

MUNICIPAL YEAR 2013/2014 REPORT NO. 237

MEETING TITLE AND DATE:
Cabinet – 9th April 2014

Joint REPORT OF:
Directors of Regeneration and
Environment and Finance,
Resources and Customer Services

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Agenda – Part 1	Item: 14
Subject: Meridian Water: Development Opportunities	
Cabinet Member consulted: Cllr Del Goddard, Cabinet Member for Business and Regeneration; Cllr Andrew Stafford, Cabinet Member for Finance and Property	

1. EXECUTIVE SUMMARY

- 1.1 This report concerns development opportunity areas that are located within the boundaries of the Meridian Water Masterplan. In particular, it focuses on the three sites, previously reported to Cabinet on 16 October 2013 **KD 3797** and 12 March 2014, with the Council potentially acquiring these sites as they have been identified as being in the early phases of potential development in the Masterplan.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the background to Meridian Water Development Opportunities;
- 2.2 Authorises the purchase of land in accordance with the substantially agreed Heads of Terms (HoTs), attached to the Part 2 report and subject to appropriate due diligence and the actions detailed in recommendations at paragraphs 2.3, 2.4 and 2.5;
- 2.3 Delegates authority to the Lead Member for Business and Regeneration, and the Lead Member for Finance and Property acting with the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services to develop and finalise the HoTs, subject to a further portfolio report which will confirm that the HoTs are satisfactory to the Council.

- 2.4 Delegates to the Director of Regeneration and Environment, acting with the Director of Finance, Resources and Customer Services authority to obtain any necessary environmental liability insurance and a satisfactory level of assurance from the Environment Agency;
- 2.5 Delegates to the Lead Member for Business and Regeneration, and the Lead Member for Finance and Property acting with the Director of Regeneration and Environment and the Director of Finance, Resources and Customer Services authority to exchange and complete the purchase agreements when appropriate; and
- 2.6 Requests an update report following an exchange of contracts.

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 of land in North London. Located within the Central Leaside growth area and the Mayor of London's wider Upper Lee Valley Opportunity Area it has significant development potential.
- 3.2 LBE's Core Strategy (2010) identifies the potential for up to 5,000 new homes and up to 3,000 new jobs to be created in this area, along with the necessary community and other infrastructure that would be needed to support a new sustainable neighbourhood of this scale. The Core Strategy also sets out the intention to provide further guidance on the implementation of relevant planning policies and this has taken the form of a Masterplan which has been prepared with the benefit of consultant support from LDA Design, BNP Paribas Real Estate, Oxford Economics and the Jonathan Roberts Consultancy.
- 3.3 Following public consultation last year, a draft Masterplan was presented to the Local Plan Sub-Committee for consideration on the 3rd July 2013, where it was resolved that it should be adopted as planning and urban design guidance. During the appropriate period this decision was called-in and the matter was subsequently referred to the Overview and Scrutiny Committee on the 17th July 2013, where after due consideration, it was, by resolution, adopted.
- 3.4 The Masterplan sets out the proposals detailed below in the context of a number of unique mixed-use neighbourhoods that when built out could accommodate up to 5,000 new homes and up to 3,000 new jobs:

- A 2-form entry primary school; an all-through school; a University Technical College; a new local centre offering new health and library facilities, community rooms, a police presence and local shops;
- An appropriate mix of residential, retail, community uses and open spaces, integrated into the wider development;
- High quality public realm and development of an exemplar quality at a human scale, with buildings that are flexible, adaptable and responsive to the environment;
- A new Causeway providing an east-west route connecting all parts of Meridian Water, linking new and existing communities, the station and the Lee Valley Regional Park;
- New open space located at the heart of the community;
- Phase 1 of the proposed Lee Valley Heat Network supplying low carbon, low cost heat to new homes and businesses in the area;
- Higher density development close to Angel Road Station (soon to be renamed 'Meridian Water') which will enjoy the benefit of improved rail services (four trains per hour) and a new public transport interchange;
- A section concerning delivery, which looks, at a broad-scale, at how the Masterplan could be made to happen. Amongst other things this includes a commentary on development guidance and phasing, and also provides an action plan to help inform future work on the project.

4. EMERGING PROJECTS

4.1 The Council has been pursuing development at Meridian Water from around 2008, if not earlier, and the recently adopted Masterplan represents the achievement of a key milestone in moving towards actual physical development. The exciting vision it provides will serve as a gateway to the future, enabling land-owners and the private sector to confidently bring forward Masterplan compliant proposals that provide the new homes, other facilities and jobs that we all want to see. This prospect seems all the more likely given the improving market conditions in London and the South East, the adoption of the Masterplan itself, which provides a flexible framework for investment and development, and the emergence of a number of key infrastructure projects which include:

- Rail improvements – recent announcements by Network Rail and the GLA confirming the allocation of approximately £80m of investment to upgrade Angel Road Station and to increase train frequency through the Stratford, Tottenham and Angel Road will mean that services to Meridian Water will dramatically increase in the short to medium term.

