

(Non key)

9. **Local Heritage Review** Ian Davis

A local heritage review and preparation of draft local list has been undertaken in conjunction with community volunteers. Following completion of public consultation the draft local list will be presented for approval. **(Key decision – reference number 4321)**

10. **Meridian Water: Programme Update Contract Close and Budget Update**

Cabinet approval is required following the procurement of a Master Developer for the Meridian Water Project. Since the selection of the preferred bidder in May 2016, there have been detailed clarification and negotiations to finalise the Master Developer Framework Agreement which have now reached a stage at which approval will be required from the Cabinet prior to entering into the contract. **(Key decision – reference number 4469)**

11. **Meridian Water: Programme Update and Station** Ian Davis

This will provide a commercial and financial update outlining progress and changes to the project since the last report in October 2015. **(Key decision – reference number 4470)**

12. **Alma Estate Regeneration – Completion of Supplemental Development Agreement and Development Phase 3** Ian Davis

This will seek approval of the completion of the supplemental development agreement and the development of phase 3. **(Key decision – reference number 4441)**

13. **Increased Budget Envelope for Housing Gateway Ltd.** James Rolfe

This will request, for recommendation to full Council, an increased budget envelope for Housing Gateway Ltd. **(Key decision – reference number 4444)**

14. **Consideration of Public Spaces Protection Orders** Ian Davis

This will consider whether to implement Public Spaces Protection Orders to control anti-social behaviours. **(Key decision – reference number 4457)**

15. **New Avenue Estate Renewal: Update** Ian Davis

This will update Cabinet on the New Avenue estate renewal. **(Key decision – reference number 4425)**

NEW MUNICIPAL YEAR 2017/2018

1. **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)**

2. **Heritage Strategy** Ian Davis

This will review the existing Heritage Strategy. **(Key decision – reference number 4428)**

3. **Construction of Relocated National Grid Infrastructure** Ian Davis

This will seek approval to the construction of relocated national grid infrastructure. **(Key decision – reference number 4439)**

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**MINUTES OF THE MEETING OF THE CABINET
HELD ON WEDNESDAY, 18 JANUARY 2017****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) and Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development)

Associate Cabinet Members (Non-Executive and Non-Voting): Bambos Charlambous (Enfield West), George Savva (Enfield South East)

ABSENT

Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection) and Ahmet Oykenner (Cabinet Member for Housing and Housing Regeneration), Vicki Pite (Associate Cabinet Member – Enfield North)

OFFICERS:

Rob Leak (Chief Executive), Ian Davis (Executive Director of Regeneration & Environment), Ray James (Executive Director of Health, Housing and Adult Social Care), James Rolfe (Executive Director of Finance, Resources and Customer Services), Tony Theodoulou (Executive Director of Children's Services), Asmat Hussain (Assistant Director Legal & Governance Services), Jayne Middleton-Albooye (Head of Legal Services), Heather McManus (Interim Assistant Director Property, Strategic Property Services), Rocco Labellarte (Assistant Director, IT), Jeff Laidler (Head of Sustainability), Nicky Fiedler (Assistant Director - Public Realm, Environment), Detlev Munster (Head of Property Programmes) and David Greely (Corporate Communications Manager) Jacqui Hurst (Secretary)

Also Attending: Councillor Mike Rye

1

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection), Ahmet Oykenner (Cabinet Member for Housing and Housing Regeneration) and, Vicki Pite (Associate Cabinet Member – Enfield North).

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2

DECLARATIONS OF INTEREST

NOTED, the following declarations of interest in respect of items listed on the agenda:

1. Councillor Achilleas Georgiou (Deputy Leader) – disclosable pecuniary interest – Report Nos.175 and 180 – The Council’s Main Investment Decision in energetik! Councillor Georgiou left the meeting for the discussion of these reports and took no part in the decision making. (Minute Nos. 8 and 19 below refer).
2. Councillor Alev Cazimoglu (Cabinet Member for Health and Social Care) – non-pecuniary interest as the Chair of the Board of the Local Authority Trading Company – Independence and Well Being Enfield Ltd – Report Nos.178 and 181 – Reprovision Project (Minute Nos. 11 and 20 below refer).
3. Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development) – non pecuniary interest as the Chair of the Board of energetik! – Report Nos.175 and 180 – The Council’s Main Investment Decision in energetik! (Minute Nos. 8 and 19 below refer).
4. Councillor Doug Taylor (Leader of the Council) – non pecuniary interest as a Board Member of energetik! - Report Nos.175 and 180 – The Council’s Main Investment Decision in energetik! (Minute Nos. 8 and 19 below refer).

