

MUNICIPAL YEAR 2016/2017 REPORT NO. 66

MEETING TITLE AND DATE:

Cabinet
6 September 2016

REPORT OF:

Director of Regeneration
and Environment

Contact officer and telephone number:

Paul Gardner. 0208 3794754

E mail: paul.gardner@enfield.gov.uk

Agenda – Part: 1

Item: 11

**Subject: Meridian Water in principle
Compulsory Purchase Order**

**Wards: Edmonton Green; Upper
Edmonton**

Key Decision No: 4348

Cabinet Members consulted: Councillors
Oykener, Sitkin and Lemonides

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to request Cabinet to pass a resolution stating that the Council agrees, **in principle**, to use its compulsory purchase powers for acquisition of land necessary for the delivery of the Meridian Water Regeneration Scheme.
- 1.2 This report is coming forward now following the selection of Barratt London and SEGRO as master developer in May 2016.
- 1.3 The Director of Regeneration and Environment seeks authority to begin preparatory and planning work to use its compulsory purchase powers for all the land interests not yet in the ownership or control of the Council within the Meridian Water scheme area
- 1.4 It is to be noted that a request for Cabinet to pass a resolution to make and serve future Compulsory Purchase Orders (CPO(s)) will be made in separate future key decision(s) only once the following conditions have been reached, namely:
 - Completion of consultation on the updated Central Leaside Area Action Plan, which covers the Meridian Water scheme area;
 - An approach has been made to all landowners with a view to acquiring the land voluntarily; and
 - A Statement of Reasons setting out the justification of any CPO(s) has been prepared.
- 1.5 If recommended, the Council would exercise its compulsory purchase powers on those who have an interest in the land within the red line area as illustrated at Annex 1 and with whom it has not been possible, despite reasonable effort being made, to acquire the land voluntarily by negotiation.

2. RECOMMENDATIONS

- 2.1 To pass a resolution stating **in principle** that the Council agrees to use compulsory purchase powers to acquire the land within the area described in the report and shown edged red on the plan attached at Annex 1 of this report. The Council being of the view that compulsory acquisition of land is likely to be necessary in order to achieve the following:
 - a) Secure the delivery of the Meridian Water Regeneration Scheme and its housing and job-creation objectives;
 - b) Facilitate the carrying out of the development within agreed costs and timescales in partnership with the now appointed Master Developer; and
 - c) Contribute to the promotion and improvement of the economic, social and environmental well-being of the Borough
- 2.2 To authorise Council Officers to begin preparatory work to use its compulsory purchase powers, including serving a Requisition on land owners for declaration of land interests, and the preparation of a Statement of Reasons.
- 2.3 To note all necessary expenditure associated with such preparatory work (including legal fees, consultants' fees, and any other investigation work or research) will be contained within the existing approved capital budget.
- 2.4 To note that a further report will come forward to Cabinet early in 2017 recommending the Meridian Water CPO Strategy and the making of the CPO.
- 2.5 To note that a Meanwhile Strategy for Meridian Water will be coming forward later in 2016.

3.3 BACKGROUND

- 3.1 On the 10th February 2016 Cabinet (KD4229) agreed the increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of a number of regeneration initiatives which included Meridian Water land acquisition.
- 3.2 On 18th May 2016 Cabinet (KD4241) approved the decision to approve the outcome of the Meridian Water Master Development Partner procurement process. A joint bid between Barratt London and SEGRO has been successful in being selected as the Master Developer.
- 3.3 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.

- 3.4 The Council has adopted a proactive strategy of coordinating the delivery of the Meridian Water development following feedback from developers that multiple landownerships are a barrier to comprehensive development. The Council's strategy is to acquire all land required for the Meridian Water scheme. This not only ensures the delivery of the project, it also ensures that the Council has control at every stage of the development process which is crucial to ensure quality is maintained.
- 3.5 The Council has engaged the following external advisers to form a dedicated Compulsory Purchase and Land Assembly team: solicitors Trowers & Hamlins; leading barrister Guy Roots QC; property agent Jones Lang LaSalle (JLL); Matthew Bodley, independent Compulsory Purchase surveyor; and planning consultant ARUP.
- 3.6 A Meanwhile Strategy is currently being prepared with a dual purpose. The first is to support meanwhile uses that generate sufficient revenue to offset our borrowing costs. The second is to form part of a pioneering stage of the Meridian Water regeneration strategy: changing perceptions of the area, generating footfall, and creating a destination.
- 3.7 In the draft Master Developer Framework Agreement (see Section 3.48), the timescale for the full scale development of Meridian Water is 20 years. It is anticipated that development will be brought forward in zones for practical, planning and financial reasons. We are not yet in a position to know the sequence of the phasing of the development, and cannot therefore say at this stage how many compulsory purchase orders may be needed or when they need to be served. The following refers to the Meridian Water area as a single area, and this is simply referred to as "Meridian Water". However at this stage, the remit of this report is an agreement in principle to use compulsory purchase powers; and the details, extent or number of any proposed Compulsory Purchase Orders, cannot be known at this stage.
- 3.8 The use of compulsory purchase powers is a draconian statutory tool. Therefore this report goes into some length to explain the context and justification for recommending that the Council agrees in principle to use such powers in this case. These justifications are set out below under the sub-titles of: land acquisition to date, definition of the Meridian Water area, Planning Policy Framework (covering all scales of planning policy from national, regional through to local), land assembly strategy, and a summary of advice from our dedicated Compulsory Purchase and Land Assembly team.

