

MUNICIPAL YEAR 2016/2017 REPORT NO. 201

MEETING TITLE AND DATE:
CABINET 8th February 2017

JOINT REPORT OF:
Executive Director of Finance,
Resources & Customer Service &
Executive Director of Regeneration
and Environment

Agenda – Part 1	Item: 12
Subject: Bury Street West - Development	
KD: 4008	
Wards: All	
Cabinet Members consulted: - Cllrs Sitkin, Oykener & Lemonides	

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1. EXECUTIVE SUMMARY

- 1.1 A report to Cabinet and Council on the 12th November 2014 under KD 3959, approved the redevelopment and budget required for the former parks depot site at Bury Street West.
- 1.2 A further update report was presented to Cabinet on the 14th December 2016 and recommended that in order for the Council to obtain maximum value for money from the site, the disposal strategy for Bury Street West should be reviewed in light of current macro-economic conditions.
- 1.3 Since January 2015, several high level negotiations and consultations with planning officers from both the GLA and LPA have been facilitated to obtain an in principle decision to progress with a residential scheme on the site which is designated as and constrained by Metropolitan Open Land (MOL).
- 1.4 In early spring of 2016, before the Mayoral Elections an 'in principle' approval was obtained from the GLA (Subject to further consultation) of the Council's scheme.
- 1.5 The scheme presented to the GLA significantly required a reduction in the permissible developable area due to the MOL designation. Further meetings held with the GLA with further analysis and design iterations, a final scheme was prepared which obtained the support of both the GLA and Local Planning Authority.
- 1.6 As a consequence of the guidance given by the GLA to the reduction of units on site, it is prudent the Council revisits its options in relation to the delivery of this site and these options are discussed within the Part 2 Report.

2. RECOMMENDATIONS

- 2.1 Cabinet approves the development to proceed as a Council self-build project.
- 2.2 Cabinet approves the budget as detailed in Part 2 which is profiled over the next three years for the development at Bury Street West and Cabinet notes the downward cost reprofiling of the project budget within the Capital Programme.
- 2.3 Cabinet delegates authority to the Executive Director of Finance, Resources and Customer Services in conjunction with the Cabinet Member for Finance & Efficiency and Cabinet Member for Housing and Housing Regeneration to procure a contractor(s) for the demolition and redevelopment of the Bury Street West site for the purposes of a new residential neighbourhood, and to award contracts subject to the receipt of planning permission.

3. BACKGROUND

- 3.1 The Bury Street West development scheme was envisioned over the summer of 2014, this was in response to the depot use ceasing. During the inception of the project which was 'themed' as exemplar in design and materials that would be used, but also the delivery vehicle that may be used to develop out the site. The site gained national coverage through the Guardian newspaper and later through GLA support with both planning and grant funding for the affordable homes.
- 3.2 Discussions with the GLA have been protracted due to the planning designation of the land as Metropolitan Open Land (MOL), and the sensitivity of the Mayoral elections in April 2016. Although the site is recognised as previously developed 'brownfield' land, the scale and siting of development must still respect the planning test of MOL 'openness'. The delayed advice was received in April 2016 this is despite the site having a certificate of lawful use as a depot/B8 Storage.
- 3.3 The Bury Street West site has excellent potential to deliver a high quality, 'exemplar' housing scheme. It is located in an existing residential area with good access to services and amenities, including Bury Lodge Park to the west of the site and local town centres via the bus network. The site is bound to the south by Salmon's Brook giving opportunities for access to nature and healthy living.
- 3.4 The former and lawful use of the site is as a Council depot which is an employment use. Policy allows for the change of use from employment outside strategic locations, provided the site is no longer suitable or viable. As the Council depot is neither required nor viable in this location and residential use is more compatible with the surrounding neighbourhood, the change of use from employment to residential is considered acceptable in principle.