3

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.

4

DEPUTATIONS

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

5

ITEMS TO BE REFERRED TO THE COUNCIL

AGREED, that the following reports be referred to full Council:

1. Report Nos. 175 and 180 – The Council’s Main Investment Decision in Energetik

6

TRANCHE 8 - ASSET MANAGEMENT - POTENTIAL DISPOSAL OF COUNCIL OWNED PROPERTIES

Councillor Dino Lemonides (Cabinet Member for Finance and Efficiency) introduced the report of the Executive Director of Finance, Resources and Customer Services (No.173) seeking approval in principle to the sale of various Council properties listed in the Appendix to the report, which were considered in the Council's best interests to sell, subject to satisfactory further evaluation and consultation, in order to assist in funding capital spending.

NOTED

1. That this was the eighth in a series of reports to Cabinet since December 2010.
2. Approval was being sought in principle only at this stage and specific criteria would need to be met in reaching a final decision to sell, as set out in the report.
3. The list of properties set out in Appendix 1 to the report.

Alternative Options Considered: Retention of property without regular review was clearly not in the Council's business interests. If property was not disposed of, it would cause a reduction in capital spending or increased borrowing. However, evaluation of individual cases might result in retention being the better option.

DECISION: The Cabinet agreed

1. That approval be given in principle to the disposal of those properties listed in the appendix to the report.
2. To delegate the method of sale and the approval of provisionally agreed terms of sale to the Cabinet Member for Finance and Efficiency in consultation with the Executive Director of Finance, Resources and Customer Services.

Reason: Potential disposal of the properties was recommended as being in the Council's best financial interests balanced against service and community needs.

(Key decision – reference number 4448)

7

TAKING FORWARD ENFIELD COUNCIL'S IT OFFER

Councillor Dino Lemonides (Cabinet Member for Finance and Efficiency) introduced the report of the Executive Director of Finance, Resources and

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Customer Services (No.174) outlining proposals for taking forward Enfield Council's IT offer.

NOTED

1. That Report No.179 also referred, as detailed in Minute No.18 below.
2. That the wording of recommendation 2.1.1 of the report had been amended, and an additional recommendation added at 2.1.3 of the report, as reflected in the decisions set out below and outlined at the meeting.
3. That on 10 February 2010 Cabinet had agreed to register a limited company, owned by the Council, to leverage the IT investment made in the Enfield 2017 programme, helping to mitigate future cost pressures on the Council by generating income.
4. The three options that had been considered in moving forward as detailed in the report.
5. Councillor Georgiou expressed his support for the proposals which represented a good opportunity for the Council.
6. Members were advised of the detail of the proposed business model following extensive consideration of the options available. There was considerable market interest in the Enfield digital platform (as set out in the report). The technology included the Digital Platform, and other solutions being developed in parallel, including Artificial Intelligence, Data Analytics and Systems Thinking.
7. The detail of the recommended option, option 3, as outlined in the report, to establish an IT company that negotiated income generating agreements with commercial organisations and provided specialist services to other public bodies. The benefits of this model were outlined to Members.
8. Members' support for option 3 and, noted the minimal level of risk together with the potential reward to the Council in going forward. Members discussed the future development potential and noted the progress that had been made to date as set out in the report and outlined at the meeting. In response to a question raised, it was noted that there was potential for other local authorities to pursue similar models as well.
9. Councillor Brett was pleased to note the work which had been undertaken with the voluntary sector, in particular with Age UK. In response to a question raised by Councillor Brett, it was noted that whilst the voluntary sector would not have membership on the company Board, future discussions could take place with the voluntary sector as the proposals developed further. Councillor Georgiou

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explained that the governance structure of the company was still to be established.