This will be a catalyst to unlocking development potential, particularly in the Meridian Angel and Gateway neighbourhoods which will also benefit from a new public transport interchange around the station. This is currently being designed by Atkins who are working with the Council, the Greater London Authority (GLA), Network Rail and Transport for London.

Train services could improve as early as 2017, when a four trains per hour service should be in place. However, further rail investments to provide four-tracking could provide an 8 trains per hour service by 2022. This supports higher density development around the station as an early phase of development as advanced in the Masterplan.

- In May 2013 the Secretary of State for Education approved the London and Community Learning Trust's (LCLT) application for a new primary school in Meridian Water. This is due in September 2015. The new school will be located close to the existing community of Upper Edmonton in the Meridian Angel Neighbourhood. The Masterplan supports LCLT's aspirations and demonstrates how this would be achieved through the siting of a new school in this area.
- The Causeway, which is the central spine that runs through Meridian Water, is now being designed in detail by Halcrow. The aim here is to implement a first phase on Glover Drive and beyond, with work possibly starting towards the end of 2014/15. This will incorporate the necessary ducting and pipework that will be required by the Lee Valley Heat Network (LVHN). At the recent launch of 'Opportunity Enfield' there was significant developer interest and excitement concerning the transformational impact that early delivery of the Causeway would bring to the Meridian Water Masterplan
- The Lee Valley Heat Network is a new city scale decentralised energy network that will capture low carbon heat from the Edmonton Eco Park and other dedicated Combined Heat and Power (CHP) plants and supply energy to buildings and industry across the Lee Valley for use in space heating and hot water production. The Network is being delivered in partnership with The Mayor and adjoining boroughs and Phase 1 could deliver heat to Meridian Water, homes and businesses, from 2015/16 onwards.
- Rays Road Open Space – work is already underway to transform this derelict site that sits between Montagu Industrial Estate and a residential section of North Edmonton into a new public open space known as Angel Gardens. This £1.6m scheme is funded by both the Council and the GLA through its Pocket Parks Programme.
- Preparation for delivering the Legible London way-finding system in Meridian Water has also begun. The system provides clear, consistent signage for pedestrians within an area and will be implemented in 2 phases to encourage walking and cycling throughout Meridian Water.

- In addition, and since your October 2013 report, the GLA has published its Housing Strategy for London. This document suggests that a number of Housing Zones be created to assist the delivery of new housing in London. Meridian Water could be one of the first of these zones to be declared. Housing Zones could confer certain financial benefits and the Council is exploring the establishment of a Zone with the GLA.

5. ENABLING EARLY PHASES OF DEVELOPMENT

- 5.1 The delivery of the complete vision that is the Meridian Water Masterplan will unfold from west to east across the site, as indicated in the Masterplan's phasing strategy. This approach is inevitable given the existing geography and disposition of undeveloped, underdeveloped and developed land. Development is supported by transport, education and heat network infrastructure which will be in place by 2017. To this end the Council has been in discussions with a major land-owner in this area with a view to securing appropriate and timely development. These discussions have resulted in the Council being presented with an opportunity to acquire some land.
- 5.2 The acquisition of the land detailed in the Part 2 report can, be regarded as a strategic land acquisition that would help to enable the development of key sites within the Masterplan area. Indeed, the land is identified as being within the first three phases of development, and on that basis alone could be recommended for purchase, subject, of course, to the appropriate demonstration of best value and in accordance with the Council's Property Procedure Rules.
- 5.3 This approach was reported to Cabinet on 16th October 2013 which:
- Noted that there was the potential for the Council to acquire some land at Meridian Water that could support the Council's regeneration agenda;
 - Agreed that the potential acquisition of land that could assist the regeneration of Meridian Water be approved 'in principle'; subject to appropriate terms and conditions being agreed.
 - Noted that a further Cabinet report would be submitted to finalise the purchase of the sites.
- 5.4 In order to work towards appropriate terms and conditions, officers have secured expert and appropriate professional advice to inform and shape negotiations and this was reported to Cabinet of 12th March 2014.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 The following options have been considered:

- Declining the possible purchase of the land potentially available to the Council has been considered, but rejected due to the uncertain timescales associated with their owner bringing the land to market and securing development and consequent benefits for the community.
- The purchase of all of the sites as a package has been considered ‘in-principle’, but this is not an option open to the Council at this time.
- The use of compulsory purchase powers to acquire the land that comprises the opportunity, either as a package or individually has also been considered, but this is not the Council’s first preference given the negotiations that are currently taking place with the land-owner. This should perhaps be best regarded as a reserve power to be used if the land-owner in question were to, for example, put forward unreasonable (or unduly onerous) terms, such that the purchase proposition would be unlikely to be taken-up in the market.

