

## MUNICIPAL YEAR 2016/2017 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**PORTFOLIO DECISION OF:**  
Cabinet Member for Education,  
Children's Services & Protection

**REPORT OF:**  
Chief Education Officer

Contact officer and telephone number:

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**Agenda – Part: 1**

**KD Num: 4359**

**Subject:** Eldon Primary School – The award of contract for new build Kitchen, Dining Halls, Children's Centre and External Works.

**Wards:** Lower Edmonton

### 1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval to award a contract to "Contractor A" for construction works and scheme expenditure including related services, loose and fixed furniture & equipment. This approval is required to enable the provision of a new school meals kitchen, dining room and associated works at Eldon Primary School ("School").
- 1.2 The construction works have been procured following a competitive quotation process via the London Tenders Portal in accordance with the Council's Contract Procedure Rules ('CPRs').

### 2 RECOMMENDATIONS

That the Cabinet member for Education, Children's Services and Protection approve the following:

- 2.1 approves the contract award to Contractor A for the construction work relating to the new school meals kitchen, dining hall and associated works at Eldon Primary School, as further detailed in the Part 2 of this report.
- 2.2 Notes and approves total scheme expenditure including construction works, professional and technical costs equipment and scheme contingency costs as detailed in Part 2 of this report.
- 2.3 Notes that loose furniture shall be provided by the Council Eldon Primary School.
- 2.4 That the Chief Education Officer allocates project contingency, via operational decisions, as required.

### **3. BACKGROUND**

3.1 Cabinet held on 12 March 2014 approved the following recommendations in relation to Eldon Primary School Investment Works.

- 1) That Eldon Primary School's kitchen and dining facilities are re-provided at an estimated cost of up to £3.4m including contingency, from within the PEP2 project costs already included in the Council's Capital Programme. It is proposed that these facilities are provided in such a way which will facilitate either an improvement of the current building stock or the re-provision of the school on site.
- 2) That a detailed options appraisal is undertaken on the site to assess the benefits and costs of either upgrade the current building stock to enable the school to deliver the curriculum into the 21st Century or to re-provide the school within the school site.
- 3) Delegated authority to the Director of Schools and Children's Services and the Cabinet Member for Children and Young People (via Portfolio Decision) to take decisions on:
  - Entering into contractual arrangements and placing orders for required construction works.
- 4) Delegated authority to the Director of Schools and Children's Services on the:
  - Appointment of appropriate technical services such as architects, surveyors and contract managers;
  - Submission of planning applications; and
  - The appropriate procurement routes for individual schemes.

3.2 The DfE announced Priority Schools Building Programme 2 (PSBP2) and invited authorities to bid for condition based school projects. The PSBP2 initiative was aimed at schools with the worst buildings to be rebuilt or in need of significantly refurbishment. SCS officers prepared six bids of the highest priority poor condition schools in Enfield, which included in order of priority:

- 1 Broomfield Secondary School - whole school rebuild.
- 2 West Lea Special School - whole school rebuild.
- 3 Walker Primary School- Whole school rebuild.
- 4 Durants Special School - Old Building rebuild
- 5 Brimsdown Primary School – Kitchen rebuild
- 6 Eldon Primary School – Kitchen rebuild

The DfE informed Enfield that four projects: Walker, Durants, Brimsdown and Eldon bids were successful. The Education Funding Agency (EFA) has not yet indicated what monetary value is attached to the successful bids but the EFA have invited Enfield to be a pilot for local project delivery for Brimsdown and Eldon Primary(s) Kitchen rebuilds. The monetary values of PSBP2 of the

Brimsdon and Eldon projects is currently in negotiation but a final figure will be announced soon and will be incorporated into the Corporate Capital Programme through the Capital Monitoring process.

#### **4. PROPOSAL**

- 4.1. After detailed consultation, a design has been agreed with the Governing Body.
- 4.2. Planning approval dated 27 May 2016 for demolition of an existing hut, construction of a detached building to accommodate a kitchen, dining halls and children's centre facility with associated landscaping and external works, construction of an all- weather pitch and perimeter fencing.
- 4.3 The construction works have been procured following a competitive quotation process via the London Tenders Portal in accordance with the Council's CPRs. The form of contract will be the JCT Standard Building Contract without Quantities (SBC/XQ) 2011 Edition incorporating Amendment Nr1 and JCT 2011 Public Sector Supplement. Insurance option 'A' shall apply which is applicable to the erection of new buildings where the contractor takes out the policy.
- 4.4 The tender will be conducted through a single stage process. The tendering procedure in accordance with JCT Practice Note 2012, Alternative 2 is to apply.
- 4.5 Five contractors were invited; however, only three competitive tenders were received. The tenders were evaluated in accordance with the tendering procedure to arrive at the recommendation for contract award to Contractor 'A' as detailed in Part 2 of this report.
- 4.6 All tenderers met the programme requirements as set out in the Preliminaries / General Requirements. No alternative time tenders were offered.
- 4.7 The main construction work should commence at the end of November 2016 completion envisaged to occur in September 2017 with the exception of the All-weather pitch which will be tendered separately and will be subject to a future Operational Decision.
- 4.8 A Letter of Limited Liability was issued by the Corporate Maintenance and Construction Team 29 September 2016 to authorise the contract mobilisation.

#### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Not to proceed with this project would mean that Eldon Primary School, would not have suitable kitchen or dining facilities to provide hot free school meals to all Key Stage 1 pupils which, in turn, could have a detrimental effect on teaching standards not only for Key Stage 1 but for all pupils who use the meal service.
- 5.2 By not providing the new purpose built Children's Centre the school would not have the space to be able to expand or develop its community commitment or

be able to develop practical parental engagement offered to the local community.

## 6. REASONS FOR RECOMMENDATIONS

- 6.1 The tender from Contractor 'A' is compliant and is the most economically advantageous tender.
- 6.2 The design has been future-proofed to enable the kitchen and dining provision to provide free hot school meals to all pupils if this becomes a statutory requirement in the future.
- 6.3 Any delay will severely affect the ability of the school to continue providing hot free school meals to all Key Stage 1 pupils from the Autumn Term 2017.
- 6.4 Poor quality teaching and community accommodation to be removed.
- 6.5 Health and Safety issues to be addressed with regard to pupil circulation around the school site.

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

### 7.1 Financial Implications

The SCS Capital Programme as at Q1 2016/17 currently has a budget provision of £5.8m for the School Condition programme for 16/17 and a further £4.5m for 17/18 which includes a provision for this scheme.

The scheme will be funded from a combination of Free School Meals, Basic Need and Maintenance Capital grants at no borrowing cost to the Council. Any shortfall in grant funding will be covered from redirecting resources from elsewhere in the SCS capital programme.

The scheme is currently profiled as follows and any adjustments will be reported through the usual capital monitoring process.

The scheme is currently profiled as follows.

