

## MUNICIPAL YEAR 2014/2015 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**OPERATIONAL DECISION OF:**  
Director – Regeneration and  
Environment

<b>Agenda – Part:</b>	<b>KD Num: 3258</b>
<b>Subject: Neighbourhood Regeneration Resourcing Report</b>	
<b>Wards:</b>	<b>All</b>

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### 1. EXECUTIVE SUMMARY

The purpose of this report is fourfold; to clarify the remit and role of the Neighbourhood Regeneration team, to seek approval to restructure the team to ensure effective delivery of the objectives, to seek approval to use existing resources within the MW capital programme and to explain how the Meridian Water project will be governed.

### 2. RECOMMENDATIONS

It is recommended that the Director – Regeneration and Environment approves:

- 2.1 the role of the Neighbourhood Regeneration Team as defined at paragraphs 3.1-3.8.
- 2.2 the additional resources and the additional expenditure outlined at 6.1, contained within the existing Neighbourhood Regeneration Capital Programme.
- 2.3 the restructure as set out in Appendix 1.
- 2.4 the Meridian Water governance arrangements in principle, subject to Cabinet approval of the final member governance arrangements.

### **3. BACKGROUND**

#### **Redefining the Neighbourhood Regeneration Team's Role**

- 3.1 The Neighbourhood Regeneration Team ("The Team") has the overarching responsibility for revitalising some of the most deprived neighbourhoods in the borough. Up until now the focus has been on the "Place Shaping" areas of Edmonton, Meridian Water, Enfield Town, Ponders End and New Southgate.
- 3.2 These five areas were chosen with good reason but they are not the only places in need of inward investment and new homes. The role of The Team going forward will be to coordinate regeneration initiatives in all areas of the Borough where there is an identified need. This is partly a recognition that other areas of the Borough are in as great, if not greater, need of investment and partly to enable The Team to pursue housing opportunities across Enfield. The Team will, in particular, target resources at places where neighbourhood revitalisation is unlikely to be delivered by market forces.
- 3.3 This change of focus will not result in multiple new projects which The Team cannot resource. It will instead mean that opportunities in areas of need will not be overlooked if they fall outside of an arbitrary boundary. The Team has also already been refocused away from non-core business work such as shop front improvements, street markets (both of which have moved to Economic Development), market gardening (the commercial projects have moved to Public Realm but Community Growing has been retained because it fits with The Team's social regeneration objectives) and the plan for Edmonton green (moved to Strategic Planning) which are a better fit with other teams.
- 3.4 Successful regeneration has to be holistic, comprehensive and community focused. Physical, economic and social interventions are all essential to achieve the desired outcomes. The Team is responsible for, and will continue to be responsible for, physical and social regeneration initiatives. Economic development is led by a separate team which The Team will continue to work closely with to ensure that this third element of regeneration is interwoven into area based approaches.
- 3.5 The one exception to the above will be the Meridian Water project. The scale and complexity of Meridian Water requires singular leadership coordinating the physical, social and economic development strands. Meridian Water is seeking to achieve 3,000 new jobs in a sector(s) which achieves a step change from the traditional industrial sectors of the Lee Valley corridor. The delivery of the employment uses on Meridian Water will be delivered by The Team working in close collaboration with the Economic Development Team to draw upon their expertise.
- 3.6 Physical regeneration must encompass all physical change required to enable neighbourhoods to successfully flourish. The ingredients of a successful neighbourhood will be different in different areas but the essentials will always be good schools, quality green spaces, well designed homes and sufficient local amenities and facilities. The Team will continue to be responsible for

delivering this essential infrastructure as well as new homes to enable all neighbourhoods to flourish. The Team's work will include, but is not limited to, the following:

- Setting out a vision for an area
- Delivery of new homes
- New or improved infrastructure such as parks, schools, roads, rail, shops, GP centres and community facilities
- Social regeneration initiatives which foster community cohesion and improve health and wellbeing
- Delivery of employment uses
- Community engagement and consultation

3.7 Henceforth The Team will have a renewed and greater focus on the delivery of new homes (but not at the expense of other priorities). The local housing market continues to fail to deliver the number and type of new homes needed locally. There is therefore a role for the Council to increase supply to achieve the Administration's target of starting 10,000 new homes by 2019.