7. REASONS FOR RECOMMENDATIONS

7.1 Refer to Part 2 report.

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

8.1 Financial Implications

See Part 2 report.

8.2 Legal Implications

Under s1 of the Localism Act 2011 the Council is authorised to do anything that individuals can do, subject to the limitations set out in the Act.

Purchase of land shall be in accordance with the Council’s Property Procedure Rules and, if relevant, the Council’s Contract Procedure Rules.

All documentation relating to purchase of land shall be approved by the Assistant Director, Legal Services.

The recommendations in this report are in accordance with the Council’s powers.

8.3 Property Implications

See Part 2 report.

9. KEY RISKS

9.1 Key risks considered are:

- Taking no action could result in development not coming forward in a timely way, or not in concert with supporting infrastructure that is already in the pipeline, leaving an undesirable disconnect between the provision of new rail and education infrastructure and the provision of new homes, which is one of the Mayor's key priorities.
- The package of sites have slightly different development prospects and timescales, so there is a risk that the Council could be servicing the loan obtained to fund these purchases for a longer period than first anticipated, thus incurring additional revenue costs, before they could be disposed of, although these may be relatively modest.
- Given the nature of the land, there is a danger that remediation and the removal of redundant structures could take longer to achieve than anticipated, although the further application of due diligence could reduce these particular risks.
- There is a risk that development could be affected by flooding given the provisions of the Strategic Flood Risk Assessment, where some of the land is within a 1:100 year flood risk area. This can be mitigated through the measures set out in the Masterplan and through the implementation of appropriate design solutions. In short this particularly allows for an appropriate amount of flood storage. Providing 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.
- Any land acquired would need to be appropriately managed and secured to provide a satisfactory level of amenity, safety and security.

10. IMPACT ON COUNCIL PRIORITIES

- 10.1 The acquisition of the land described in this report would enable the early development of new homes in Meridian Water in conjunction with the delivery of new education and rail infrastructure. Their subsequent development would be guided by the Meridian Water Masterplan which, amongst other things, seeks to achieve fairness for all, sustainable growth and the development of strong communities.

11. EQUALITIES IMPACT IMPLICATIONS

- 11.1 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.
- 11.2 These issues were summarised in the final EqIA report that was reported to the Local Plan Cabinet Sub-Committee at its 11th September 2013 meeting.
- 11.3 Any further equalities impact issues will be examined at the planning application stage on individual sites.

12. PERFORMANCE MANAGEMENT IMPLICATIONS

- 12.1 Delivery of a comprehensive regeneration scheme at Meridian Water is a corporate priority within the Council's Business Plan for 2012-15. Completion of the Masterplan, and the delivery of phased infrastructure improvements including increased rail services, station improvements and new homes will help to meet Outcome 2.10 of the Business Plan; to improve the quality of life of residents through the regeneration of priority areas and to promote growth and sustainability.

13. HEALTH AND SAFETY IMPLICATIONS

- 13.1 A component of the Masterplan concerns the need to improve access to healthy living corridors. Meridian Water adjoins the Lee Valley Regional Park, the rivers and open spaces within which offer significant recreational and environmental benefits as do the series of reservoirs immediately to the south of the area. The Masterplan seeks to maximise this potential for existing and new residents by improving east/west and north/south connections through a network of open spaces. Improved connections will help deliver healthy living into the heart of the new development and reconnect the nearby communities with the Park. The Masterplan creates opportunities for formal and informal recreation and leisure, urban agriculture and outdoor learning. It draws the community and landscape together combining healthy living into the daily structure and form of Meridian Water. In accordance with the Core Strategy it required the delivery of new health facilities to support the new communities and suggests these should be located within Meridian Central neighbourhood or where benefits from the co-location of services can most appropriately be realised.

- 13.2 In relation to the possible purchase of land, it will be necessary, through the process of due diligence, to establish the extent of contaminated land and to ensure that appropriate measures are taken to mitigate risks and to ensure its likely suitability for projected end uses.
- 13.3 The Council would also need to ensure that any acquired land was properly managed in order to provide a satisfactory level of amenity, safety and security.

Background Papers

None.