	2014/15 Actual £'000	2015/16 Actual £'000	2016/17 Est £'000	2017/18 Est £'000	Scheme Total £'000
Main Contract	9.2	112.1	1489.2	1377.4	2987.9
Enabling	0.5	5.6	137.9	7.1	151.1
Generator	0.4	5.4	71.9	66.5	144.2
Temp Kit	0.3	3.6	47.7	44.1	95.7
Catering	0.4	4.5	10.2	106.0	121.1
<b>TOTAL</b>	<b>10.8</b>	<b>131.2</b>	<b>1756.9</b>	<b>1601.1</b>	<b>3500.0</b>

## **7.2 Legal Implications**

- 7.2.1 The Council has a general responsibility for education and to secure efficient primary education to meet the needs of the population in its area under Section 13 of the Education Act 1996 (as amended).
- 7.2.2 Section 111 of the Local Government Act 1972 further enables local authorities to do anything, including incurring expenditure, borrowing, which facilitate or are conducive or incidental to the discharge of their functions and the Council has the power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles. The recommendations within this report are in accordance with these powers.
- 7.2.3 A formal mini competition tender process was undertaken through the London Tenders Portal and the Council has conducted the evaluation and award of contract process in a fair, transparent, proportionate and non-discriminatory manner.
- 7.2.4 The fees associated with this works contract fall below the threshold for Public Service Contracts under the Public Contracts Regulations 2015 and therefore the full EU procurement procedures do not apply. However, the Council must ensure that it complies with the EU general principles of equality, transparency, proportionality, non-discrimination and mutual recognition when awarding any contract.
- 7.2.5 The Council must comply with all requirements of its constitution and CPRs. Throughout the engagement of Contractor A as a provider, the Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999. The Council must keep a clear audit trail of its decision to award these services to Contractor A, in order to demonstrate that best value has been and will continue to be obtained for the Council.
- 7.2.6 All legal agreements (including all associated documentation) arising from the matters described in this Report must be approved in advance of contract commencement, by the Assistant Director of Legal & Governance Services. Contracts whose value exceeds £250,000 are required to be executed under seal and performance security should be obtained unless the Director of Finance Resources and Customer Services considers this to be unnecessary.

## **7.3 Property Implications**

- 7.3.1 The design and build of the new kitchen, dining facilities and new teaching areas should be implemented so that it does not cause a hindrance or redesign to any new or modified school on site in the future. It should link to the new school seamlessly.

- 7.3.2 Future proof systems engineering should be envisaged at this stage to avoid high costs later in the development life cycle. These should be carried through the options appraisal and be weighted high accordingly to any evaluation criteria.
- 7.3.3 Any future evaluation of the school options should include consultation with all relevant stakeholders and departments.
- 7.3.4 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations Education Asset Managers will complete a demolition notification form and return to Property Services.
- 7.3.5 All new data regarding the new development including revised site plans, floor plans and room data will be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, ATRIUM.
- 7.3.6 An inventory list of any material procured and produced will need to be kept. In the event of failure, appropriate arrangements will need to be made for these supplies to be retained and secured for the Council until a decision is made on how best to dispose of them.
- 7.3.7 Adequate measures should be taken including the safe passage of teachers, pupils and members of the public when construction is taking place when the school is operational, especially at Brimsdown Primary School due to the layout of the site.

#### **7.4 Procurement Implications**

- 7.4.1 All procurement must be carried out in line with Contract Procedure Rules and compliant to UK & EU regulations.
- 7.4.2 Where the minimum number of responses have not been met then under CPRs approval to proceed must be sought from Procurement and Commissioning Hub; as best value must be demonstrated.
- 7.4.3 All information and contracts must be managed and loaded into the London Tenders Portal.

#### **7.5 VAT Implications**

##### **7.5.1 VAT Recovery**

The council is generally able, under the provisions of S33 of VAT Act 1994, to recover VAT incurred in relation to expenditure for which it is responsible. The Council can therefore recover VAT incurred in relation to its supply of statutory education in LA maintained schools such as Eldon Primary School.

The conditions for VAT recovery must be satisfied i.e. The council must procure/contract for the works, receive the supply, receive a VAT invoice in its name and pay with its own (corporate or grant-awarded) funds.

#### **7.5.2 Partial Exemption**

Historically, schools contribute less than .4% exempt input VAT to the Partial Exemption calculation. Therefore, this project is not expected to have any significant impact on the council's partial exemption position.

### **8. KEY RISKS**

- 8.1 The key risks to this term contract relates to the possible poor performance of the Consultant/Contractors. This risk is mitigated by the recommended Consultant being an approved supplier within a major framework contract let as part of the London Construction Programme.

### **9. IMPACT ON COUNCIL PRIORITIES**

#### **9.1 Fairness for All**

This term contract will assist the Council to deliver its construction related projects and programmes which in turn help support the delivery of services to the benefit of the community.

#### **9.2 Growth and Sustainability**

This term contract will assist in the procurement of construction related activity within the borough and its associated employment and economic benefits. The Borough needs to ensure appropriate infrastructure is in place to allow for the growth of the population.

#### **9.3 Communities**

The provision of good quality schools helps to ensure a stable strong community.

### **10. EQUALITY IMPACT IMPLICATIONS**

- 10.1 The provision of local schools across the borough ensures quality of rights to good education provision

### **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 11.1 The contract requires the consultant to meet the professional standards of the Royal Institute of British Architects and the Framework Contract. The performance of the consultant will be monitored by Corporate Maintenance and Construction Team.

**12. HEALTH AND SAFETY IMPLICATIONS**

12.1 There are no direct health and safety implications arising from this contract.

**13. PUBLIC HEALTH IMPLICATIONS**

13.1 There are no direct public health implications arising from this term contact.

**Background Papers**

None.



**MUNICIPAL YEAR 2016/2017 REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY:**

**REPORT OF:**  
**Tony Theodoulou**  
Director of Children's  
Services

Contact officer and telephone number:

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<b>Agenda – Part:</b>	<b>Item:</b>
<b>Subject: Carer allowances</b>	
<b>Wards: All</b>	
<b>Key Decision No:</b>	

<b>Cabinet Member consulted:</b> <b>Councillor Ayfer Orhan</b> <b>Cabinet Member for Education, Children's Services &amp; Protection</b>
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**EXECUTIVE SUMMARY**

This paper proposes a consultation on a potential reduction in the allowances paid to future Special Guardians and Family and Friends carers, to correspond to the rates recommended by the DfE and to ensure greater parity across all London boroughs. It is not proposed to change any of the fees paid to current Special Guardians and family and friends' carers as this would carry a high risk of destabilising existing placements. Special Guardians and family and friends carers look after specific children who were already known to them and for whom they have asked to take responsibility.

Local authority payments to Special Guardians and family and friends carers provide an allowance to cover the cost of caring for the child. Legally, this must be paid at the same level as the 'maintenance allowance' paid to the local authority's own mainstream foster carers.

Total payments to mainstream foster carers are made up of two elements, the maintenance allowance, paid to cover the cost of caring for the child and a training element; a professional fee paid to the carer for their work in providing the placement.

While the Council's mainstream foster carers receive a total payment comparative with those paid by other local authorities, Enfield has historically paid a higher proportion of this total cost as a maintenance payment and a lower proportion as a training payment. As the allowances paid to Special Guardians and family and friends carers have to match the maintenance allowance paid to mainstream foster carers, this results in Enfield paying a higher rate than other local authorities.

It is proposed to rebalance the elements of the total fee Enfield pays to its mainstream carers to incorporate a lower maintenance allowance and a higher training fee. The total amount paid to our mainstream carers will not change. As the proposal would affect the breakdown of fees paid to current mainstream foster carers, approval is sought to carry out a consultation exercise with this group

## **2. RECOMMENDATIONS**

- 1. That the request to consult with current foster carers on the proposal set out in this report is approved**
- 2. That a further report is presented once the results of the consultation process are known which will seek specific approval for any changes to allowance rates**

## **3. BACKGROUND**

A comparison exercise across the six boroughs in the North London Adoption and Fostering Consortium has shown a significant discrepancy in the rates paid to Special Guardian and Family and Friends carers, with the rates paid by Enfield being one of the highest. Analysis has shown that this is due to the legal requirement to match these allowances to the 'maintenance allowance' paid to the borough's own foster carers. Payments to mainstream foster carers (not family and friends arrangements) are made up of two components – a maintenance allowance to meet the actual cost of caring for the child and a training fee, sometimes referred to as the skills fee, which is a payment to the foster carer for their work in providing the placement. Approved family and friends' carers are eligible for the training fee as well as the allowance, only if they wish to complete the number of training courses required for unconnected carers – the majority do not. Special guardians do not receive a training fee as once the order is granted; the child becomes part of their family and is no longer looked after by the local authority.