Land Acquisition to Date

- 3.9 To date the Council has acquired 20 hectares of land within Meridian Water. 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
- 3.10 The Council's land buying agent, JLL, is negotiating the acquisition (the terms of which are confidential) of a number of other sites at Meridian Water and within 2016 a number of other sites are expected to be under the Council's control ensuring the Council's land acquisition strategy unlocks Meridian Water's potential. The Council currently is under an exclusivity agreement to acquire a 4.5 hectare site.

The Area defined as "Meridian Water"

- 3.11 The land which officers recommend in due course should be subject to compulsory purchase powers is referred to in this report as "Meridian Water".
- 3.12 Meridian Water comprises an area of land of approximately 85 hectares and is shown edged red on the attached plan at Annex 1. The red line area corresponds with the Place Shaping Priority Area Meridian Water as designated in The Enfield Plan: Core Strategy 2010-2025 (chapter 9.1) and illustrated on Map 9.3. (See paragraphs 3.23 - 3.28 of this report).
- 3.13 This red line boundary incorporates minor revisions to the Priority Area boundary that have been made since the production of the Enfield Plan (2010). The delineation of this has been carefully drawn to delimit a contiguous plot of land that has a strong potential for development, within the Enfield Borough boundary, demarcated by key transport infrastructure routes. The boundary of Meridian Water is as follows: The southern boundary follows the Borough boundary with Haringey along the line of Leaside Road and the boundary between Ikea-owned land (to the north) and the Lee Valley Park (to the south). The eastern boundary continues to follow the boundary with Haringey along the route of the River Lea. The northern boundary follows the North Circular Road excluding the Ravenside Retail Park up to the line of the West Anglia Mainline Railway (WAML). At this point the red line turns north to follow Angel Road Edmonton, to the WAML up to Conduit Lane. The northern boundary then follows Conduit Lane and Montagu Road to form the north-west boundary of Meridian Water. The western boundary then follows the North Circular Road up to and along Albany Road, before turning back south-west to follow the southern boundary of Ladysmith Park. The western boundary follows the back of the

properties along Kimberley Road and Willoughby Lane before re-joining Leaside Road at the junction of Willoughby Lane and Leaside Road.

- 3.14 The red line described above and shown on Annex 1 is indicative and officers will keep the precise boundary under review as further preparations and discussions with landowners proceed.
- 3.15 The Council already owns some of the land within the red line boundary as noted in paragraph 3.6 of this report. Officers recommend that the agreement in principle to use compulsory purchase powers covers all land currently not in Council ownership or control falling within the red line boundary as shown in Annex 1. It should be noted that there is no intention to displace the operations of Ikea and Tesco. Negotiations are in progress with both of these parties to acquire areas of non-operational land from them.
- 3.16 The Council has submitted a Planning Application for the development of land within its ownership at the western part of Meridian Water known as Zone 1 (16/01197/RE3). Submitted on 21 March 2016, the application was approved at the Planning Committee meeting on 28th June 2016.
- 3.17 Negotiations with several owners across Meridian Water are ongoing and will continue with a view to achieving, so far as practicable, voluntary acquisition of all the interests in Meridian Water which are needed to facilitate development. However, it is anticipated that compulsory purchase powers will be required in order to guarantee that each and every plot of land within the redline boundary is acquired by the Council, because it is unlikely that all land interests can be acquired by voluntary acquisition within a reasonable timescale.
- 3.18 In addition, the resolution will demonstrate to the partner Master Developer the Council's commitment to the project and provides certainty in negotiations with landowners and third party developers, by demonstrating that the Council is prepared to use its statutory powers in order to secure the successful and timely delivery of the Meridian Water development. Passing this resolution therefore helps remove substantial risk and uncertainty surrounding the development and greatly facilitates the planning and execution of acquisition, design development, statutory planning and delivery construction work.

Planning Policy Framework

National Planning Policy – National Planning Policy Framework

- 3.19 The National Planning Policy Framework (NPPF) (March 2012) sets out the Government's policies on planning and how these are expected to be applied. The NPPF makes it clear that the purpose of the

planning system is to contribute to the achievement of sustainable development and that there are three dimensions to sustainable development: economic, social and environmental. With regard to the proposed **in principle** resolution to use compulsory purchase powers, the approach taken by the Council to promoting the regeneration of this area already embodies the thinking regarding sustainable development in the NPPF in terms of the emphasis on urban regeneration and the efficient re-use of brownfield land in order to create sustainable development in line with economic, social and environmental objectives to improve people's quality of life. The emphasis on community involvement; creating a sustainable community in a high quality, safe and healthy local environment where people want to live; contributing to the promotion of urban renaissance and improvement of quality of life and access to jobs; building a socially inclusive community with a mix of housing; and improving the link between land use and transport are all in line with these proposals.