3.8 The Team will be responsible for the early delivery of new homes in Meridian Water, Ponders End and in Edmonton (where the Council has committed to enabling the delivery of 3,000 new homes in the next 15 years). The Team will however also identify, acquire and develop sites elsewhere in the borough where sites are capable of achieving a worthwhile net increase in new homes and a return on the Council's investment. The approach to delivering new homes will be governed by the Council's Housing Development Framework.

### **Resourcing and Restructuring The Team**

3.9 The Team does not currently have the resources in place to deliver the Council's strategic regeneration objectives, particularly at Meridian Water. Meridian Water is currently resourced by 0.5 x Programme Director, 0.5 x HOS and 0.5 x MM2 with ad hoc support from PO1/2 officers. For example, and by way of comparison, the Woodberry Down Regeneration project had a team of 20 to get that project underway. The 2015 PWC audit report on Meridian Water identifies the shortage of resources as a risk to the successful delivery of that project.

3.10 Meridian Water is the Council's number 1 priority. Meridian Water has the potential to transform industrial wastelands into a destination place. A place that stands for the highest quality of design and planning, a desirable place renowned for excellent schools, entertainment and leisure facilities. Meridian Water, in the area it encompasses and in development value terms, rivals the redevelopment of Kings Cross, White City, Battersea the docklands. Meridian Water is therefore competing with projects of this ilk for the best talent in the sector to ensure this opportunity becomes a success.

3.11 In addition to the current team roles it is recommended that the following posts are created:

- Meridian Water Infrastructure Manager (MM2)
  - Meridian Water Development Manager (MM2)
  - Regeneration Programme Manager (MM2)
  - Strategic Design Manager (MM1/2)
  - Senior Project Manager (MM2) x2
  - Regeneration Support Officer (S01) x2
  - 1x Apprentice
- 3.12 This restructure is not expected to result in any redundancies and opportunities to assimilate staff will be taken as appropriate. The intention is for as many of the roles as possible to be filled on a permanent Council contract basis.
- 3.13 Not all of these roles are additional ones. It is anticipated that 2x MM2 posts and 1x S01 posts are capable of being filled within The Team in which case their old posts will then be deleted. The Team currently includes 2x PO2 and 4x PO1 posts; to reflect the complexity of the work involved, the need to retain quality staff, and to enable staff to be deployed flexibly The Team will instead include 6x PO2 Regeneration Officers.
- 3.14 The two Meridian Water managers will be responsible for procuring and coordinating the physical delivery of Meridian Water. These specialist roles could be filled via Matrix.
- 3.15 The purpose of the Regeneration Programme Manager is to programme manage The Team's portfolio of projects to advise upon the considered deployment or resources, project planning, risk management and identifying positive publicity opportunities.
- 3.16 A full-time Strategic Design Manager is required to ensure that all physical projects achieve the highest standard of design. The purpose of the role will be to attend and provide advice at all the Meridian Water and Electric Quarter design team meetings, provide design advice on all physical projects, prepare design capacity studies to support the delivery of new homes. 0.5 of the officer's time will be working on Meridian Water to advise on designing the new station and square, the kick start homes, the design code, new schools and open space.
- 3.17 The purpose of the two new Senior Project Manager roles is to deliver particular large projects such as the delivery of the 3,000 homes in the Edmonton hinterlands or one of the Meridian Water projects.
- 3.18 Development surveyors are essential to ensure that the Council achieves best value from land acquisitions, disposals and developments. One dedicated development surveyor will be appointed to work on Meridian Water with the option for a second to concentrate on new housing opportunities. These roles could be filled via the GVA co-sourcing arrangement or through specialist consultancy. The development surveyor will work closely with colleagues in Property Services.

- 3.19 Regeneration support is also required at both a SO1 level and an apprentice to support the Council's successful apprentice programme. These officers will work across all projects as required, including facilitating governance.
- 3.20 These posts move The Team towards the establishment of a seriously resourced multi-disciplinary team with the range of skills and expertise needed to deliver complicated regeneration projects. To complete The Team a dedicated Legal Officer, Development Surveyor(s) and Planner are required.
- 3.21 Legal Services are seeking to recruit a new and highly experienced Legal Officer who will be a dedicated resource for The Team generally but with a particular focus on Meridian Water. This Legal Officer will sit within the Legal Services Team and work closely with The Team's external lawyers at Trowers and Hamlin. The role will be financed by The Team.
- 3.22 The Development Management Team is also currently going through a restructure. The restructure will provide for a Special Projects Team which will need to identify a Planner who can prioritise Meridian Water and other major projects taken forward by The Team.
- 3.23 The salary of all of these roles will be capitalised with income recovery expected via the sale of land and property. The Financial Implications set out the anticipated cost and budgetary projections.
- 3.24 The creation of these posts will require the existing team to be restructured. Appendix 1 shows how The Team will be organised once fully resourced. It is recommended the performance of The Team, particularly in terms of The Team's ability to resource Meridian Water will be reviewed in Summer 2015 to consider whether the resourcing requirements are adequate.

