

MUNICIPAL YEAR 2014/2015 REPORT NO. 6

MEETING TITLE AND DATE:
Cabinet 25th June 2014

REPORT OF:
Director – Regeneration
and Environment

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Agenda – Part: 1

Item: 8

**Subject: The Electric Quarter – Towards
Delivery**

Wards: Ponders End

Key Decision No: 3922

Cabinet Member consulted:

Cllr Ahmet Oykener, Lead Member for
Housing and Estate Regeneration

See Annexes A, B and C

1. EXECUTIVE SUMMARY

- 1.1. Ponders End is identified in the Core Strategy as a key regeneration area in North East Enfield and as a strategic location in the Upper Lee Valley Opportunity Area.
- 1.2. This report takes forward the Ponders End High Street Regeneration Scheme, known as the Electric Quarter, as set out in previous Cabinet Reports of April and July 2012 and last reported to Cabinet on 24th April 2013.
- 1.3. Since April 2013 work has focussed on securing land and property interests required for the Electric Quarter and it is now possible to report a revised development boundary and proposed Planning Compulsory Purchase Order land ('Order Land') to Cabinet for approval.
- 1.4. The purpose of this report is to ask Cabinet to agree the revised development site boundary (shown in blue) Annex A and Order Land (shown in pink) Annex B to rename the Order as 'London Borough of Enfield (Ponders End 'Electric Quarter') Compulsory Purchase Order 2014'.

2. RECOMMENDATIONS

That Cabinet:

- 2.1 Approves the revised development site boundary (shown in blue) in Annex A;
- 2.2 Approves the revised Order Land for the Electric Quarter (shown in pink) Annex B;
- 2.3 Agrees that the proposed Planning Compulsory Purchase Order be renamed:

'London Borough of Enfield (Ponders End Electric Quarter) Compulsory Purchase Order 2014'.

3. BACKGROUND

- 3.1 In April 2012 Cabinet endorsed a comprehensive approach to the redevelopment of Ponders End High Street, which is in economic decline and in need of investment. The Electric Quarter is a housing-led regeneration scheme designed to deliver modern retail units to the High Street, much needed housing and therefore footfall to the High Street and an improved library facility. Cabinet approved a delivery strategy to progress the scheme and authorised work to progress a land assembly and a relocation strategy, including background work for a Planning Compulsory Purchase Order (PCPO).
- 3.2 In October 2012 an outline planning application for the Electric Quarter was submitted by the Council and outline planning consent was granted in March 2013. The outline planning consent included the provision of 408 homes, modern retail, employment space and a new Library with High Street frontage.
- 3.3 In April 2013, Cabinet resolved (Key Decision: 3682) to make a Planning Compulsory Purchase Order (PCPO) to acquire all the necessary land and property interests required to deliver the comprehensive regeneration scheme for which the outline planning consent was granted.
- 3.4 Under a separate report in April 2013, Cabinet considered the procurement of a Delivery Partner, identifying a preferred bidder. Cabinet resolved (Key Decision: 3682) that authority to enter into Agreement for Lease and Lease with the preferred bidder be delegated to the Director of Regeneration, Leisure and Culture (now Director

Regeneration and Environment) acting in consultation with the Director of Finance, Resources and Customer Service.

- 3.5 However, following the April 2013 Cabinet resolution to Make the Order, it was confirmed that the Secretary of State for Communities and Local Government had acquired the freehold interest in the former Middlesex University Site for a free school providing secondary education. As the Council's Planning Compulsory Purchase Powers do not extend to Crown Land, the Council was unable to make the Order or deliver the approved scheme. It was also not possible to appoint the Delivery Partner until a revised development boundary was known.
- 3.6 Negotiations therefore commenced between the Council and the Education Funding Agency (on behalf of the Secretary of State) to agree the footprint of the free school and to determine if there would be any residual land that could be acquired by the Council, through private treaty, to deliver a revised regeneration scheme for Ponders End High Street.
- 3.7 As a result of this dialogue we can now report that in April 2014 Heads of Terms were agreed for the acquisition of land forming part of the former Middlesex University Campus and subsequently approved by the Lead Members for Business & Regeneration and Finance & Property, under delegated authority, in May 2014.