Regional Planning Policy and Guidance – The London Plan

- 3.20 The Mayor's revised London Plan was formally adopted in July 2011 and provides a strategic spatial strategy within Greater London. The Plan sets out a number of objectives to: optimise the potential of development sites; make the most sustainable and efficient use of land, particularly in areas of good public transport; improve the quality of life; deliver high quality new homes; mitigate and adapt to climate change; and secure a more attractive, well designed green city. The London Plan is currently being updated.
- 3.21 The adopted Plan Policy 3.3 identifies the need to deliver an annual average of 42,000 additional homes across the capital each year. In the 2015 revision of the plan, paragraph 3.16b entitled 'London's housing requirements' states that "the central projection in the Strategic Housing Market Assessment (SHMA) indicates that London will require between approximately 49,000 (2015-2036) and 62,000 (2015-2026) more homes a year."
- 3.22 Policy 2.13 of the London Plan refers to "opportunity areas" that have been identified on the basis that they are capable of accommodating substantial numbers of new homes and employment and seeks to ensure the area's potential is optimised. The Upper Lee Valley (in which Meridian Water is situated) is identified in London Plan Policy 2.13, supported by London Plan Annex One, as an opportunity area.
- 3.23 In October 2015, the GLA designated Meridian Water one of 20 new Housing Zones in London, unlocking funding for key infrastructure and enabling works, including the station, remediation and boulevard.
- 3.24 The next update to the London Plan is due to be made in 2017, with examination in 2018 and adoption in 2019.

Sub-Regional Planning Policy – Upper Lee Valley Opportunity Area Planning Framework

3.25 The Upper Lee Valley Opportunity Area Planning Framework (ULVOAPF) (adopted July 2013) covers c. 3,900 hectares shared between the London Boroughs of Enfield, Haringey, Waltham Forest and Hackney. The headline objectives for the Upper Lee Valley include:

- Over 15,000 new jobs by 2031
- Over 20,100 new well designed homes by 2031

3.26 Meridian Water, roughly in the centre of the Opportunity Area and at the junction of three London Boroughs, is identified as a Growth Area. Chapter 7.2 specifies the following principles for Meridian Water:

- a) Realising the scale of opportunity and the opportunity of scale;
- b) Delivering 5,000 new homes; and
- c) Facilitating economic growth: delivering at least 3,000 new jobs of varied types.

3.27 The ULVOAPF is currently being updated, a timetable for which is expected to be announced in the autumn.

Local Policy – London Borough of Enfield Core Strategy

3.28 The Core Strategy was adopted at Full Council on 10th November 2010. It sets out the spatial planning framework for the long term development of the borough for the next 15-20 years. Core Policy 2 states that the Council will plan to meet the housing growth targets as set out in the London Plan for the fifteen year period from 2010/11 to 2024/25 and will plan for the provision of approximately 11,000 new homes.

3.29 Core Policies 37 and 38 (p. 153-155) deal specifically with Central Leaside and Meridian Water respectively. Policy 37 states:

“At Meridian Water... ..the potential of a new sustainable urban mixed use community has been identified to play an important role in the delivery of planning and regeneration objectives, bringing forward in the region of 5,000 new homes and 1,500 new jobs (see Core Policies 2 and 13).”

3.30 Policy 38 states, “Based on the evidence of initial growth scenarios in the Meridian Water Place Shaping Priority Area, the objectives of new development will be to create a new community by 2026 with up to 5,000 new homes, 1,500 new jobs and all the necessary infrastructure

to support the community and attract families and new employers to the area.”

- 3.31 There are further justifications and explanations of these policies in paragraphs 9.9 to 9.11 of the Core Strategy.
- 3.32 Cabinet should note that while this is currently the only adopted Council planning policy that specifies housing and development targets at Meridian Water, there have been important developments since 2010. Therefore, these stated targets should be treated as baseline targets. Planning policy and framework agreements produced since 2010 take account of the growth in population in the borough as well as pressure on housing demand generally in London, and therefore have considerably higher targets for housing units and job creation at Meridian Water.
- 3.33 The Council’s Core Strategy is currently being updated and will incorporate updates to the Meridian Water development accordingly. Consultation on the Local Plan Review is due to take place early 2017 with formal adoption by the end of 2018.