### **Project Governance**

- 3.25 Projects will be managed in compliance with the corporate project management approach. Project teams and project boards will be established depending upon the size, value and strategic nature of the project to ensure adequate resourcing.
- 3.26 The strategic importance of Meridian Water necessitates a different approach to project governance. Meridian Water is a programme of a series of projects and each project will require a project team to be established to steer delivery.
- 3.27 It is proposed that Meridian Water is comprised of six workstreams overseen by a Programme Board. One of the primary roles of the Programme Board will be to ensure that all five projects are tightly tied together. The Programme Board will meet at a higher level of seniority than the project teams, typically Head of Service / Assistant Director level. The following is the remit of the Programme Board:

- Oversee all Meridian Water projects

- Set the strategy, including preparation of the Meridian Water Regeneration Strategy
- Provide a strategic steer
- Manage risks and project planning
- Ensure adequate resource
- Budgetary management
- Communications and press
- Stakeholder engagement

3.28 The programme board will be chaired by the Programme Director and will meet monthly. The Programme Board will report to the Meridian Water Strategic Group. The attendees for which will be:

- Chief Executive (Chair)
- Director of Regeneration and Environment
- Director of Finance, Resources and Customer Services
- Assistant Director of Property Services
- Assistant Director of Legal Services
- Meridian Water Programme Director

3.29 The role of the Meridian Water Strategic Group will be:

- Monitor the progress of Meridian Water
- Provide a strategic steer
- Monitor financial expenditure
- Monitor strategic risks

3.30 Member oversight is imperative for a project of the strategic significance of Meridian Water. It is therefore proposed that a monthly meeting, the Meridian Water Member Advisory Group be established. It will be chaired by The Leader and other Cabinet Members will be invited depending upon the agenda.

3.31 The role of the Meridian Water Member Advisory Group will be to:

- Monitor the progress of Meridian Water
- Provide a strategic steer
- Be appraised of the key risks
- Be kept informed of stakeholder engagement
- Monitor media coverage

3.32 Highlight reports will be used to brief both the Meridian Water Strategic Group and the Meridian Water Member Advisory Group meeting.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 The alternative options are:

- Not to revise the role of the Neighbourhood Regeneration Team. This would result in fewer homes being delivered and particular neighbourhoods neglected over others.
- Not to increase resources or restructure the team. This would result in the scaling down of Meridian Water, slower delivery and fewer homes.
- Not to implement project governance. This would result in poor project oversight and a poorer quality and slower pace of delivery.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 There is a compelling economic case for implementing the changes recommended within this report. The experience of the last five years has shown that there is a local housing market that is failing to deliver either the quantum or the type of homes needed. This carries a real cost to the Council as the temporary accommodation budget increases. Furthermore, not replacing social housing lost via the Right to Buy carries not only a punitive interest charge but a reduced revenue stream to the HRA. The report recommends that The Team has a renewed focussed on housing delivery to meet these challenges.
- 5.2 A bigger team is needed to meet the scale of the challenge and to meet the ambitious timetable set by the Council. By capitalising all staffing costs the expectation is that these posts can be cost neutral over time. Progress on this front is recommended for review in 2018.
- 5.3 Projects of the complexity of Meridian Water cannot be delivered effectively without good governance. The governance arrangements set out within this report are appropriate for a project of the scale of Meridian Water.