Alternative Options Considered: NOTED the alternative options detailed in section 4 of the report and summarised below:

- Do nothing
- Establish an IT company to build, market and support products and services
- Establish an IT company that negotiates income generating agreements with commercial organisations and provides specialist services to other public bodies.

DECISION: The Cabinet agreed to approve

1. Option three, summarised in paragraph 1.8 and detailed in paragraph 4.4 of the report, to establish an IT company, limited by shares and owned by the Council, that negotiates income generating agreements with commercial organisations as well as providing IT specialist services, delegating the finalisation and signature of all start-up arrangements and initial commercial agreements to the relevant Cabinet Member together with the Executive Director of Finance, Resources and Customer Services.
2. The governance arrangements detailed in sections 3.18 to 3.25 of the report inclusive.
3. That a further report would be brought back to Cabinet setting out the IT company governance structure in detail including documentation highlighted in 2.1.1 and 2.1.2 of the report, for approval.

Reasons: In recommending option 3, detailed in paragraph 4.4 of the report, the two key considerations were:

- The Council had developed, as part of the Enfield 2017 programme, with the support of third parties, a reputation in local government for having a digital platform that could easily be adapted for other councils. This know-how and reputation could be leveraged to generate an income stream for the Council over the next five years. Market interest and discussions with various commercial organisations suggest that this would be possible, and negotiations with some of those organisations were under way to enable this to happen.
- The income from referrals together with specialist IT services provided directly by the company would offset some of the future financial pressures on the Council.

(Key decision – reference number 4378)

8

THE COUNCIL'S MAIN INVESTMENT DECISION IN ENERGETIK

Councillor Achilleas Georgiou (Deputy Leader) left the meeting for the following item, Minute No.2 above refers.

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Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development) introduced the report of the Executive Director of Regeneration and Environment (No.175).

NOTED

1. That Report No.180 also referred as detailed in Minute No.19 below.
2. That the reports were scheduled for consideration at the full Council meeting on 25 January 2017.
3. Councillor Sitkin read out direct quotes from industry experts who were in support of the development of energetik! Members were also advised of the level of national interest in the development of such heat strategies. In conclusion Councillor Sitkin stated that the proposals were in line with national policy and that the risk to the council had been minimised in the development of the project. The Council had taken a cautious approach and extensive due diligence undertaken including the involvement of external independent experts. The proposals had been the subject of a series of previous reports considered by Members.

Alternative Options Considered: NOTED, the alternative options that had been considered as set out in full in section 5 of the report. Report No.180 also referred as detailed in Minute No.19 below.

DECISION: The Cabinet agreed to

1. Approve the Business Plan, prepared for and approved by the Holding Company Board of LVHN Ltd on 19 July 2016, with an update report to account for the revised two phase funding strategy scheduled to be approved on 10 January 2017.
2. Delegate to the Executive Director of Finance, Resources and Customer Services to agree an On-Lending Agreement between the Council and energetik! for the outstanding balance from the £15 million Tranche 1 funding, noting that £12 million had already been successfully secured under a match funding arrangement with the European Investment Bank (EIB) (£6 million) and the London Energy Efficiency Fund (LEEF) (£6 million).
3. Delegate to the Council's Executive Director of Finance, Resources and Customer Services to approve and vary the schedule of loan repayments with energetik!; to approve the entering into of further loan agreements between the Council and energetik! to make available the funds which were the subject of this report; to operate the lending facilities; and to agree milestones required to be met before the release of funds. All borrowing would be in accordance with the Council's

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Treasury Management Strategy to mitigate the risk of a negative impact on the Council's budget and Medium Term Financial Plan.

4. Authorise Parent Company Guarantees to energetik! to cover its financial obligations in relation to the Heat Sale Agreement, Agreement for Lease and the Lease with the North London Waste Authority (NLWA) as per section 7.2.16 of the report.
5. Delegate to the Council's Executive Director of Regeneration and Environment authority to settle final drafting matters for the Heat Supply Agreement, Lease and Agreement for Lease in conformity with the Business Plan.
6. Approve energetik! to enter into contracts to sell the locally produced, private wire electricity from Montmorency, Alma Road and New Avenue as part of the efficient operation of Combined Heat and Power generating plant.