Area Planning Policy – Central Leaside Area Action Plan (Proposed Submission status)

- 3.34 The Central Leaside Area Action Plan (AAP) was produced in November 2013 and approved by full Council on 19th November 2014 as a Draft for Submission to the Secretary of State.
- 3.35 The primary purpose of the AAP is to articulate in greater detail how the Core Strategy and relevant Development Management Document (DMD) policies will be implemented, and to provide a more detailed policy framework to guide new development in the area.
- 3.36 The current text of the plan accords with the Core Strategy and states that the AAP will drive and support the delivery and transformation of Meridian Water. It says, “the waterside location, superb public transport accessibility and Lee Valley Regional Park setting give Meridian Water the opportunity to be the location of choice in North London.” The approval of the draft AAP demonstrates the Council’s commitment to the regeneration of the Meridian Water area.
- 3.37 The AAP went to Public Consultation between January 2015 and March 2015 and received 22 representations. The AAP was not submitted to the Secretary of State, and so has not been adopted. This is because significant changes, particularly with regard to Meridian Water, necessitate an update of the AAP. The key changes are:
 - a. Updates to the London Plan (see 3.16-3.19);

- b. Major land acquisitions by Enfield Council;
 - c. Master Developer procurement; and
 - d. The new output objectives (10,000 new homes and 6,700 new jobs).
- 3.38 Building on the Council's commitment to deliver far reaching regeneration at Meridian Water, the AAP is now being updated to address these recent changes. The timetable for consultation is winter 2016-17, and for Secretary of State approval and adoption of the revised AAP is summer 2017.

Meridian Water Masterplan

- 3.39 The Meridian Water Masterplan provides a framework for managing change and development in this area. It was adopted as Planning and Urban Design Guidance on 17th July 2013 and is a material consideration in the determination of all planning applications in this area. The delivery target and specific scope of the development set out in the Masterplan is no longer what will be developed, since this has been overtaken by a number of changes which it is intended will be addressed in the revisions to the AAP. The principal changes are:
- a. Population growth in both the borough and London at large (according to the Enfield Council's Health and Wellbeing statistics, the borough's population is expected to grow from around 325,000 in 2015 to approximately 358,000 in 2032;
 - b. Housing pressures (see Section 3.23); and
 - c. The selection of a preferred Developer Partner (Cabinet Report KD 4241) and the draft Master Developer Framework Agreement (MDFA) (see paragraphs 3.48-3.5 of this report).

However, the principles and aspirations set out in the Masterplan (for example quality of design, strengthening communities and economic growth) are still applicable and therefore briefly described below. However, note that on adoption of the revised Central Leaside Area Action Plan, the Masterplan will be superseded.

- 3.40 The Masterplan has the same delivery targets as the 2014 Submission Draft of the AAP (5,000 new homes and 3,000 new jobs) but these will be updated in the revisions to the AAP. It includes detailed guidance on how the development and delivery of Meridian Water should follow eight guiding principles: Realising the scale of opportunity and the opportunity of scale; Delivering new homes; Facilitating economic growth; Enabling movement and improving transport connections; Celebrating the Lee Valley waterways; Building strong communities; Improving access to healthy living corridors; and Delivering high levels of sustainability.
- 3.41 The guiding principles are important and go some way to explaining why the Council has revised its strategic approach with respect to land acquisition: the ambitious principles of this flagship development, which

go far beyond a straightforward housing development project, require the Council to exert strict control over the development and delivery process throughout the lifecycle of the development. Full land ownership is critical in underpinning the exertion of this control and delivering all the benefits set out in the Masterplan.

Meridian Water: Investing in Enfield's Future

- 3.42 The Meridian Water Regeneration Framework, titled "Investing in Enfield's Future" was endorsed at Cabinet on 10 February 2016 (KD 4252) and forms the interim strategic approach to achieving sustainable development and long term growth for Meridian Water and taking the wards of Upper Edmonton and Edmonton Green out of the bottom 10% most deprived wards in England.
- 3.43 The Framework sets out the aims and aspirations for the future development over a 40 year timespan. The Action Plan, appended to the Framework, serves as a matrix to help measure performance of the development against six themes or "action areas" ranging from lifestyle to sustainable infrastructure and energy.

Land Assembly

- 3.44 A large proportion (c. 77%) of the land at Meridian Water is in third party ownership and/or control. Although various strategic acquisitions have been completed or are in the process of being completed (including a 4.5 hectare plot, which would take land in Council ownership up to 28% of Meridian Water), it is clear that the acquisition by agreement of all the land required to facilitate the redevelopment proposals and delivery of the Meridian Water development may not be possible within a realistic timeframe.
- 3.45 While LBE have been successful in acquiring some large plots of land in single ownership, the fragmentation of the ownership arrangement in Meridian Water, particularly in the eastern part of the area, means that attempts to acquire by agreement are likely to be complex and slow, with no ultimate guarantee of success. Officers are of the opinion that a resolution in principle to use compulsory purchase powers would facilitate negotiations because landowners would know that the Council genuinely means to progress the Meridian Water development and if a voluntary purchase could not be achieved in a reasonable timescale, compulsory powers will be used.
- 3.46 The current approach to land acquisition is detailed in the JLL Land Acquisition Framework. The central objective is for the Council to acquire the freehold interest in, and possession of, all the land within Meridian Water, so as to be able to control the process of transferring land parcels to the Master Developer.