While the overall payments to Enfield in house foster carers are competitive with those paid by other local authorities, the maintenance component in Enfield is considerably higher than the figure recommended by the DfE and therefore a smaller proportion of the total cost is paid as the training fee. As it is the fostering maintenance allowance which dictates the level of the allowances paid to Special Guardianship and Family and Friends carers, this has led to Enfield paying above the recommended DfE rates for carers of this nature. The DfE recommended maintenance allowance rates for London are based on their research into the cost of caring for a child in the capital. The table below shows the difference in the recommended maintenance allowance rates and those currently paid by Enfield.

	0-11 years	11-17 years
Current Enfield maintenance allowance rates	£180.25 pw	£ 259.70 pw
Current DfE Rates (maximum)	£163.00pw	£ £216 pw
Proposed reduction	£17.25 pw	£43.70 pw

**While the weekly maintenance allowance would reduce to the level recommended by the DfE, the total amount paid to the local authority's own foster carers would remain the same as the reduction in maintenance allowances would be added to their training fee element. The reduced allowances would be paid to new Special Guardian's and to any family and friends foster carers who did not wish to complete the professional training required to qualify for the training fee.**

**Impact on the Training fee**

A significant benefit of adjusting the maintenance allowance/training fee components of in house foster placements would be the resultant increase in the training fee payable to foster carers. The table below shows the current and proposed rates which would be cost neutral to the local authority as they would be funded through the reduction in the maintenance element

Current training fee	0-11 years	11-18 years	
First child in placement	£145.04pw	£190.96pw	
Second and subsequent child in placement	£55.02pw	£100.03pw	
Proposed training fee			
First Child in placement	£162.29pw	£234.66pw	
Second and subsequent child in placement	£72.27pw	£143.73pw	
Increase funded through corresponding reduction in maintenance allowance	£17.25 pw	£43.70pw	

**4. ALTERNATIVE OPTIONS CONSIDERED**

**Not applicable**

**5. REASONS FOR RECOMMENDATIONS**

**To ensure that Enfield rates paid to Special Guardians and Family and Friends carers reflect the levels recommended by the Department for Education and ensure greater parity across all North London boroughs**

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

### **6.1 Financial Implications**

Allowance rates paid to existing Special Guardians are not planned to change however the proposal is to reduce the rates paid to future Special Guardians.

All Special Guardianship allowances are subject to annual financial means testing.

The proposed reduction should help contain on-going pressures within this budget area which has seen year-on-year growth in numbers since 2010-11. There is a projected increase of 27% in the number of Special Guardianship allowances paid in 2016-17 against last financial year.

### **6.2 Legal Implications**

The case of London Borough of Tower Hamlets v R (X) [2013] EWCA Civ 904 requires local authorities to pay the same rates to both mainstream and friends & family foster carers. The payment of an extra fee for training is permitted because the option of having the training and therefore the extra training fee is open to all carers.

Any change in the level of service or support available to a class of people requires consultation as set out above.

The proposals set out in this report comply with the above case law.

### **6.3 Property Implications** **Not applicable**

## **7. KEY RISKS**

*(for further guidance, please contact David Hulme on ext.4654. See also the guidance notes, paragraphs 5.7, 7.1, 7.2 and 7.3 refer)*

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

### **8.1 Fairness for All**

**Supporting looked after children and care leavers to make a positive transition to adulthood. Protecting children from harm and exploitation.**

### **8.2 Growth and Sustainability**

**Helping young people to remain in education and employment**

### **8.3 Strong Communities**

**Improving the physical and emotional health of children and young people ensuring they have a healthy start in life and make healthy choices.**

### **9. EQUALITIES IMPACT IMPLICATIONS**

**Not applicable**

### **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

**Not applicable**

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

**Not applicable**

### **12. HR IMPLICATIONS**

**Not applicable**

### **13. PUBLIC HEALTH IMPLICATIONS**

14. Looked after children are vulnerable to a range of poorer health outcomes compared to their peers and can face particular inequalities in accessing health services. The proposed changes will assist the Corporate Parenting Group to provide the governance function for services for looked after children and assist the Council in fulfilling its responsibilities under the health and social care act 2012, to reduce health inequalities.

15.

### **Background Papers**

*(For further guidance on report writing please refer to the Constitution guidance notes available on Enfield Eye)*

*(NOTE: Text in italics is for guidance only, please remove when preparing your report.)*



**MUNICIPAL YEAR 2016/17 REPORT NO.**

**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY**

**PORTFOLIO DECISION OF**  
 Cabinet Member for Education,  
 Children's Services & Protection

**REPORT OF:**

Director of Schools and  
 Children's Services, Chief  
 Education Office

<b>Agenda – Part:1</b>	<b>Item:</b>
<b>Subject: School Condition and Fire Safety Programme 2016/17 to 2018/19</b>	
<b>Key Decision reference: KD 4303</b>	
<b>Wards : All</b>	

<b>Cabinet Member Consulted:</b> Councillor Ayfer Orhan
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Contact officer and telephone number: Keith Rowley 0208 379 2459

Email: [keith.rowley@enfield.gov.uk](mailto:keith.rowley@enfield.gov.uk)

June 2016

<p><b>1. EXECUTIVE SUMMARY</b></p> <p>1.1. Under the Scheme for Financing Schools, the Council retains responsibility for major items of repair in schools. Condition is one strand of the Schools' Asset Management Plan alongside Sufficiency and Suitability. A programme of projects has been collated to rectify and eliminate repairs items of a high technical priority for consideration in 2016/17 and 2017/18 with indicative projects for 2018/19.</p>
<p><b>2. RECOMMENDATIONS</b></p> <p>2.1. It is recommended that approval be given to:</p> <p>(a) the proposed programme of works including professional and technical expenses detailed in Appendix A to this report or any other emergency schemes proceeding up to the total three year Programme value of £38.7 m.</p> <p>(b) the Director of Schools &amp; Children's Services and Chief Education Officer , by way of an operational decision, to:</p> <p>(i) approve tenders for individual schemes or schemes of aggregated value up to a maximum of £250,000 including professional and technical expenses;</p> <p>(ii) manage the Programme in a flexible way within the overall budget available, to take account of variations between estimates and tender costs and the need to substitute schemes having a greater technical priority if the need arises using the tender acceptance report pro forma; and</p> <p>(iii) allocate any contingency provision (up to a maximum of £250,000 including professional and technical expenses) to emergency projects and/or to schemes identified as priority but not yet programmed</p> <p>2.2 To note that a portfolio decision will be sought in relation to the approval of tenders for any proposals exceeding £250,000 in value including professional and technical expenses.</p>