Reasons: NOTED the detailed reasons for the recommendations as set out in section 6 of the report. Appendix 2 to the report provided a Value for Money Statement which had been broken down into the strategic, economic, commercial, financial and management elements of the Business Plan.

(Key decision – reference numbers 4266 and 4035)

9

PART SALE OF COTTAGE; BUILDING AND LAND AT HOLLY HILL FARM, 303 THE RIDGEWAY, ENFIELD, EN2 8AN

Councillor Dino Lemonides (Cabinet Member for Finance and Efficiency) introduced the report of the Executive Director of Finance, Resources and Customer Services (No.176) seeking approval to sell part of the freehold of Holly Hill Farm.

NOTED

1. The proposal to sell part of the freehold of Holly Hill Farm for the reasons and on the terms of sale as set out in the report.
2. That the agreed sale price was £750,000 and there was an overage provision agreed of 50% of the market value of any additional residential planning being granted. Following discussion at the meeting, it was requested that the word "residential" be deleted from the final terms of sale and apply to any additional planning being granted in the future.
3. That the Council's specialist rural consultant Knight Frank, had recommended the proposed terms and had confirmed that these represented best value as set out in section 123 of the Local Government Act 1972. In response to questions raised by Members, clarification was provided on the valuation processes which had been

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followed and the restrictions that applied. The proposed terms were in accordance with legal requirements and were deemed to represent best value to the Council. Members further noted the restrictions that would be applied to the terms of the sale.

4. The sale would ensure that this local business, Halo Dogs, would remain in the Borough and so provide an opportunity for the local business to plan and build for the future. Councillor Sitkin noted that this allow existing jobs to be retained and would create further job opportunities.

Alternative Options Considered: Do nothing – this option was not recommended as the Council would forgo a capital receipt of £750,000.

DECISION: The Cabinet agreed

1. To approve the proposed terms of the part sale of cottage; building and land at Holly Hill Farm, 303 The Ridgeway, Enfield, EN2 8AN as detailed in the report.
2. To delegate authority to the Executive Director of Finance, Resources and Customer Services and the Assistant Director of Property Services, to agree final terms and enter into appropriate legal agreement for the freehold sale and subsequent amendments to the farm business tenancy agreement as detailed in the report.
3. To note that the annual rental income, which the Council received from this farm asset would reduce from £31k to £18k as a result of the proposed part sale.

Reason: It would generate a capital receipt for the Council which could be allocated to help fund spending priorities. It would ensure that this local business would remain in the borough. It would provide an opportunity for the local business to plan and build for the future.

(Key decision – reference number 4447)

10

INDEPENDENCE AND WELL BEING ENFIELD LTD. GOVERNANCE REPORT

NOTED, that this item had been withdrawn from the agenda for consideration at a future Cabinet meeting.

11

REPROVISION PROJECT

Ray James (Executive Director of Health, Housing and Adult Social Care) introduced the report (No.178) outlining proposals for Members' consideration and approval on the way forward for the Reprovision Project.

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NOTED

1. That Report No.181 also referred as detailed in Minute No.20 below.
2. The procurement processes which had been followed as set out in the report, which had failed to reach a satisfactory conclusion. The report therefore recommended, subject to further governance and due diligence being undertaken, that the Council's contingency arrangements be activated. This was to expand the role of the Council's Local Authority Trading Company (LATC) Independence and Well Being Enfield, so that it could undertake service delivery of the new care home. A further report would be brought back to Cabinet for approval following the completion of the required governance considerations and due diligence.
3. That, Members were advised that it had been necessary to review the recommendations set out in the published report. Ray James outlined for Members the new recommendations which were considered and agreed by Members at the meeting, as reflected in the decisions set out below. The amended recommendations would also need to be reflected in the wording of paragraph 3.8.2 of the report. It was noted that Members' approval of the recommendations would be in the light of their consideration of the super part 2 report circulated at the meeting.