- 3.47 A central rationale for adopting this strategy is to enable Enfield Council to take a leading role, retaining ultimate control of the delivery of the development, controlling progress of development, ensuring the highest levels of quality of development and securing the outputs to which it has committed in terms of jobs, sustainability, community facilities, affordable housing and tenure mix.
- 3.48 Cabinet should note that agreeing in principle to use compulsory purchase powers at Meridian Water will not undermine due process of pursuing negotiation and fair acquisition terms for existing land owners.
- 3.49 This approach of seeking a resolution to use CPO powers whilst continuing to try to negotiate acquisitions by private treaty agreement is in line with central Government's best practice advice for assembling land for schemes of this nature.

Master Development Framework Agreement

- 3.50 The Master Developer was procured through an OJEU procedure between April 2015 and June 2016.
- 3.51 As part of this process, prospective developers were invited to mark up and provide evidence of how they would meet the requirements as stipulated in the draft Master Development Framework Agreement (MDFA), which when finalised will form the contract between LBE and the Master Developer. These include:
- Highest quality of design and place-making throughout;
 - Over 8,000 new mixed tenure homes;
 - Over 3,000 new jobs in higher paid sectors; and
 - Return on the Council's financial investment;

These are the minimum commitments which the candidate Master Developers had to meet.

- 3.52 In light of the completion of the procurement process in which Barratt London was successful, the MDFA is being finalised with the approved Master Developer and is expected to be signed in late November 2016.
- 3.53 The outputs offered by Barratt London in their submission to the Master Developer procurement process exceeded the minimums set out in the MDFA. The MDFA is being revised based on these higher projections as submitted in Barratt's formal bid and include:
- 10,000 residential units
 - 6,700 permanent jobs
 - 10,000 construction jobs

- 3.54 The MDFA describes a partnership agreement between LBE and the Master Developer and will cover the Land Acquisition strategy for the development. Clause 14 of the current draft MDFA states that the strategy and timetable for the acquisition of future phases are subject to the possibility of the need for the use of compulsory purchase powers.

Meridian Water Regeneration Project: JLL Land Acquisition Framework

- 3.55 Jones Lang LaSalle (JLL) has been appointed as the Council's professional adviser with regard to land acquisition for Meridian Water
- 3.56 JLL has produced a Land Acquisition Framework in January 2016 which provides details of the justification and explanation of the stated land assembly strategy to "secure outright the freehold ownership and remove any leasehold interests either by way of immediate shorter term unconditional purchase or by a longer term conditional legal interest."
- 3.57 This Framework does not assume that compulsory purchase powers will be required or used. It simply sets out the case for the Council's acquisition of all the land within the Meridian Water area and gives details of how this can be undertaken.
- 3.58 The report summarises the council's approach to land assembly: The main objective of the land buying strategy is to secure outright the freehold ownership either by way of immediate shorter term unconditional purchase or by a longer term conditional legal interest. The rationale for this approach being that: having the land under control enables Enfield Council to secure certainty in the viability and deliverability of the project. Control also enables flexibility over the planning, phasing and delivery strategy that will be agreed with the Council's preferred developer partner.
- 3.59 The report documents significant preliminary work that has already been undertaken as part of the Council's Land Acquisition approach:
- a. Sourcing all Land Registry Titles and Plans (Trowers & Hamlins);
 - b. Creation of an ownership plan showing all legal interests across the Opportunity Area;
 - c. Together with Trowers & Hamlins, creation of an acquisition monitoring tool including contact details for each identified freeholder and long leaseholders; and
 - d. Correspondence inviting private treaty negotiations is being sent out to all who have a land interest within the Meridian Water development as part of Council's efforts to secure land acquisition on the basis of negotiated agreement.

- 3.60 JLL continues to work with the Council and the appointed Master Developer to confirm the timeframe for engaging with landowners, the form of engagement and the role for the development partners and a budget for the acquisitions.
- 3.61 This work has been undertaken in support of pursuing the negotiated voluntary acquisition of land interests within Meridian Water. However JLL has confirmed that the work and procedures followed are not in conflict with any potential future requirement to undertake a CPO.