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

### **6.1 Financial Implications**

- 6.1.1 The proposed new structure for the Neighbourhood Regeneration Team within the Environment and Regeneration department is estimated (at 2015/16 costs) as follows:

	Estimated staffing Costs	Funding Sources			
		Capitalisation	Reserves	Core Budget	15% fees

	£000	£000	£000	£000	£000
Cost of existing structure	568	451	99	18	67
Scenario 1 – Existing staff, Externally recruited permanent staff and internal recruitment	1,037	1,019	0	18	153
Scenario 2 - Existing staff , agency and consultants	1,244	1,226	0	18	184

- 6.1.2 Scenario one, where the new structure includes existing staff and a mixture of internally and externally recruited permanent staff to new posts is estimated to be £1.037m per annum. There is a core budget of £18k to fund the salaries of these roles, the remaining salary costs will be capitalised, and there will be further 15% fees of £153k capitalised to cover overheads. The additional resources required from the existing capital programme will be £654k per annum.
- 6.1.3 Scenario two, where the new posts are covered by a combination of externally recruited permanent staff, agency staff and consultants is estimated to be £1.244m per annum. The additional 15% fees will be £184k. This will be funded from capital and existing core budget of £18k. The additional capital funding required from the existing capital programme will be £892k per annum.
- 6.1.4 At the time of writing the report, the approved Meridian Water Neighbourhood Regeneration capital programme is £46m. However this budget is only available subject to outcome of potential land acquisition and land swap commitments. The capital resources required to meet the cost of the new team will be met through prudential borrowing, the revenue cost of borrowing will be approximately £80,000 per million. The borrowing costs will form part of the pressure on revenue budgets in future years. There is an expectation of income recovery via the sale of land and property; however there is a risk attached to this and the timing of the receipt cannot be forecast.
- 6.1.5 It is anticipated that the new roles will be required until the completion of the project, when the project is complete, staffing resources can be made available for similar capital project / projects. Should there be any redundancy costs, associated costs will be calculated following the outcome of the redeployment process, and any one-off redundancy payment will have to be met by the department.

## 6.2 Legal Implications

- 6.2.1 The Council has a duty to ensure continuous improvement to ensure value for money in accordance with the Local Government Act 1999. Therefore, the restructure must be in accordance with the Council's current applicable policies and procedures to ensure such continuous improvement/value for money is achieved. The changes outlined in the report will assist in achieving value for money.

- 6.2.2 If the restructure leads to the creation of new posts; under the Local Government Act 1972 the Council is able to appoint such officers as it thinks fit for the proper discharge of its functions. However, any new posts must be advertised and recruited to in accordance with the Council's applicable policy and procedure.
- 6.2.3 By section 139 (1) of the Employment Rights Act 1996 (the 1996 Act) a redundancy situation arises where the employer no longer needs work to be done in a particular area. Redundancy is deemed one of the fair reasons for dismissal under S.98 of the Act provided proper consultation has taken place with the employee and/ or their representative and the employee was not unfairly selected for redundancy. Where an employee is threatened with redundancy, the Council must take steps to find the employee suitable alternative employment. However what is described in the report appears to be that some people will be transferred into the new posts, thus leaving their old posts redundant. If there is no post holder in the redundant post then the position in relation to deleting it is much simpler.
- 6.2.4 Employees of local authorities are subject to the provisions of the Superannuation Act 1972, and the detailed regulations made thereunder, including the Local Government Pension Scheme Regulations 1997 (as amended).

### **6.3 Property Implications**

There are no property implications in relation to this report.

### **6.4 HR Implications**

- 6.4.1 Staff and unions will need to be consulted on the proposed changes and the restructure of the Team.
- 6.4.2 The changes to the structure of the Team will be implemented in accordance with the Council's Principles of Managing Reorganisations.
- 6.4.3 Any further recruitment to positions within the Team will be in accordance with the Council's redeployment and recruitment policies and principles.
- 6.4.4 The new posts proposed will require formal job evaluation.

## **7. KEY RISKS**

- 7.1 That the projects deliver sub-optimal outcomes if they are inadequately resourced and not governed correctly.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

Meridian Water will deliver fairness for all by providing homes of different tenures, types and sizes to meet the diverse needs of the community.

## **8.2 Growth and Sustainability**

The Team will deliver new homes, jobs and infrastructure to support growth in the borough. Clean and green energy will be provided by the Lee Valley Heat Network to ensure that Meridian Water is an environmentally sustainable development.

## **8.3 Strong Communities**

New neighbourhoods will be designed to foster social cohesion through a series of physical and social interventions.

## **9. EQUALITY IMPACT IMPLICATIONS**

N/A

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

The recommendations within this report are designed to improve performance management.

## **11. HEALTH AND SAFETY IMPLICATIONS**

N/A

## **12. PUBLIC HEALTH IMPLICATIONS**

N/A

## Appendix 1