- 3.5 The Bury Street West site is also within Metropolitan Open Land (MOL) where policy generally limits development; however, as it is a previously developed Brownfield site, policy does allow for some development provided it can be incorporated without unacceptable harm to the openness of the MOL. The development proposes new homes in the least sensitive parts of the site and the character, scale and form of the buildings and spaces are designed to maximise views through the site and provide a sense of openness. Whilst the increase in the amount of development will have an impact on openness when compared to the existing situation, this impact is limited and substantially outweighed by the benefits of the scheme.
- 3.6 The residential offer includes a significant and policy compliant proportion of affordable housing at 40% with a 60/40 split between social rent and intermediate tenures. It proposes houses rather than flats and provides a uniquely high proportion of family homes (3 bed or over) at 64% of the total, with the remainder of the houses being 2 bed and therefore capable of accommodating smaller families.
- 3.7 The site will be opened up to the public with new public walking and cycling routes leading through and connecting into the 'Quiet way'. A generous area of circa 2.5 acres of new publicly accessible open space will be provided across the southern part of the site, accessible to all future residents and to the existing community. This flexible meadow will provide space for a mix of activities, including informal play and recreation, exercise and temporary exclusive community events.
- 3.8 The character and layout of the scheme at Bury Street West will substantially enhance the setting of the Grade II* listed Salisbury House and will contribute towards its long term sustainability. The current condition of the former depot provides a poor setting to Salisbury House and the character of the new development, with low rise houses of semi-rural nature set within open spaces and informal streets, will provide a bespoke response which enhances its historic significance.
- 3.9 The new layout will remove the insensitive bungalow, replacing it with houses which allow new views of Salisbury House and are subservient in scale. By locating the new homes further to the east, a large area of the former Salisbury House garden is restored. Furthermore, the whole eastern side of the garden will be upgraded to provide an improved, flexible and low maintenance outdoor space with the potential for outdoor events and an enhanced, sustainable rental income from the property.
- 3.10 The new homes are designed to an exceptionally high standard, meeting and exceeding internal space standards, providing generous dedicated private gardens, dedicated car parking spaces for each home, and excellent cycling facilities. The high quality brick material, landscaping and environmental attributes result in a scheme that is both attractive and sustainable.
- 3.11 Overall the scheme demonstrates an exceptionally high level of design and residential quality and many benefits for the community, which will set a

leading example for future developments across the Borough and in other parts of London.

- 3.12 The team which has consulted extensively with GLA, Enfield Planning, Conservation and Design Officers and with Historic England to shape the proposals and all parties have confirmed in principle support for the development. There will be continuing discussions and consultation with all parties throughout the process.
- 3.13 During the negotiations with GLA officers considered that the overall benefits of developing the site will include the following factors and weighted in favour of;
- Deliverability and the Council's commitment to the site and its ability to deliver;
 - Previously developed land; Brownfield site
 - Conservation benefits; Salisbury House
 - Affordable Housing which is compliant with planning policy;
 - Improved accessible landscape and open space to the north of Salmon's Brook all add in favour of a partial development upon this site.

The GLA concluded that there are considerations and benefits which warrant support of this site at a strategic planning level and that there are considerations weighing in favour of development and benefits to be gained in the wider environment from the proposed scaled down scheme.

- 3.14 In addition to the range of environmental benefits, the scheme delivers 40% affordable housing, in a form that meets the requirements of housing colleagues and the Council's planning policies, as follows:

UNIT TYPE	No
SOCIAL RENT	
2 Bed House	10
3 Bed Semi	2
Total	12
INTERMEDIATE	
2 Bed House	4
3 Bed Semi	4
Total	8
PRIVATE	
2 Bed House	4
3 Bed Semi	12
3 Bed Detached	7
4 Bed Detached	7
Total	30
Grand Total	50

Indicative Layout – Karakusevic Carson Architects & Periscope



CONSULTATION

- 3.15 Public consultation has been a key component of this development site. Earlier stages of consultation covered the principles of development. The latest consultation held in November 2016 set out the preferred development option for public comment.
- 3.16 All the public consultations afforded the opportunity for specific stakeholders, including the Bowls Club and Friends of Bury Lodge Park, local Ward Members and the Bush Hill Park Residents Association to be closely involved.
- 3.16 A further public consultation event was held on Wednesday 23rd and Saturday 26th November 2016 following on from the earlier public consultation events held in October 2014 and March 2015. This exhibition / display presented the revised scheme proposal following detailed and lengthy consultation with GLA and LBE planners. The consultation display also explained how the proposals have evolved in response to previous feedback received.