### 3. BACKGROUND

- 3.1. The Council as Corporate Landlord is responsible for major works to address the condition of community and foundation schools. Such works mainly relate to building structure, roof replacement and electrical and mechanical services. Separate funding streams are available for Voluntary Aided Schools for this work through the LCVAP Programme. Under the Scheme for Financing Schools the de minimis limits for delegation for repairs and maintenance are £36,000 for primary and special schools and £53,000 for secondary schools. Community and foundation schools are also wholly responsible for the cost of external decorations, internal painting and the maintenance of boundary fencing, playgrounds and drainage systems.
- 3.2. Under the requirements of the Regulatory Reform Fire Safety Order (RRFSO) 2005, the responsible person for the premises must ensure that a fire safety risk assessment is completed for the building and kept under review. The results of the assessment should be made available to staff and others working in the building.
- 3.3. A proposed programme for 2016/17 and 2017/18 has been formulated to address the most urgent condition items. Projects have been prioritised for inclusion in the Programme based mainly on technical information in condition surveys commissioned by Construction Maintenance CT through external consultants. Projects have been ranked as far as possible according to the extent of urgency using the Department for Education definitions :
- |            |   |
|------------|---|
| Priority 1 | Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation.  |
| Priority 2 | Essential work required within 2 years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation. |
| Priority 3 | Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.              |
| Priority 4 | Long term work required outside the first five year planning period that will prevent deterioration of the fabric or services.  |
- 3.4. A schedule of fire safety improvements has also been prepared based on recommendations from the Council's Fire Safety Adviser.
- 3.5. Any work identified at premises where the Council no longer has a long-term interest or to individual buildings that have a limited life, has been deferred. Account has also been taken to defer potential expenditure at any schools whose premises are likely to be substantially changed under the Schools Expansion Programme. However, where works at such schools are deemed



essential to meet Health and Safety requirements, they have been included in the proposed programme.

- 3.6. In line with previously agreed procedures, it is proposed that the Director of Schools and Children's Services and Chief Education Officer should continue to be authorised to approve tenders for individual schemes or schemes of aggregated value up to a maximum of £250,000 including professional and technical expenses. Any schemes exceeding £250,000 will be the subject of a portfolio decision and lodged as a Key Decision within the Council's Democratic process.
- 3.7. It may be necessary to amend the Programme to take account of variations between estimates and tender costs and the need to substitute schemes having a greater technical priority such as breakdowns of heating systems or plant, if the need arises. It is proposed that the Director of Schools and Children's Services and Chief Education Officer should continue to be authorised to take relevant action in such cases.
- 3.8. This report identifies necessary work to the value of £38.7 m for schools' maintenance, condition, fire safety, access and kitchen works which are a priority. In addition every effort will be made to reduce to Council borrowing commitments to school expansion projects.
- 3.9. On the 9 February 2015 the Department for Education (DfE) announced the 2015/16 Maintenance Grant allocations for Enfield of £12,142,980 which was much higher than the indicative figure of £4,900,000. To maximise the opportunity of the additional funding a further report, Addendum School Condition, Fire Safety and School Kitchen Programme 2015/16 to 2017/18 reference: KD4210, was approved in December 2015. In February 2016 the DfE announced the school condition funding for 2016/17 allocation for Enfield of £12,008,983 with an indicative amount of £12 million for 2017/18. The funding for 2018/19 has yet to be announced and therefore a lower indicative figure of £4 million is shown.
- 3.10. The DfE announced Priority Schools Building Programme 2 (PSBP2) and invited authorities to bid for condition based school projects. The PSBP2 initiative was aimed at schools with the worst buildings to be rebuilt or in need of significant refurbishment. SCS officers prepared six bids of the highest priority poor condition schools in Enfield, which included in order of priority:

- 1 Broomfield Secondary School - whole school rebuild.
- 2 West Lea Special School - whole school rebuild.
- 3 Walker Primary School- Whole school rebuild.
- 4 Durants Special School - Old Building rebuild
- 5 Brimsdown Primary School – Kitchen rebuild
- 6 Eldon Primary School – Kitchen rebuild

The DfE informed Enfield that four projects: Walker, Durants, Brimsdown and Eldon bids were successful. The Education Funding Agency (EFA) has not yet indicated what monetary value is attached to the successful bids but the EFA have invited Enfield to be a pilot for local project delivery for Brimsdown and Eldon Primary(s) Kitchen rebuilds. The monetary values of PSBP2 of the

Brimsdawn and Eldon projects is currently in negotiation but a final figure will be announced soon and will be incorporated into the Corporate Capital Programme through the Capital Monitoring process.

#### 4. PROPOSAL

- 4.1. The revised programme for Fire, Condition, Kitchen and Access Works totalling £14m in 2016/17 are detailed in Appendix A. These are the projects considered to require immediate attention in 2016/17 (note all scheme budgets include professional and technical expenses).
- 4.2. A separate list of schemes has also been included in Appendix A indicating proposed additional priority items for 2017/18 onwards.

#### 5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1. In considering potential bids, the Schools and Children's Services Asset Management Unit reviewed all unresourced Technical Priority 2 schemes identified in condition surveys. Because the value of schemes exceeded the resources available, it was necessary to prioritise certain categories of schemes and defer proposals having lesser technical priority.

#### 6. REASONS FOR RECOMMENDATIONS

- 6.1. The recommendations have been made to enable work to be commissioned on condition works of an urgent nature in schools for 2016/17.

#### 7. COMMENTS OF THE DIRECTOR OF FINANCE CORPORATE RESOURCES AND CUSTOMER SERVICE AND OTHER DEPARTMENTS

##### 7.1. Financial Implications

The following table shows how the proposed works will be funded within the existing SCS capital programme.

<b>Funding</b>	2015/16	2016/17	2017/18	2018/19		
Year of allocation	Actual	Actual	Indicated allocation	Maint Grant To be confirmed (£4 million anticipated)	Total	Comment
<b>Allocations</b>						
Previous years unspent grants	-£ 1,460,528					
2015/16	-£ 12,142,980					
2016/17		-£ 12,008,983				
<b>Indicative Allocation</b>						
2017/18			-£ 12,008,983			
2018/19				-£ 4,000,000		
Section 106 contributions	-£ 430,812					
Priority Schools Building Programme		-£ 1,000,000	-£ 1,500,000			Anticipated - to be confirmed
Less Commitments (Retentions)	£ 5,856,152					
<b>Total</b>	<b>-£ 8,178,168</b>	<b>-£ 13,008,983</b>	<b>-£ 13,508,983</b>	<b>-£ 4,000,000</b>	<b>-£ 38,696,134</b>	

The proposed works detailed in Appendix 1 are an amalgamation of previously approved schemes, which are carrying over into 2016/17 and new priority schemes starting in 2017/18 onwards.

The updated programme will be reviewed and updated as part of the quarterly capital monitoring reporting processes.

#### **7.1.1. VAT Implications**

There are provisions, under S33 of VAT Act 1994, for the Council to recover input VAT incurred in the discharge of its responsibility for the supply of statutory primary and secondary education. The main conditions for recovery are that the Council must contract for the works, receive the supply, receive a VAT invoice in its name and pay with its own funds. Input VAT incurred on capital expenditure at Council Maintained schools and foundations schools could be recovered if these conditions are satisfied; however, there are stricter rules for the recovery of input VAT on Capital expenditure at Voluntary Aided schools and any capital project at these schools should be reviewed individually on a case-by case basis.

#### **7.2. Legal Implications**

7.2.1 The proposals have been lodged as a Key Decision through the Council's democratic process since the proposed capital expenditure will exceed £250,000. (Ref KD 4303).

7.2.2 The Council has the general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals generally may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.