Meridian Water and Leading Counsel's Advice on CPO

- 3.62 The Council has sought legal advice from Leading Counsel (Guy Roots QC) about the procedures to be followed by the Council and the criteria which must be met, in order to acquire land compulsorily in connection with the Meridian Water regeneration proposals.
- 3.63 The legal advice is that a CPO in connection with the Meridian Water proposals would be made under planning powers, that is, under section 226 of the Town and Country Planning Act 1990.
- 3.64 Counsel referred to the guidance to acquiring authorities on the use of compulsory purchase powers which is set out in a guidance note published by the Department for Communities and Local Government in October 2015 entitled "Compulsory Purchase and the Crichel Down Rules". This Guidance provides helpful information on the matters which the Secretary of State will take into account when considering whether or not to confirm a CPO. These matters as they relate to Meridian Water are considered below.
- 3.65 The Guidance states that the Council must demonstrate a compelling case in the public interest, and that the public benefits that will arise from the purpose for which the land is to be acquired (the scheme) outweigh the impact on those affected. The Council must demonstrate **both** the need for the scheme in principle and in general **and** the need to acquire each and every parcel of land included in the CPO. On the basis of the legal advice and the Guidance, Council officers are of the view that such a compelling case can be demonstrated from the desirability of implementing the Meridian Water development – in particular from the substantial wider benefits resulting from it.
- 3.66 The Council must also demonstrate that there are no other impediments to proceeding with the scheme, for example the need for planning permission. In the event that planning permissions and consents have not been obtained by the time the CPO is made, it would have to be demonstrated that there is no reason to have serious doubts that they would be granted.

- 3.67 The Guidance states that in considering whether or not to confirm a CPO, the Secretary of State will have regard to the extent to which the purpose for which the land is being acquired fits with the adopted Local Plan for the area or, where no such up to date Local Plan exists, with the draft Local Plan and National Planning Policy Framework.
- 3.68 The legal advice we have received is that the planning policy should be developed so as to be clear, specific, robust and up-to-date. Therefore, the actual making of a CPO will not occur until the updated AAP has been consulted upon.
- 3.69 In accordance with the advice the Council has received and the DCLG Guidance, at this stage, this report is requesting that Cabinet pass a Resolution stating that the Council is **in principle** willing to use its CPO powers to acquire all the land within the Meridian Water development area and to instruct officers to undertake investigatory and preparatory work to determine whether a CPO is desirable and achievable at Meridian Water and if so how it should be implemented.
- 3.70 The resolution now being sought will not of itself authorise the making of a CPO at this stage, but it will enable further work to be undertaken by Council and the Developer to enable a decision about whether or not to make a CPO at a later date. The in principle resolution should give landowners an indication that the Council is serious about land acquisition and so encourage them to negotiate in a meaningful way. Any decision to proceed with a CPO would be contingent on a compelling case having been assembled in support of the need to make a CPO for Meridian Water, and for all the financial, legal and planning conditions having been satisfied.

Delivery and Funding

- 3.71 The work required to prepare for the use of compulsory purchase powers, including all work needed to support the making of such an order will be managed and coordinated by Council officers. Enfield Council would continue to employ the services of JLL and Trowers & Hamlins to develop the Acquisition Strategy, serve the 'Requisition' notices on land owners to gather information about their land interests on the Council's behalf, and prepare the Statement of Reasons to support the making of the Order.
- 3.72 Funding required for this work will be limited to professional fees and has been reflected within the existing approved capital programme budget. Requests for funding of acquisition of individual plots will be brought forward to Cabinet separately for each plot to be acquired, as has been undertaken historically.

Human Rights and the Case for Compulsory Acquisition

- 3.73 The Human Rights Act 1998 places direct obligations on public bodies such as the Council to demonstrate that the use of compulsory purchase powers is in the public interest and that the use of such powers is proportionate to the ends being pursued.
- 3.74 When the Council decides to make a CPO, the Council will need to be sure that the purpose for which the land is required sufficiently justifies (or can be sufficiently justified in due course) interfering with the human rights of those with an interest in the land affected. It is acknowledged that the compulsory acquisition of the land at Meridian Water will amount to an interference with the human rights of those with an interest in the land. These include rights under Article 1 of the First Protocol of the European Convention on Human Rights (“ECHR”) (which provides that every natural or legal person is entitled to peaceful enjoyment of his possessions) and Article 8 of the ECHR (which provides that everyone has the right to respect for his private and family life, his home and his correspondence).
- 3.75 When preparing the CPO, officers will keep in mind and in due course advise the Council about the need to balance the public interest and the individual’s rights and that any interference with these rights will be necessary and proportionate. . “Proportionate” in this context means that the interference must be no more than is necessary to achieve the identified legitimate aim. As part of the investigations that will be undertaken ahead of making any CPO will be an investigation into the effect on landowners and leaseholders of the CPO, and this will be fully taken into account before a final decision is made as to whether or not to put forward a resolution for the making of a CPO.

Cost of compulsory purchase

- 3.76 Under compulsory purchase orders, property is acquired at open market value but disregarding any increase (or decrease) in value attributable to the “scheme” for which the land is acquired. Affected parties may also be entitled to other compensation for loss payments and disturbance depending on circumstances.
- 3.77 As part of the preparatory works, there will be a full financial modelling of cost implications of acquiring the land in the three year time window following a successful CPO.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The original policy for delivery of the Meridian Water Masterplan was that the Council would allow independent developers to bring forward plots separately for development.