A huge number of local residents and stakeholders interested in the redevelopment of the site were invited to view the proposals and meet with the project team to discuss further and provide feedback.

- 3.17 To publicise the event, leaflets were dropped to 3,000 properties in surrounding roads and the wider local area with the details of the consultation event. Individual emails and letters were also sent to those people on the consultation database who had previously expressed interest in the redevelopment proposals and/or who had previously attended. An advert was placed in the local newspaper. Individual Specific invitations were issued to key local and other interest groups including Bush Hill Park Residents Association, Bury Lodge Bowls Club, the Conservation Advisory Group (CAG) and the Friends of Bury Lodge Park. Ward Councillors were kept closely informed and invited to attend a specific briefing prior to the event. The consultation event took place at Salisbury House, located adjacent to the site. Over the two days there was an attendance of approximately 90 people.
- 3.18 Visitors to the consultation event were encouraged to complete a feedback form and the team also took account and noted the verbal comments. Approximately 30 questionnaires were completed and some other feedback was submitted by email.
- 3.19 The response to the revised scheme was generally very positive, with the majority of respondents supporting the reduction in overall housing numbers, the focus on houses and family homes, rather than flats, the proposed tenure split, with 40% of homes in the affordable category, specific improvements and dedicated parking for the Bowls Club, and improvements to the setting of Salisbury House.
- 3.20 A substantial 85% of respondents supported the revised housing numbers and the proposed density of development. Approximately 60% of respondents supported the proposed housing tenure mix and proportion of affordable homes. Some concerns remained about traffic issues and possible 'overflow' parking onto surrounding roads. Feedback received has been taken into account and further revisions are being incorporated into the proposals including reviewing the amount of on-site parking and allocating more spaces to the larger house types.

PROCUREMENT STRATEGY

- 3.21 Procurement options for the construction works contract on the site have been reviewed by the wider design team. The key objectives for the procurement are certainty of delivery, most economically advantageous price, earliest completion and quality. The review of procurement options therefore will consider timescales, risks, constraints and lessons learnt from other projects around the Council.
- 3.22 To mitigate risk to the Council (the Employer), it is proposed to procure the works either under a JCT design and build Contract 2011 or NEC3 Option C – Target Price Contract. The project team are to be offered an opportunity to

contribute to this strategy through draft publication of the procurement strategy report prior to a final decision being made.

- 3.23 Utilising the JCT design and build form of Contract enables sensible levels of risk transfer from Employer to a main Contractor. However, areas of risk are likely to remain such as contaminated ground though these can be further reduced by carrying out further site investigations prior to the main works being tendered by a main Contractor. To mitigate risks further, it is proposed to procure an enabling works package to commence on site at the earliest opportunity. This is currently programmed for June 2017, though if elements of this can be brought forward to enable site clearance to take place before spring time; this reduces ecological risks associated with such works.
- 3.24 NEC was launched in 1991 and its contracts are specifically designed for clarity, flexibility and to stimulate good management. NEC demands a more detailed set of documents that make up the programme to be submitted at the regular basis prescribed by the employer. When accepted by the project manager, this becomes the tool by which change is assessed, progress is monitored and assists the management of early warnings and compensation events.
- 3.25 Both NEC and JCT contracts are standard forms of contract that are part of standard families for procuring works or consultancy services (JCT), goods, works or services (NEC). Each has an allotted person to act on behalf of the employer (contract administrator in JCT, project manager in NEC). They both include obligations relating to time, cost and quality, although the explicit requirements are quite different, NEC includes procedures providing for a more proactive and collaborative approach to managing the contract and requires the parties to follow these procedures. Key NEC drafting features centre around flexibility, clarity and simplicity, and a stimulus to good management.
- 3.26 Completion of an enabling works package, to enable the site to be mostly cleared before engaging with a main Contractor, will seek to entice more interest from the market as areas of risk will have already been dealt with. This will also assist in securing more competitive prices from main Contractors.
- 3.27 It is intended to pre-qualify main Contractors to establish their interest and commitment to the project at an early stage. This will offer an opportunity to test the market and assess its appetite for either single stage or two stage tendering. Single stage tendering assures more cost certainty and can be secured in a shorter time period than two stage tendering. However, it substantially reduces the Employer's ability to make changes to the scheme's designs, whereas two stage tendering offers more flexibility in this regard.