7.2.3 The documentation governing the terms on which the goods, works and services are to be provided under the individual contracts (including as to price) must be in a form approved by the Assistant Director (Legal Services).

7.2.4 All goods, services and works commissioned (including the procurement and award of contract) under this report will be in accordance with EU and UK public procurement law, and the Council's Constitution (in particular, the Contract Procedure Rules )..

#### **7.3. Procurement Implications**

7.3.1. That any procurement is carried out in accordance with the Contract Procedures Rules and UK and EU regulations.

7.3.2. That any frameworks used are legally compliant and accessible by the authority and that the rules of the framework are followed.

#### **7.4. Property Implications**

7.4.1. The implementation of the Condition Programme will extend the life of school buildings and provide a safe and suitable learning environment for pupils.

### **8. KEY RISKS**

- 8.1. Unless the Council is able to resume a comprehensive condition programme, there will be a serious risk of building closures due to failure of structure, electrical services or heating plant. Health and safety issues will also arise without a significant investment in fire safety improvements.

## **9. IMPACT ON COUNCIL PRIORITIES**

### **9.1. Fairness for All**

- 9.1.1. This proposal will assist the Authority in meeting its objective of providing high quality schools and improved educational attainment for all children and young people by ensuring that pupils and staff can be accommodated in buildings that are in safe and suitable condition.

### **9.2. Growth and Sustainability**

- 9.2.1. The proposed works will extend the life of school buildings and lead to savings on maintenance and energy costs.

### **9.3. Strong Communities**

- 9.3.1. The proposed programme will ensure school buildings are maintained satisfactorily for pupils and users from the local community.

## **10. EQUALITIES IMPACT IMPLICATIONS**

- 10.1. An Equality Impact Assessment has been carried out. A strategy has been developed to ensure that there are sufficient pupil places across the Borough to meet demand, that these places are not discriminatory and to ensure that all children have access to quality education.

## **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 11.1. Unless circumstances dictate otherwise, the various works will be procured in full compliance with the Council's Contract Procedure Rules and competitive quotations or tenders invited from contractors on the Council's Approved List to ensure best value for money.

## **12. PUBLIC HEALTH IMPLICATIONS**

- 12.1. There are no public health implications.

## **13. HEALTH AND SAFETY IMPLICATIONS**

- 13.1. The works concerned will be undertaken in full accordance with Health and Safety and CDM Regulations.

## **Background Papers**



## Appendix A PROPOSED PROGRAMME 2015/16, 2016/17 and 2017/18

Indicative project budgets		2015/16	2016/17	2017/18	2018/19	Total	
School	Work required	2015/16 Spend	Maint Grant Carry Forward	Maint Grant	Maint Grant - Initiative		Comment
<b>2015/16 Capital Programme Spend</b>		£ -					
Fire Safety Works						£ -	
Durants	Fire Improvements		£ -	£ 92,000	£ -	£ 92,000	Deferred until 2016/17
<b>Fire Safety Total</b>			£ -	£ 92,000	£ -	£ 92,000	
<b>Condition</b>							
<b>2014/15 projects ongoing</b>							
Caterhatch	Boilers & pipework	£ 20,000	£ -	£ 110,000	£ -	£ 130,000	
De Bohun	Ext cladding	£ -	£ -	£ 500,000	£ -	£ 500,000	
West Lea	Full Feasibility Study and Phase 1 works of Master Plan	£ -	£ -	£ 700,000	£ -	£ 700,000	Deferred until 2017/18
		£ -	£ -	£ -	£ -	£ -	
<b>Sub Total</b>		£ 20,000	£ -	£ 1,310,000	£ -	£ 1,330,000	
<b>2015/16 projects</b>							
Ekdon J	Structural Floor Slab Repairs	£ 168,720	£ -	£ -	£ -	£ 168,720	
Ekdon Early Years	Replacement roof	£ 23,424	£ -	£ 175,000	£ -	£ 198,424	
Aylsley	Replace Incoming mains and Phased electric replacement	£ 222,884	£ -	£ -	£ -	£ 222,884	
Chase Side Primary	Windows	£ 121,900	£ -	£ 100,000	£ 100,000	£ 200,000	
				£ 200,000	£ 100,000	£ 420,000	
Walker	Replace Incoming mains (on hold due to PSBP discussions)			£ -	£ -	£ -	Deferred until 2018/19 (Successful PSBP bid)
Chase Community	Sports Hall floor	£ 1,450		£ 10,000	£ -	£ 11,450	
Chase Side	Domestic water distribution			£ 180,000	£ -	£ 180,000	
Hedley Wood	Domestic water distribution			£ 130,000	£ -	£ 130,000	
Caterhatch & J	Urgent Electrical Mains Upgrade			£ 40,000	£ -	£ 40,000	
						£ -	
<b>2016/17 projects</b>							
Ekdon Junior	Windows				£ 200,000	£ 200,000	Deferred until 2017/18
Grange Park	Windows				£ 100,000	£ 100,000	Deferred until 2017/18
Raynham	Windows		£ 220,000	£ -	£ -	£ 220,000	
Bush Hill	Electrics		£ 200,000	£ 150,000	£ -	£ 350,000	
Winchmore	Heating		£ 500,000	£ 600,000	£ -	£ 1,000,000	
Bush Hill	Toilet Refurb		£ 150,000	£ -	£ -	£ 150,000	
Hortlands	Roof Replacement		£ 200,000	£ 100,000	£ -	£ 300,000	
Caterhatch I	Boundary Wall		£ 80,000	£ -	£ -	£ 80,000	
Durants	Electrical access and fire alarm		£ 50,000	£ -	£ -	£ 50,000	
Broomfield	Windows, Roof Services, 6th Form block. At weather pitch		£ 1,500,000	£ 1,200,000	£ -	£ 2,700,000	
West Lea	New block and partial rebuild. Expansion of special provision		£ 1,800,000	£ 2,500,000	£ -	£ 4,300,000	
Aylsley	Rebuild. Expansion of special provision		£ 1,560,000	£ 7,400,000	£ -	£ 9,760,000	
De Bohun	Classroom reorganisation		£ 500,000	£ 500,000	£ -	£ 1,000,000	
Eversley	Heating Plant and distribution		£ 150,000	£ -	£ -	£ 150,000	
School Expansion support	Various		£ 1,000,000	£ 2,128,496	£ 1,100,000	£ 4,228,496	Reduces future borrowing need
						£ -	
<b>2017/18 projects</b>							
Alma	Windows and rainwater goods			£ 200,000	£ -	£ 200,000	
Fleecfield	Electrics and fire alarm			£ 200,000	£ 100,000	£ 300,000	
Hazelwood	Electrics and fire alarm			£ 200,000	£ 100,000	£ 300,000	
Hazelwood	Toilet upgrade			£ 150,000	£ -	£ 150,000	
Grange Park	Roofing			£ 200,000	£ 100,000	£ 300,000	
Fra Farm	Roofing			£ 200,000	£ 100,000	£ 300,000	
Prince of Wales	Playground Health and Safety issues			£ 100,000	£ -	£ 100,000	
						£ -	
<b>2018/19 projects</b>							
Alma	Electrics				£ 250,000	£ 250,000	
Eastfield	Flat roof coverings and roof lights				£ 100,000	£ 100,000	
Eastfield	Heating Plant				£ 150,000	£ 150,000	
George Spicer	Walls and windows				£ 250,000	£ 250,000	
Grange Park	Boiler plant and CWS				£ 250,000	£ 250,000	
Ekdon	Electrics				£ 600,000	£ 600,000	
						£ -	
<b>Sub Total</b>		£ 210,638	£ 8,735,000	£ 16,228,496	£ 3,900,000	£ 20,074,134	
<b>Condition Total</b>							
	<b>Sub Total</b>	£ 230,638	£ 10,137,000	£ 16,228,496	£ 3,900,000	£ 30,496,134	
<b>School Kitchen Programme</b>							
Ekdon	Kitchen Rebuild		£ 1,700,000	£ 1,800,000	£ -	£ 3,500,000	
Brimsdown	Kitchen Rebuild		£ 2,500,000	£ 1,000,000	£ -	£ 3,500,000	
<b>School Kitchen Programme Total</b>			£ 4,200,000	£ 2,800,000	£ -	£ 7,000,000	
<b>Schools Access</b>							
Durants	Art Room project				£ 200,000	£ 200,000	
Bush Hill	Main access route		£ 50,000	£ 200,000	£ -	£ 250,000	
<b>Access Total</b>			£ 50,000	£ 200,000	£ 200,000	£ 450,000	
<b>Programme Contingency</b>							
			£ 250,000	£ 250,000	£ 250,000	£ 750,000	
<b>TOTAL</b>		£ -	£ 230,638	£ 16,637,000	£ 19,478,496	£ 4,350,000	£ 38,698,134
<b>Balance</b>		£ -	£ 7,947,530	£ 6,310,513	£ 350,000	£ 1	£ 1