Delivery Partner Procurement

- 3.8 Following the submission of the outline planning permission in October 2012, the Council began work to secure a delivery partner. Results of the tender process were reported to Cabinet in April 2013 and a preferred bidder identified. With the Secretary of State acquiring the former Middlesex University Campus for a free school, the Council was unable to deliver the planning consent or complete the development agreement. However as we now have a revised development boundary, subject to Cabinet agreement, we can now move forward again.
- 3.9 Given the delay occasioned by the need to accommodate the free school, the original development programme could not be achieved. A revised programme has therefore been prepared; see Annex C.

Acquisition of Land and Property

- 3.10 Previous reports to Cabinet in April and July 2012 provided the capital budget for the acquisition of land and property interests required to regenerate Ponders End High Street.

The revised Order Land

- 3.11 The land that will be acquired from the Secretary of State, combined with the High Street frontage properties forms the revised development site boundary (shown in blue) Annex A. As the land forming part of the former Middlesex University Campus will be acquired through private treaty, the remaining land and property interests will form the revised Order Land (shown pink) Annex B. The new site boundary is entirely within the boundary of the original Order Land reported to Cabinet in April 2013, but is reduced in proportion to accommodate the Secretary of State's land holding.
- 3.12 The revised Order Land comprises an area of land of approximately 1.24 hectares. The eastern boundary is formed by Ponders End High Street (A1010). Part of the northern boundary comprises a series of two/three storey buildings that house a variety of small-scale office and warehouse functions associated with Queensway. The western boundary comprises land not required for the proposed free school. To the south of the revised Order Land there is a mix of detached, semi-detached and flatted properties.
- 3.13 The Council already owns some of the revised Order Land and since the last report to Cabinet has voluntarily acquired the freehold interests in 188 and 198 High Street. These properties were acquired using the Outer London Fund Round 2 grant funding. Negotiations with the remaining owners will continue with a view to achieving the voluntary acquisition of all the interests in the revised Order Land which are needed to facilitate the comprehensive regeneration of Ponders End High Street.
- 3.14 Prior to the recommendation to make the 'London Borough of Enfield (Ponders End Electric Quarter) Compulsory Purchase Order 2014 (which will be subject to a further report) an updated Statement of Reasons and Draft Order will be presented to Cabinet for consideration.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 **Do Nothing** – this would not deliver the Council's planning objectives as detailed in the Core Strategy.
- 4.2 **Restrict regeneration activity to Council owned land only** – this would result in piecemeal development which would not deliver a comprehensive regeneration scheme, tying the former Middlesex University Site into the High Street to create a dynamic urban quarter that can contribute to the economic sustainability of the High Street.
- 4.3 **Acquire all land and property interests on a voluntary basis** - negotiations to acquire land and property interests have been pursued and will continue to be pursued alongside any compulsory purchase process.

5. REASONS FOR THE RECOMMENDATIONS

- 5.1 The Council must ensure that before the decision is taken to make the Order, the extent of land required, and particularly the extent of the land which will be subject of the Order must be accurately presented to the Secretary of State.
- 5.2 The purpose of the recommendations in this report is to finalise the preparatory work before Cabinet is asked to make the revised Order. The recommendation to Cabinet to make the Order will be put forward in a follow up report.
- 5.3 Every effort is being made to acquire land and property needed for a revised scheme via negotiation, but it is possible that full site assembly may not be achieved by agreement, it is therefore considered that it is still appropriate to progress the making of a Planning Compulsory Purchase Order to support the delivery process.

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

6.1 Financial Implications

- 6.1.1 The proposed acquisition of the Ponders End Electric Quarter site has been included with the council's capital medium term financial plan. Growth Area Funding (GAF) has been identified to start the land assembly for this site along with additional funding from the Neighbourhood Regeneration capital budget through unsupported borrowing. The cost of borrowing will form part of the pressure on revenue budgets in future years.