Project Stages

- 3.28 With regards to programme and timing, GVA Second London Wall (GVASLW - Project Managers) has been appointed to oversee this development to completion.

STAGE 1 - PLANNING	STAGE 2 – PRE DELIVERY	STAGE 3 - DELIVERY
Jan - April 2017	March - June 2017	July 2017 – December 2018
Design Freeze & Submission of Planning application	Develop design to RIBA stage 2/3	Award of Main Contract
Approval to commence Procurement and Product testing.	Procurement of Contractor	Mobilisation & Start on site
Sales & marketing strategy	Commencement of site enabling works	Completion and sales handover.

- 3.29 It was recommended to proceed with the development of this site with the formation of the SPV to deliver the units for sale. Legal Advice has been sought that has confirmed that the Council itself can develop this land without the requirement to construct a vehicle to develop the site out. This in itself has financial advantages for the Council in terms of saving considerable funds in the setup of a company, corporation tax paid via the company including the Council's ability to utilise Right to Buy receipts via a Registered Provider for the affordable units.

4. REASONS FOR RECOMMENDATIONS

- 4.1 With outline approval from the GLA with regards deliverability, planning viability with a scheme that is financially viable and delivering high quality affordable housing, it would be a lost opportunity for the Council not to deliver this site.
- 4.2 The development also will improve the setting of Salisbury House by enlarging the formal garden area. Further benefits include improved access and designated parking for the Bury Lodge Bowls Club, environmental enhancements to the majority of the site by including a meadow and accessible routes through to the south of Salmons Brook.
- 4.3 The Council can utilise and lever in HRA Right to Buy receipts for this housing development via a Registered Provider (RP) as this site would be eligible under the RTB conditions and use; this funding would subsidise the build cost considerably for the affordable units.
- 4.4 The GLA have also approved grant funding via the Mayor's Housing Covenant Fund for Bury Street West which currently stands at circa £35k per unit for Affordable Rent and £20k per unit Intermediate Rent equating to £580,000.

5. ALTERNATIVE OPTIONS CONSIDERED

Please see Part 2 of this Report

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

6.1 Financial Implications

Please 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 subject to the constraints stated in the section.

6.2.2 There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. In addition, section 111 of the Local Government Act 1972 gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

6.2.3 The recommendations in this report are in accordance with these powers.

6.2.4 The procurement of contractors for this project must be carried out in accordance with the Council's Contract Procedure Rules and applicable laws.

6.3 Property Implications

6.3.1 As embedded within this report

7. KEY RISKS

Key Risk	Description
BREXIT	The residential market seems buoyant especially in Enfield with the lack of stock; however the uncertainty in the market will remain some time until after Article 50 is triggered.
Consultation Risk	<p>The local community may resist or oppose the form / tenure and /or level of development proposed and maintain those objections through the statutory planning process.</p> <p>To help mitigate this risk, local residents and other interested and affected parties are part of an ongoing consultation and community engagement process to discuss all aspects of the proposals, with the</p>