## MUNICIPAL YEAR 2016/2017 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### PORTFOLIO DECISION OF:

Cllr Ahmet Oykener  
Cabinet Member for Housing &  
Housing Regeneration

### REPORT OF:

Director – Regeneration &  
Environment Ian Davies

<b>Agenda – Part: 1</b>	<b>KD Num: Non key</b>
<b>Subject: Structural Stock Condition Survey Borough Wide</b>	
<b>Wards: All</b>	

Contact officer and telephone number: Chris Martin 0208 375 8222

E mail: [chris.martin@enfield.gov.uk](mailto:chris.martin@enfield.gov.uk)

### 1. EXECUTIVE SUMMARY

- 1.1 This report recommends the approval for a borough wide survey of the Council's housing stock which should involve a structural survey of each block highlighting structural repairs based on levels of risk and to provide necessary recommendations to address those risks.
- 1.2 The report was tendered via the London Tender portal to ensure the most economical tender for this survey to be undertaken.

### 2. RECOMMENDATIONS

That approval is given to accept a tender from the lowest tenderer in the sum of £89,475.00 to be carried out over a 26 weeks term in respect of the services described in 3.1

### **3. BACKGROUND**

- 3.1 The successful tenderer (Capital PCC) is to undertake Condition Surveys of Enfield Council's housing stock and will input the necessary information via a database in accordance with the Council's requirements.
- 3.2 The information will be input applying a risk rating in accordance with structural or potential structural failure which causes significant risk or danger to the inhabitants, the public or operatives working on the structure.
- 3.3 This work has been outsourced because Enfield Council does not have the required resources in house to undertake this work.
- 3.4 Upon receipt of the tenders, the disparities in price required us to produce a set of questions to ensure that both contractors were providing the same level of service. We also sought the advice of Enfield Council procurement team who were made aware of the bidder's responses and were satisfied that both consultants were providing the same level of service suggesting the lowest bidder was viable.
- 3.5 Despite 8No companies being invited to quote for this contract, only 2No responded. All the bidders were contacted pre-tender and all agreed to be included on the ITT list
- 3.4 It is recommended that the bid submitted by the lowest tenderer in the sum of £89,475.00 as a one off contract to be completed within their suggested programme term of 26 weeks from commencement is accepted. The new contract is expected to commence by the end of September 2016 subject to the governance process

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

- 4.1 The existing stock data held by the Council is not sufficient and requires a fresh review of the condition of the current stock.



## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The bid submitted by the lowest tenderer in the sum of £89,475.00 ex VAT is the most economically advantageous bid on the basis of price and timescale and is therefore recommended for acceptance.
- 5.2 The current condition survey information held by the council held by the council has been reviewed and is considered not a complete or robust collection of working data and therefore does not provide an accurate data collection of the Councils' stock and its current structural condition.

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

### **6.1 Financial Implications**

Please refer to the Part 2 Report for details.

### **6.2 Legal Implications**

The Contract must be in a form approved by the Assistant Director of Legal Services

### **6.3 Property Implications**

To ensure that no other works programmes are affected by the undertaking of the survey.

## **7. KEY RISKS**

7.1 The key risks associated with this project are:

- (a) The risk that structural issues could become worse and deteriorate thus placing people at risk.
- (b) That the information is out of date or incomplete and does not enable the drafting of a robust database.

7.2 These risks are considered to be significant risks for the Council.

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

### **8.1 Fairness for All**

The project will contribute positively to the Council's priority of Fairness for All. This will contribute to residents' quality of life by ensuring they access and egress their homes safely to allow them to participate in social and other activities. It will also have an aesthetic benefit to the buildings in which they live.

### **8.2 Growth and Sustainability**

The stock affected by the programme should prolong it's life.

### **8.3 Strong Communities**

The project will contribute to strong communities by ensuring that residents are able to fully participate in the activities in their community.

## **9. EQUALITY IMPACT IMPLICATIONS**

It is not deemed relevant or proportionate to carry out an equality impact assessment/analysis for the approval of the tender that represents the lowest price and complies with the tender requirements of the Council for repairs.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 10.1 The project may impact positively on resident satisfaction performance indicators collected by Enfield Council through the delivery of the programme.

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

- 11.1 Health & safety Implications include:

Welfare and safety of the inspectors when visiting blocks and more importantly if they require internal access to properties. Consideration will need to be given to indirectly consulting the CCD Database. This will need to be managed jointly with the client team.

Access to remote areas or roof will be subject to a comprehensive health & safety plan prior to inspection.

## **12. PUBLIC HEALTH IMPLICATIONS**

Due to the nature of the works the public health and safety are paramount to mitigate the exposure of perceived danger of falling elements or collapse.

The aesthetic appearance of the property would be enhanced and will improve the social environment of the area.

### **Background Papers**

None



## MUNICIPAL YEAR 2016/2017 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

#### PORTFOLIO DECISION OF:

Cllr Alan Sitkin, Cabinet Member for Economic Regeneration and Business Development, and Cllr Dino Lemonides, Cabinet Member for Finance & Efficiency

#### REPORT OF:

Director – Regeneration & Environment

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<b>Agenda – Part: 1</b>	<b>KD Num: 4229</b>
<b>Subject: Land Acquisition at Meridian Water (Site E)</b>	
<b>Wards: Upper Edmonton &amp; Edmonton Green</b>	

### 1. EXECUTIVE SUMMARY

- 1.1 On 25 June 2014 Cabinet (KD 3921) delegated authority to the Directors of Regeneration and Environment and Finance, Resources and Customer Services to obtain all necessary professional advice to support the potential purchase of a 10.16 acre (4.1 hectare) site known as Site E, Leaside Road, Tottenham, London (the **Site**) from appropriately qualified and experienced consultants, including, but not limited to, property, environmental, legal and planning advice.
- 1.2 On 10 February 2016 the Cabinet Report (KD4229) agreed the increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of a number of regeneration initiatives which include Meridian Water land acquisition.
- 1.3 On 10 February 2016 the Cabinet (KD4229) delegated authority to finalise the acquisition of the Site to the Cabinet Members for Finance and Cabinet Members for Housing Regeneration, in consultation with the Director of Regeneration & Environment and the Director of Finance, Resources and Customer Services, and in accordance with the Council's Property Procedure Rules (PPRs).
- 1.4 The purpose of this Report is to approve the final terms of the sale of the Site and to seek Portfolio authorisation to enter into the Conditional Agreement for Sale (the Agreement) to be made between (1) IKEA Property Investments Limited (the **Seller**) and (2) The Mayor and Burgesses of the London Borough of Enfield (the **Council**) (appended to Part 2 of this report).