Alternative Options Considered: NOTED the alternative options which had been considered as set out in section 4 of the report.

DECISION: The Cabinet agreed

1. To note the contents of the super part two report, circulated at the meeting under restricted access, as detailed in Minute No.20 below, detailing background information of the recent tender exercise and the decision not to proceed.
2. That Cabinet as shareholder resolved to write to the Company to update its business plan to incorporate operating a dual registered 70 bed care home and undertake necessary mobilisation ahead of any potential approval of the business plan.
3. That the updated business plan would be brought to Cabinet for approval.

Reason: The detailed reasons for the recommendations were set out in full in section 5 of the report.

(Key decision – reference number 4309)

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NOTED, that there were no items to be considered at this meeting.

13

CABINET AGENDA PLANNING - FUTURE ITEMS

NOTED

1. The provisional list of items scheduled for future Cabinet meetings.
2. The addition of two further items for consideration at the February Cabinet meeting:
 - The establishment of a Cabinet Sub-Committee for the Enfield Community Support Fund
 - Independence and Well Being Enfield Ltd. Governance Report (deferred from January)

14

MINUTES

AGREED, that the minutes of the previous meeting of the Cabinet held on 14 December 2016 be confirmed and signed by the Chair as a correct record.

15

ENFIELD STRATEGIC PARTNERSHIP UPDATE

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

16

DATE OF NEXT MEETING

NOTED, that the next Cabinet meeting was scheduled to take place on Wednesday 8 February 2017.

Councillor Yasemin Brett (Cabinet Member for Community, Arts and Culture) extended her apologies for absence for this meeting.

17

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 items listed on part 2 of the agenda on the grounds that they involve 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).

18

TAKING FORWARD ENFIELD COUNCIL'S IT OFFER

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Councillor Dino Lemonides (Cabinet Member for Finance and Efficiency) introduced the report of the Executive Director of Finance, Resources and Customer Services (No.179).

NOTED

1. That Report No.174 also referred as detailed in Minute No.7 above.
2. The financial analysis set out in the report in support of the recommendations set out in Report No.174, Minute No.7 above referred.
3. The detailed financial analysis for the three options which had been considered together with the associated potential risks and rewards. The reasons for recommending option three were noted together with the potential income to the Council over the next 5 years. Members were advised of the commercial discussions that were taking place. The potential to implement option 2 at a future stage if required and felt appropriate was noted.

Alternative Options Considered: As detailed in Report No.174, Minute No.7 above referred.

Reasons: As detailed in Report No.174, Minute No.7 above referred.
(Key decision – reference number 4378)

Councillor Doug Taylor (Leader of the Council) re-ordered the agenda at this point of the meeting and considered Report No.181 – Reprovision Project. The minutes reflect the order of the printed agenda.

19

THE COUNCIL'S MAIN INVESTMENT DECISION IN ENERGETIK

Councillor Achilleas Georgiou (Deputy Leader) left the meeting for this item and took no part in the discussion, Minute No.2 above refers.

Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development) introduced the report of the Executive Director – Regeneration and Environment (No.180).

NOTED

1. That Report No.175 also referred as detailed in Minute No.8 above.
2. Paragraph 3.52 of the report outlined the review that had been undertaken by KPMG. The Business Plan was prudent, robust and deliverable. Members' attention was also drawn to paragraph 3.6.4 with regard to the anticipated investment returns for the company and for the Council. Councillor Sitkin highlighted a number of positive factors for Members' consideration.

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3. The need for Councils to be innovative and identify revenue funding streams at a time of highly constrained Council budgets.
4. Councillor Taylor concluded by supporting the proposal and highlighting the opportunity to the Council in moving forward with this business. The business offered a practical proposition; it would deliver financially and be of social value to the local community; and, the proposals had been the subject of robust and external independent evaluation. Councillor Taylor further outlined the benefits of the business, as set out in full in the report.

Alternative Options Considered: As detailed in Report No.175 (Minute No.8 above referred) and in paragraphs 5.15 and 5.16 of the report.