- 4.2 However, it is now evident that this piecemeal approach could never achieve the ambitious outputs in terms of residential units and job creation, nor deliver the co-ordinated vision of creating a cohesive and distinctive neighbourhood within North London.
- 4.3 It is now agreed that the only way effectively to deliver the Masterplan is for the Council to take a lead partner role working in partnership with a contracted Master Developer that will have sole responsibility for delivering the entire development.
- 4.4 Negotiations to acquire land and property interests within the Meridian Water boundary have been pursued and will continue to be pursued after a resolution has been passed for in principle support of the use of compulsory purchase powers.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Meridian Water is the flagship development of the Council, and is of strategic importance for delivering a number of the Council's aims within the next 10-20 year timescale.
- 5.2 In the context of the 2016 Mayor of London election, and the newly elected Mayor's manifesto commitment to the building of more homes during his time in office, there is additional responsibility of London Councils to facilitate and accelerate large house building developments.
- 5.3 Following an extensive and thorough procurement process, the Master Development Partner has now been selected, and the Council is confirming its contractual agreement as set out in the Master Development Framework Agreement. The agreement will set out the Council's role in the assembly of land which the Master Developer will take forward in phased development.
- 5.4 According to reports produced by JLL and Trowers & Hamlin, it will take at least 15-18 months from Requisition (which is the stage of work that would follow an **in principle** resolution) to get to the point of the Planning Inspector making a recommendation to determine a Compulsory Purchase Order following a Public Inquiry. Given the long timescale for this process, it is crucial to take the first step now to agree **in principle** to use compulsory purchase powers and thereby initiate this process.
- 5.5 Based on Leading Counsel's advice, supported by JLL Land Acquisition Strategy, Council officers recommend that the Council proceeds with passing a resolution to agree **in principle** to use compulsory purchase powers on the Meridian Water regeneration area.

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

6.1 Financial Implications

6.1.1 The cost associated with the preparatory work for using compulsory purchase powers will be primarily professional fees incurred through the use of specialist advisors to support Council Officers. Whilst the exact costs cannot be forecast at this time an allowance has been built into the professional fees budget within the Neighbourhood Regeneration Capital programme agreed at Cabinet (KD4229) in February 2016. This budget will be subject to the same robust monitoring process as for all other Council budgets, reported through the quarterly monitoring process to CMB and Council and any variances addressed accordingly.

6.1.2 The use of compulsory purchase powers would support the land acquisition strategy for Meridian Water and assist in satisfying the financial parameters set out during the competitive dialogue process for the development partner which, for the avoidance of doubt, are contained within Part 2 of this report.

6.2 Legal Implications

6.2.1 Under section 226 (1) (a) of the Town and Country Planning Act 1990 a local authority has a general power to make a compulsory purchase order for the acquisition of any land in their area in order to facilitate the carrying out of development, redevelopment or improvement in relation to the land.

6.2.2 In order to exercise the s.226 powers the local authority must demonstrate that the proposed development/improvement is likely to contribute towards any of the following objects, namely the promotion or improvement of the economic or social or environmental well-being of their area.

6.2.3 Further legal implications are as set out in paragraphs 3.58 to 3.65 of this report. The Human Rights aspects of a CPO are contained in paragraphs 3.68 to 3.71 inclusive.

6.3 Property Implications

6.3.1 The proposed development accords with the Council's property and planning objectives and processes. Strategic Property Services (SPS) support the seeking of compulsory purchase powers as being necessary to deliver the development as reliance on purchase by agreement with all owners cannot be guaranteed.

- 6.3.2 Acquisition of property by the Council will be in accordance with the Council's Property Procedure Rules.
- 6.3.3 There are no implications which will arise directly from the passing of this resolution to agree in principle to use compulsory purchase powers at Meridian Water. The resolution itself does not commit the Council to a course of action and does not change the legal status of the land within the proposed red line boundary shown at Annex 1 and does not create any formal relationship between the Council and landowners or occupiers.
- 6.3.4 The Council, through its advisory team, is in contact with the main landowners in Meridian Water and is seeking to progress negotiations for private treaty acquisitions. The Council's CPO advisor is writing to all known landowners informing them that the Council is considering using its compulsory purchase powers and that the Council will be considering a report recommending in principle support. The resolution is a clear statement of the Council's intent and should assist the private treaty negotiations being undertaken by the Council and its advisory team. SPS understands that the Council and its team are sufficiently resourced to respond to any increase in activity resulting from the resolution.
- 6.3.5 SPS understand that any CPO will not be made until there is a further report back. Once a CPO is made there is potential for certain qualifying owner occupiers to serve a blight notice. SPS are advised that there are sufficient resources to deal with any blight notices when they arise.
- 6.3.6 SPS further understand that as far as reasonably practicable the timing of acquisitions will be phased in accordance with the development phasing plan, which is currently being worked on between the Council and the Master Developer. Where properties are acquired ahead of the phasing plan it will be managed by the Council to maintain rental income and accommodate meanwhile uses as appropriate.