## 2. RECOMMENDATIONS

- 2.1 To approve the final terms of the sale as set out in the Agreement and associated legal documents (appended to Part 2) for the purchase of a 10.16 acre (4.1 hectare) site known as Site E, Leaside Road, Tottenham, London.
- 2.2 To delegate authorisation to the Authorised Legal Officer to enter into the Agreement
- 2.3 To note that all necessary expenditure associated with the purchase of the Site as detailed in Part 2 of this report will be contained within the existing approved capital budget.

## 3. BACKGROUND

- 3.1 Meridian Water comprises approximately 85 hectares in the south east of the Borough and is one of the largest developable areas 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.
- 3.2 On 25 June 2014 Cabinet (KD 3921) delegated authority to the Directors of Regeneration and Environment and Finance, Resources and Customer Services to obtain all necessary professional advice to support the potential purchase of the Site from appropriately qualified and experienced consultants, including, but not limited to, property, environmental, legal and planning advice.
- 3.3 On 10 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. The report specifically notes that the sum stated to acquire the Site is included within the Capital Programme. Agreed Heads of Terms for the acquisition were appended to Part 2 of this Cabinet Report.
- 3.4 On 18 May 2016 Cabinet (KD4241) approved the decision to approve the outcome of the Meridian Water Master Development Partner procurement process. Barratt Homes is the selected master developer (the **Master Developer**).
- 3.5 The Council has adopted a proactive strategy of coordinating the delivery of the Meridian Water development following feedback from

developers that multiple landownerships were a barrier to development. The Council's strategy is to acquire all developable land at Meridian Water. This not only ensures the delivery of the project but also ensures that the Council has control at every stage of the development process which is crucial to ensure quality is maintained.

- 3.6 To date the Council has acquired c20 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; and
  - Phoenix Wharf in July 2016.
- 3.7 The acquisition of this 10 acre site is proposed on the basis of vacant possession of a fully cleared site with no buildings.
- 3.8 The acquisition is being made on the basis of future plans to develop the Site for residential-led mixed use as set out in the Meridian Water Masterplan (the **Masterplan**) and in accordance with the Master Developer Framework Agreement (**MDFA**). In the period between acquisition and development, the Site will be used for meanwhile uses by renting space out to occupiers on a leasehold basis (for example, for open storage). Further details of expected future development values and anticipated rental income from meanwhile uses are given in Part 2 of this Report.
- 3.9 This additional 10 acres will mean that the Council has taken another significant step forward in acquiring the land that will enable the vision of Meridian Water to become a reality.
- 3.10 Jones Lang LaSalle (JLL) was instructed to negotiate purchase of the Site. It has also produced a development appraisal for a housing-led scheme. This negotiated settlement is another example of the Council securing control of land through negotiated methods.
- 3.11 It is understood that the Site previously housed a Gas Holder, which was decommissioned in 2003. It is understood that the site has been remediated to commercial standard but not fully to residential standard. In accordance with the Master Developer Framework Agreement (MDFA), it is the responsibility of the Master Developer to undertake all necessary remediation and site preparation of land plots in advance of development.

### **Conditional Agreement for Sale**

- 3.12 Please refer to Part 2 of this Report for an outline of the key terms of the Conditional Agreement for Sale.

## **Valuation**

3.13 In accordance with the Council's Property Procedure Rules, Glenny's have been commissioned to provide a Red Book Valuation, which was produced on 18 July 2016 and is appended to Part 2 of this Report. The Land Valuation can support the purchase price detailed in the Agreement.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 The principle alternative option for acquiring the Site would be to pursue a compulsory purchase of the land via a Compulsory Purchase Order (CPO). The reasons for not pursuing a CPO for this site are as follows:

- Proceeding with a CPO is likely to delay acquisition, with a potential timescale delay of 2 years, in which time the value of the Site is likely to increase due to natural movements in the market.
- Compulsory purchase is a complex, costly and uncertain process where there is no guarantee of success. If there are objections to the scheme, the matter must be referred to the Secretary of State to determine at a public inquiry.
- A compulsory purchase must be a matter of last resort and the Council must be able to demonstrate at an inquiry that it was not able to secure the land by a private acquisition, which given the negotiated agreement reached on the Site, would not be possible.
- If a compulsory purchase route were pursued, not only would the market value of the site have to be paid, but there would be additional costs (such as the landowner's reasonable professional fees, additional statutory compensation or significant costs that would be incurred in promoting a CPO through a public inquiry process.)

4.2 In this case, the Council has been able to reach an agreement through mutual negotiation and has been able to agree a sale price that is in accordance with the market value. If a negotiated agreement can be reached based on market value, there is absolutely no justification for pursuing a CPO.



## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The acquisition of the Site will enable the Council to exercise control over the land within the Meridian Water Masterplan area, which will help accelerate housing delivery.
- 5.2 To provide a greater level of certainty over the timescales associated with the development of Meridian Water and to increase developer and stakeholder confidence in the delivery of the Masterplan.
- 5.3 The purchase of the Site will underpin the delivery of the Meridian Water Housing Zone and this land could support a mixed use development at a later date.
- 5.4 Also see Part 2 of this report.

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

### **6.1 Financial Implications**

See Part 2 report.

### **6.2 Legal Implications**

- 6.2.1 The Council has power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles. The recommendations detailed in this report are in accordance with the Council's powers.
- 6.2.2 Section 120(1)(b) of the Local Government Act 1972 (LGA) gives Councils a specific power to acquire land for the benefit, improvement or development of their area. In addition, the Council has powers under section 227 of the Town and Country Planning Act 1990 (as amended) to acquire land by agreement for 'planning purposes'. Where agreement cannot be reached, the Council has the power under various enactments to acquire land compulsorily using a Compulsory Purchase Order. However, CPO is a lengthy process and a measure of last resort. It is therefore noted that purchase by agreement has been pursued in this case.
- 6.2.3 The Council has a fiduciary duty to look after the funds entrusted to it and to ensure that its Council tax and ratepayers' money is spent appropriately. For that reason, the Council must carefully consider any

project it embarks on to ensure that it is making decisions based on a proper assessment of risk and rewards/outcomes

- 6.2.4 When considering an acquisition of property the Council must act in accordance with its Property Procedure Rules, including obtaining advice that the terms negotiated represent value for money and the property is suitable for its intended use.