RECOMMENDED TO COUNCIL

1. To approve an addition of the amount detailed in recommendation 2.2 of the report, to the Council's capital programme, noting that development costs, as stated in recommendation 2.2 of the report, incurred to date had already been approved and added to the Council's capital programme. This would bring the initial "Tranche 1" investment in energetic to the figure stated in recommendation 2.2 of the report.
2. To approve an addition, of the amount stated in recommendation 2.5 of the report, to the indicative capital programme as part of the, amount as stated in the report, energetic Business Plan. It consisted of the forecast, figure stated in the report, Tranche 2 investment and a Business Expansion Fund of up to the amount stated in the report. This was in addition to the amount (stated in the report) required for Tranche 1. A further Cabinet report would be required to enable drawdown of the Tranche 2 funding by moving it into the Council's Capital Programme.

DECISION: The Cabinet agreed to

1. Note that the total additional project expenditure requested from the Council was up to the figure stated in recommendation 2.3 of the report as part of the amount (stated in the report) energetic Business Plan. The Council's Tranche 1 and 2 investment would allow the business to make the necessary capital expenditures in advance of receipt of revenue required to deliver the heat networks which would eventually supply over 15,000 homes (or commercial equivalent).
2. Approve the carry forward the unspent capital budget from the previously approved sum (as detailed in recommendation 2.4 of the report), currently forecast to be the amount as detailed in the report, which was forecast to be spent by 31 March 2017.

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Reasons: As detailed in Report No.175 (Minute No.8 above referred) and in paragraphs 6.3, 6.4 and 6.5 of the report.

(Key decision – reference numbers 4266 and 4035)

20

RE-PROVISION PROJECT

Ray James (Executive Director of Health, Housing and Adult Social Care) introduced the report (No.181).

NOTED

1. That the report was circulated at the meeting under restricted circulation for Cabinet consideration. Report No.177 also referred as detailed in Minute No. 11 above.
2. The contents of the report in making the decisions set out in the recommendations in the part one report (Minute No.11 above referred).
3. Members were advised in detail of procurement processes which had been undertaken and the reasons why it had been concluded that none of the bids received had been satisfactory. In seeking to activate the Council's contingency arrangements, further due diligence would be undertaken and a further report submitted to a future Cabinet meeting for agreement.
4. Ray James outlined the detailed reasons why it was not appropriate to proceed with the procurement and outlined the range of factors that had been taken into consideration.
5. Councillor Rye sought clarification and assurance with regard to the proposals now being presented to Members for approval in going forward and questioned the potential financial implications for the LATC.
6. Ray James highlighted the assurances set out in the report, detailing the financial implications and strengths of the LATC.
7. That further due diligence work would be undertaken prior to final Member approval being sought to ensure that the future proposals were robust. Mobilisation work would be undertaken in parallel to this.
8. The need to expand the role of the LATC to enable the required service delivery to be undertaken. It was noted that any future increases in cost would need to be managed by the LATC on a commercial basis.
9. In response to a question raised, it was noted that the bidders involved had been advised that the Council would not be proceeding with the procurement, as set out in the report.

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10. Ray James clarified the pricing schedules and scoring mechanisms used and noted that none of the bidders had met the required quality threshold at an affordable price. The dialogue which had been held with the bidders and the measures undertaken during the process were noted. A number of issues were clarified to Members in response to questions raised.
11. The general state of the care market. Members felt that the proposed way forward was sensible in the light of the failure of the care market to successfully meet the specified requirements of the Council as set out in the report.
12. The flexibility that would exist in the future with regard to the specified bed usage within the new care home. Ray James outlined in detail the current proposals for bed usage within the care home. The price differentials with regard to different forms of care were noted.
13. That a local authority could not directly run a dual registered care home, it was not permitted to provide nursing care. However, it was noted that the LATC would be able to do so.

Alternative Options Considered: NOTED the alternative options that had been considered as set out in section 5 of the report.

Reason: As detailed in the part 1 report, Minute No.11 above referred.
(Key decision – reference number 4309)