7. KEY RISKS

Risk On serving a CPO, the Public Inquiry is unsuccessful and the CPO is not confirmed. In this scenario it is likely the Council would have to pay the costs of successful objectors. There is also the possibility a CPO may be confirmed but some objector's lands may be taken out of the CPO. This would be an extremely serious outcome but with low-moderate likelihood. Serious because without key plots of land the Council cannot deliver the key transport and service infrastructure, nor deliver the full developments or retain overarching control of phasing.

Mitigation The Council can mitigate the risk of an unsuccessful outcome by proceeding as far as possible with acquiring land ahead of

serving a CPO and undertaking as much preparatory work as possible (valuation, due diligence, legal preparation etc.) and not making the CPO until we are confident that it will be successful.

Risk Once granted, CPO timescales compel the Council to acquire land within a three year period which has the effect of exceeding the Council's peak debt point and putting unsupported pressure on revenue.

Mitigation As part of the preparation process, the Compulsory Purchase team (Council, T&H, PWC and JLL) in collaboration with the Master Developer will formulate an optimum CPO strategy, which may involve phasing the CPO to make it more manageable from a financial point of view.

Risk There is a stakeholder risk that by undertaking a CPO, this could worsen relations with local businesses who are hostile to a CPO

Mitigation Communicate intention with local stakeholders from the earliest opportunity and engage with ongoing consultation to take all concerns into account. Negotiations should address tenants' requirements as well as leaseholders. CPO settlements will cover financial losses from lost businesses as well as capital valuation.

Risk Planning risk that Area Action Plan (AAP) does not get adopted by the Secretary of State. This would severely weaken the case for the CPO.

Mitigation The AAP gains increasing weight as it progresses through the planning process (production, to Council approval, to consultation, submission, examination and adoption). So even a "submitted AAP" that is on track to be adopted would still carry substantial weight at a Public Inquiry. However, the best mitigation is to ensure that the AAP gets completed as soon as possible with plenty of time in place for early discussions with key stakeholders before going out to formal consultation. Secondly, the Planning Policy team should work closely with the Meridian Water Team and Compulsory Purchase team when preparing the AAP. Finally, the Council should take care to incorporate comments and contributions following consultation, and if not possible explain why.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Regeneration of Meridian Water will promote fairness for all people of the local area of the borough, and the Wards of Edmonton Green and Upper Edmonton especially. The developer has committed that 30% of the residential units to be built will be affordable (this is higher

than the minimum 25% required in the draft MDFA). Residential units will be a mixture of tenures, sizes and designs providing housing options for all people living in the borough. Finally, the development will be “tenure blind” so that it will not be possible to determine from looking at a building from the outside which block is affordable and which is not. In the Compulsory Purchase process, all owners and tenants will be treated equally.

8.2 Growth and Sustainability

Meridian Water will bring about significant growth in housing stock (10,000 new housing units) in the borough, the creation of jobs (10,000 temporary jobs during construction and 6,700 permanent jobs), and will provide floor space for businesses across the borough. The development will be inherently sustainable in its design and delivery. The Lee Valley Heat Network will meet energy requirements of the development in a sustainable way. The construction of a major new train station and improved public transport will discourage driving, thus making a significant contribution to reducing carbon emissions in the borough.

8.3 Strong Communities

The proposals for Meridian Water aim to increase home ownership levels in the wards and create a more mixed community. The proposed redevelopment will also provide a range of residential unit sizes to encourage the creation of a diverse community. It will also accommodate a range of commercial and community uses. The Phase 1 planning application (16/01197/RE3) includes provision for 950 sq. m of retail floor space, up to 600 sq. m of community floor space, public open space; children’s play area and extensive landscaping. This phase is indicative of future phases across Meridian Water where the goal of building strong communities is at the heart of what the regeneration is trying to achieve. Use of compulsory purchase powers will facilitate this by enabling the Council to maintain control over how the development is brought forward and delivered.

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 Equalities impact issues are examined at each planning application stage on individual sites.
- 9.4 As part of the Compulsory Purchase preparation work an Equalities Impact Assessment will be undertaken on the potential impact and mitigation strategy of the proposal.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The Regeneration of Meridian Water contributes towards the achievement of:

- The London Plan
- Upper Lee Valley Opportunity Area Planning Framework
- Core Policies 37 & 38 of the Core Strategy
- The Central Leaside Proposed Submission Area Action Plan
- Meridian Water Masterplan
- Meridian Water Regeneration Framework
- Sustainable Community Strategy
- Creative Enfield
- 2.10 “Improve the Quality of life for residents through regeneration of the priority regeneration areas” Enfield Council Business Plan

11. HEALTH AND SAFETY IMPLICATIONS

There are no immediate Health and Safety Implications

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

As part of the Meridian Water development, the Council is working with the NHS to identify future public health and well-being needs, and to design into proposals a suitable public health facility that will meet the requirements of a new community. Designs for each and every phase will include sufficient quotas for green space, outdoor space and leisure facilities. A key theme of Meridian Water is introducing the theme of water across the development. Master Developer Barratt London has committed to producing a water feature for every 800 homes.

Background Papers

None