

MUNICIPAL YEAR 2014/2015 REPORT NO.

DELEGATED AUTHORITY REPORT

OPERATIONAL DECISION OF:

Director - Regeneration and Environment &
Director of Finance, Resources and
Customer Services

REPORT OF:

Director - Regeneration and Environment &
Director of Finance, Resources and
Customer Services

Contact officer and telephone number:
Marc Clark 020 8379 5537

E mail: marc.clark@enfield.gov.uk

Agenda – Part 1:

KD No: KD 3931

**Subject: Meridian Water – Project Delivery –
Exchange and Complete Purchase
Agreements**

Wards: Upper Edmonton & Edmonton Green

1. EXECUTIVE SUMMARY

- 1.1. Cabinet of 9th April 2014 delegated authority (KD: 3827) to the Lead Member for Housing and Estate Regeneration and the Lead Member for Finance, along with the Director - Regeneration and Environment and the Director of Finance, Resources and Customer Services, to exchange and complete the purchase agreements for three sites within the Meridian Water opportunity area.
- 1.2. In September 2014 (KD: 3931) a delegated authority report agreed the Heads of Terms for the acquisition of 3 sites in the Meridian Water masterplan area. This report also agreed the scope of further intrusive site investigation works and the appointment of an Insurance Broker to advise and procure Environmental Liability Insurance in relation to the purchase of the 3 sites.
- 1.3. In March 2015 (KD: 3931) a further delegated authority report:
 - Agreed that the level of assurance received from the Environment Agency dated 12 January 2015 was sufficient to proceed with the acquisitions;
 - Approved the exchange of contracts delegating authority to:
 - The Director Regeneration and Environment & Director Finance, Resources and Customer Services authority to serve written notice in accordance with the Heads of Terms that the Environmental Condition had been satisfied
 - The Director Regeneration and Environment & Director Finance, Resources and Customer Services to finalise the drafts and then unconditionally exchange and complete the sales and purchase agreements (contracts),

- The Director Regeneration and Environment & Director Finance, Resources and Customer Services proceed with the purchase of environmental liability insurance on the terms illustrated or better.

1.4. Contracts have now been finalised as have the Environmental Liability Insurance terms and this report seeks authority to execute and unconditionally exchange the sale and purchase contracts, procure Environmental Liability Insurance and complete the land acquisitions.

2. RECOMMENDATIONS

It is recommended that the Director Regeneration and Environment & the Director Finance, Resources and Customer Services:

- 2.1. Agree the sale and purchase contracts appended to Part 2 of this report;
- 2.2. Authorise the execution and exchange of the contracts and associated documents that constitute the transactions;
- 2.3. Authorise completion of the land acquisitions following unconditional exchange of contracts;
- 2.4. Authorise the purchase of Environmental Liability Insurance as recommended in Part 2 of this report.
- 2.5. Authorise the purchase of Defective Title Indemnity Insurance as recommended in Part 2 of this report and note that the cost of this insurance will be borne by the vendor.
- 2.6. Provide a post completion update report to Cabinet in accordance with KD 3827.

3. BACKGROUND

- 3.1 The Cabinet of 9th April 2014 delegated authority (KD: 3827) to the Cabinet Member for Business and Regeneration, and the Cabinet Member for Finance and Property acting with the Director – Regeneration and Environment and the Director of Finance, Resources and Customer Services to exchange and complete the purchase agreements when appropriate.
- 3.2 Two delegated authority reports, dated September 2014 and March 2015, under Key Decision 3931, have been authorised that has allowed progress to be made towards the exchange and completion of the purchase agreements.

Title Diligence

- 3.3 Title diligence has been undertaken by Nabarro LLP and completed in March 2015 following a final check of the land being sold to the Council, by the vendor. Following the vendor's checks, slight changes were made to the land being sold to the Council, but as previously reported, were immaterial.

- 3.4 Title indemnity insurance is being sought, with the intention to be in place upon completion. The cost of the insurance is being met by the vendor. The insurance will provide £10,000,000 cover and will be in perpetuity.

Environmental Condition

- 3.3 Notice has been served on the vendor stating that the environmental condition in the Heads of Terms has been satisfied and as such all three sale and purchase contracts are now unconditional. This means that once the Council has exchanged contracts the Council is obliged to complete the land purchases or risk being sued for breach of contract.
- 3.4 Environmental Liability Insurance and Defective Title Indemnity Insurance terms have also been finalised and are recommended for purchase.
- 3.5 This report seeks authority to execute the sale and purchase contracts, exchange the contracts unconditionally and complete the acquisition of the 3 sites within the Meridian Water Masterplan area.

Due Diligence

- 3.6 Due diligence has been completed and the final Reports on Title and Report on Environmental Liabilities and Mitigation are appended to Part 2 of this report. The reports have been produced by the Council's legal advisor Nabarro LLP.

Key Transaction Documents

- 3.7 A summary of the key transaction documents has been prepared by Nabarro LLP and is included in the Reports on Title which are appended to Part 2 of this report.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 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 the vendor bringing the land to market and securing development and consequent benefits for the community.
 - The use of compulsory purchase powers to acquire the land that comprises the opportunity, either as a package or individually has been considered, but this is not the council's first preference given the negotiations that are currently taking place with the land-owner, terms have been agreed and the sales and purchase contracts are drafted.

5. REASONS FOR RECOMMENDATIONS

- 5.1 To provide a greater level of certainty over the timescales associated with the development of three early start sites in Meridian Water and their relationship with significant rail and education infrastructure, and to increase developer and stakeholder confidence in the delivery of the Masterplan.

5.2 Acquisition and therefore the control of land within the Meridian Water Masterplan area will help accelerate housing delivery.

5.3 The purchase of the sites will support the Meridian Water Housing Zone bid.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 Please see Part 2 of this report.

6.2 Legal Implications

6.2.1 This report should be read with the report dated 6 March 2015. The legal implications and the risk analysis in that report are relevant and apply to this, and Part 2 of this report.

6.3 Property Implications

6.3.1 Aside from issues raised in other sections of this report there are no new property issues arising.

7. KEY RISKS

7.1 The key risks were detailed in the 6th March 2015 delegated authority report and have not changed with the finalisation of the sale and purchase contracts and the environmental liability insurance terms.

8. IMPACT ON COUNCIL PRIORITIES

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 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 EqIA 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 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.

11 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 will have positive benefits.

12. HEALTH AND SAFETY IMPLICATIONS

- 12.1 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.

Background Papers

None.