6.2 Legal Implications

- 6.2.1 The procedure for making a Planning Compulsory Purchase Order is set out in various compulsory purchase legislation, as well as in Government guidance, contained in Circular 06/2004 Compulsory Purchase and The Crichel Down Rules ('the Circular').
- 6.2.2 The Circular deals with such matters as the required information which must be submitted to the Secretary of State for confirmation of the CPO.
- 6.2.3 The accurate plan showing the extent of the Order Land must be submitted with the draft Order.
- 6.2.4 The title of the Order is the matter for a local authority, provided that it is possible to ascertain from the name of the Order what area it relates to.

6.2.5 The recommendations in this report accord with the procedures for making a Compulsory Purchase Order.

6.3 Property Implications

6.3.1 Previous Cabinet Reports described the property implications arising from both voluntary and compulsory acquisitions under Compulsory Purchase Order Code including satisfactory financial viability testing and sensitivity analysis, appropriate due diligence investigations and appropriate risk assessment.

6.3.2 The project should ensure that sufficient funding is set aside for interim holding costs (following compulsory or voluntary acquisition) including but not limited to security, repair and maintenance, insurance, business rates and other costs of a periodic or re-occurring nature.

7. KEY RISKS

7.1 **Do Nothing** – the Council will be unable to deliver the Electric Quarter and therefore regenerate Ponders End High Street.

7.2 **Unsuccessful Compulsory Purchase** – there are no guarantees that any CPO will be successful. The Council has however been working on the Regeneration of Ponders End High Street for several years. A preferred delivery partner has been identified and the Development Agreement should be completed shortly. The Statement of Reasons for the renamed 'London Borough of Enfield (Ponders End Electric Quarter) Compulsory Purchase Order 2014' will be revised to reflect expert legal and planning input.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Regeneration of Ponders End High Street will promote fairness for all members of the local community through consulting the community on the proposals and by the planned provision of new commercial, community and residential development that is appropriately accessible to the local community. The Community Benefits Toolkit has already informed Tender Documentation, and accordance with its requirements was an evaluation criterion.

8.2 Growth and Sustainability

Growth and sustainability are central to the proposals for Ponders End High Street. The proposed development will provide growth in terms of increasing the supply of quality housing in the area; improving the quality and quantity of commercial space; and by including one or more community uses that will facilitate appropriate community activities.

8.3 Strong Communities

The proposals for Ponders End High Street aim to increase home ownership levels in the area which will create a more mixed community and support greater footfall along the High Street. The proposed redevelopment will also provide a range of unit sizes to accommodate a diversity of community and commercial uses, and improving the public realm will facilitate the free flow of people between the High Street, Park, and the former Middlesex University site. The scheme will also provide sufficient space to accommodate the expansion of the local Mosque, which is very popular and at capacity.

9. EQUALITIES IMPACT IMPLICATIONS

9.1 In accordance with the Contract Procedure Rules Version 6, the Regeneration of Ponders End High Street has been subject to a Predictive Equality Impact Assessment in March 2012 and an Equalities Impact Assessment in October 2012 as part of the outline planning application. A revised Equalities Impact Assessment will be submitted with the new planning application.

9.2 Overall the Equalities Impact Assessment finds the proposed development will respond positively to securing a development that promotes equality.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

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

- Core Policy 41 of the Core Strategy
- Shaping Enfield's Future
- North East Enfield Preferred Options Report
- Ponders End Central Planning Brief (approved for adoption)
- 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.

11. PUBLIC HEALTH IMPLICATIONS

11.1 The Outline Planning Application (see Planning Application: P12-02677PLA) included a Health Impact Assessment. It concluded that the development will have an overall beneficial effect on several determinants for health, in particular on employment and education (in terms of job training), which have been identified as priorities in the local area. The Health Impact Assessment will be revised and refreshed in light of the new site boundaries as part of the submission of a new planning application.

11.2 Furthermore, the development has 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, mainly through the education and training opportunities, but also through the re-provision of a more modern and attractive library.

Background Papers

None.