### **6.3 Property Implications**

- 6.3.1 The Council have appointed external property advisers Jones Lang La Salle (JLL) to provide technical and commercial advice on this property transaction and Glenny LLP to provide formal valuation advice, therefore Strategic Property Services (SPS) role in this instance is limited to providing an overview and highlighting risk areas for emphasis or further consideration in terms of contract documentation. SPS note that JLL have taken (and continue to review) risk mitigation measures to address the likelihood and impact of key risks adversely impacting upon delivery.
- 6.3.2 SPS have been provided with a copy of the "Red Book" (formal) valuation by Glenny LLP and therefore the process requirement within the Council's Property Procedure Rules has been complied with. The valuation itself is stated to be based upon existing use value including an element of "Hope Value" and therefore does not have regard to ongoing regeneration of the area which does enhance the value. A residual risk does however remain that if in the future the site were not included in a regeneration scheme the assessment of Market Value now reported may not be attainable. SPS do however note that JLL have undertaken a development appraisal for industrial use (as a backstop option) which in their view demonstrates that even in isolation the site purchase represents market value.
- 6.3.3 The price agreed for the site through private treaty negotiation is in line with the valuation and does not take into consideration the cost and time savings associated with a full Compulsory Purchase process.
- 6.3.4 JLL need to fully consider the extent to which flood risk potentially affect the terms of the transaction including the price. Strategic Property Services assume that this risk factor has been adequately considered within the Heads of Terms and sale and purchase agreement. SPS however note that an allowance for flood risk mitigation has been placed within valuations and appraisals underpinning the acquisition price. We are advised that this figure has been supplied by an independent cost consultancy.
- 6.3.5 The Council's property consultant (JLL) need to satisfy themselves and the Council that thorough and comprehensive due diligence

investigations have been completed on the site including but not limited to the following : ( legal title, town planning , geotech/geoenvironmental , topographical survey etc) preferably prior to an exchange of contracts or in the event that time is of the essence and that they understand and report the risks appropriately if full investigations are not completed prior to exchange of contracts. SPS note that legal title and other investigations have been completed thereby reducing the Council's overall risk profile.

- 6.3.6 The report states that remediation is not to a residential standard and therefore additional work would be required in respect of a change to the required use. SPS understand that the ongoing industrial open storage use has been remediated to the correct standard.
- 6.3.7 The financial "holding costs" of the acquisition should be adequately considered within the overall project viability appraisal, particularly bearing in mind the potentially lengthy timeframe for remediation, onward sale and redevelopment. SPS have been assured that these costs have been considered as part of the overall project base budget.
- 6.3.8 The Council's property consultant (JLL) need to satisfy themselves and the Council that any risks associated with claims from third parties either now or in the future have been mitigated as far as is reasonably practicable in terms of ground or airborne contaminants and potential contamination of ground water. SPS note that consultants reports have been produced which reference these issues.
- 6.3.9 As the Council may need to retain this property for an indeterminate period before it is redeveloped it is important to have both a Meanwhile Uses Strategy and pro-active asset management to enhance rental values. SPS note that progress continues to be made in this respect with an evolving strategy in place which by definition is subject to regular review.
- 6.3.10 In summary, based upon the additional advice provided by JLL, Glenny's and AMEC, Property Services support the recommendations within this report.

## **7. KEY RISKS**

Key risks considered arise from the liabilities associated with the acquisition and development of the site. Conversely not acquiring the site poses a risk to the Council's ability to deliver the vision for Meridian Water.

### **7.1 Legal**

Please refer to the Key Risks Report prepared by Trowers (as Appended to Part 2 of this Report) for a full outline of the legal risks associated with the Council's acquisition of the Site.

## 7.2 Financial

**Risk** – The key financial risk is that the Council is paying too much to acquire the Site, which it could then struggle to recover from the Master Developer. This could be due to a number of factors, these sub-risks and mitigations are set out below,

7.2.1 **Sub-Risk** – The valuation shown from the development appraisal is too high. This could be due to fluctuations in build cost and housing prices over time.

**Mitigation:** The deal offered by the selected Master Developer for Meridian Water ensures that disposal of land plots for development is governed by four guiding financial principles that guarantee a return on investment. For example, there is a minimum residential plot value which means that development of a particular plot cannot proceed until this plot value can be achieved.

7.2.2 **Sub- Risk** – By the time the Council comes to dispose of the Site for development, there has been a downturn in the housing market, which could be due to a number of possible causes of which Britain leaving the European Union and the resultant economic consequences could be one.

**Mitigation** – The MDFA (as explained in Part 2 of this Report) being put in place with the selected Master Developer requires a financially viable position to be achieved before the Council disposes of any land. The MDFA protects the Council against downside risk while not capping the Council's ability to capture upside.

7.2.3 **Sub-Risk** - There is currently no established residential market at Meridian Water and therefore levels of sales and values assumed in the development appraisal, produced by Glenny, are yet to be tested.

**Mitigation** - The Site is being purchased using commercial valuation which is consistent with the Red Book. Any change in planning designation to residential / mixed use is likely to increase the land value.

## 7.3 Development

7.3.1 **Risk** – There is a risk that the Site will not be developed for the residential-led mixed use scheme. One of the primary reasons for this could be that the station does not run a 4-trains-per-hour service, and/or the requisite transport infrastructure is not in place.

**Mitigation** – If the Site is not developed for the residential scheme planned, the Council will retain the option to sell the Site to a third party for industrial use (for which it has planning consent). JLL have undertaken a development appraisal exercise for the delivery of the consented scheme for industrial use, which shows the residual land price would be in excess of the current agreed purchase price.

Alternatively, if the Council were to develop out the consent itself (rather than selling the site), it would benefit from a significant rental income from the industrial units, which over time would pay off the construction costs and land purchase price (see JLL Purchase Report Addendum attached to Part 2 of this report).

In the short term, if the Council decided to use the Site as open storage, it would receive sufficient income to cover borrowing costs (see Financial Implications in Part 2 of this report), and could continue until such time as the residential market improves or infrastructure and improved transport services make development viable.

- 7.3.2 **Risk** – No intrusive site investigations have been undertaken by AMEC thus far although site investigation has been undertaken by ENTEC and the Site has been remediated for open storage use. Some uncertainty exists with respect to chalk, gravel, soil and ground water contamination, the scope and cost of remediation required to address risk to future site users and the environment. There is also a risk associated with the culvert and its integration into a safe and accessible development site.

**Mitigation** – Site investigations and appropriate remediation measures will be undertaken in due course by the Master Developer as part of their statutory and development responsibilities.

- 7.3.3 **Risk** - The development could be affected by flooding given the provisions of the Strategic Flood Risk Assessment.

**Mitigation** – Flood risk will be mitigated through the measures set out in the Masterplan and through the implementation of appropriate design solutions. In short, this allows for an appropriate amount of flood storage. Provided that proper attention is paid to design, which will be tested by the Environment Agency through the planning process, there is no reason why residential development here should prove any more problematical than anywhere else, in so far as flood-risk is concerned.

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

- 8.1 The immediate acquisition of the Site described in this Report would enable the early development of new homes in Meridian Water. Given that the Master Developer has now been selected and has begun work with the Council and the design team on progressing delivery of Meridian Water, this acquisition helps to confirm and open up new

opportunities for developing the next stages of mixed use residential-led development after Zone 1. Any subsequent development would be guided by the Masterplan and other relevant policy documents which, amongst other objectives, seek to achieve fairness for all, sustainable growth and development of strong communities.

## **9. EQUALITY IMPACT IMPLICATIONS**

- 9.1 The draft 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 11<sup>th</sup> 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. HEALTH AND SAFETY IMPLICATIONS**

- 11.1 There are no Public Health Implications directly arising from the acquisition of the Site pursuant to the terms of the Agreement but the intention to remediate and develop the Site when finally used for residential development is likely to have positive benefits.

## **12. PUBLIC HEALTH IMPLICATIONS**

- 12.1 A component of the Meridian Water Masterplan concerns the need to improve access to healthy living corridors. In accordance with the Core Strategy, all new areas brought forward for development will have appropriate provision of green space and parks, as well as sufficient access to new sports and health facilities to support the new communities.

**Background Papers**

None