	opportunity to design out any contentious issues.
Planning Risk (ARBORCULTURAL)	There are mature trees on the site with a wide root system. Any development will include removal of some trees which will be subject to consultation with Officers from the Parks department. Initial discussions with the LPA have been held and comments received were complimentary and supportive of the proposed scheme.
Contamination Risk	The site has been surveyed and contamination appears to be limited to specific defined areas.
Development Risk (EXIT STRATEGY/ OPTIONS)	Planning permission may not be obtained for the intended use. The Council could adopt one of the following three options to clawback value: <ul style="list-style-type: none"> - Dispose of the site on the open market via agents as the Council has added considerable value to the site and LBE is continually doing so. - Lease the depot to an external user (investment) - Use the depot for the Council's own purposes.
Financial Risk	The Council over estimates the sales/rental values and under-estimates the scheme's costs. Independent advice in both fields has been sought and verified and is in line with internal costings.
Financial Risk (FUNDING)	Funding availability for the scheme is not yet finalised. Interest rates may increase due to uncertainty within the market.
Contractor Procurement Risk	Procurement of a contractor and fixing their price is a must as the market is overheating in some areas and cost prices are rising. Availability of reputable builders will also be difficult as the market heats up.
Economic Risk	The state of the economy may deteriorate over the next two years, uncertainty may kick in and unemployment could increase – the Council may be unable to let/sell in difficult economic climates.
Reputation Risk	This is a significant project and failure to deliver by the Authority may embarrass the Council.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The development will bring benefits such as public open space, a nature trail, well designed urban landscapes and an enhancement to the whole area in key aspects of public realm that will be readily accessible to all and cater for all communities within the Borough.

Further, the tenure mix allows for all communities to be brought together to create a new neighbourhood for all

8.2 Growth and Sustainability

To ensure the site is brought back into beneficial use for development purposes the end result will improve the quality of residential housing in the area, improved streetscape, improve the quality of life for local residents and increase local economic development by creating jobs in the local area. The development will have high standards of environmental technologies thereby contributing to environmental sustainability.

Delivery of this comprehensive development site within this locale will provide green linkages through to Edmonton Green and eventually beyond to Meridian Water including cycle routes. Investment into the public realm will improve the quality of life to the residents in the area and promote growth and sustainability.

8.3 Strong Communities

The design and inclusive nature of a mixed tenure scheme will allow the Council to build into the fabric of the development a new safer, stronger and cohesive neighbourhood.

The engagement with the local community from the onset has established a community buy in to this project as they have seen it evolve through the comments and ideas brought forward by the individuals who live and work in the locality.

9. EQUALITIES IMPACT IMPLICATIONS

A rapid equalities impact assessment has been undertaken for this project. No significant issues have been identified that may impact on any of the identified statutory defined protected groups. However, care is being taken to ensure communication events are as inclusive as possible to solicit opinions and suggestions from the local community. Further equalities impact issues will be examined throughout the design process to ensure an emerging design is also inclusive and promotes community cohesion.

It is envisaged that the properties to be built will have the 16 basic principles of Lifetime Homes standards inbuilt and engineered into the fabric and design of the residences. A Lifetime Home will meet the requirements of a wide range of households, including families with push chairs as well as some wheelchair users. The additional functionality and accessibility it provides is also helpful to everyone in ordinary daily life, for example when carrying large and bulky items.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

With regards to the development management of the site there will be set milestones to achieve within agreed timescales with a project manager tasked to deliver the scheme on time which will be the Council's appointed Project Managers from GVA SLW.

11. HEALTH AND SAFETY IMPLICATIONS

The site has been kept secure and gated within the boundary, together with an active CCTV presence to ensure that no illegal occupancy of the site occurs.

12. HR IMPLICATIONS

Delivering this development scheme and bringing several others forward represents a significant undertaking for the Council. Strategic Property Services may need to bring on expertise where necessary to complement existing staff.

As the projects(s) evolve there will be a requirement at different stages for further skill sets to complete various tasks, this could be achieved either through the Strategic Partnership Co-Sourcing agreement or through another short term agreement as described within the report

13. PUBLIC HEALTH IMPLICATIONS

A key component of developing this scheme entails its closeness to its surroundings and in particular its relationship with the environmental setting. The creation of the open space will offer significant recreational and environmental benefits with an eco-wetland also being created which facilitate wider health and wellbeing benefits to the wider community.

The homes will perform to the highest environmental standards and this will enable the reduction of fuel poverty and eventually contribute to the wellbeing of residents.

The profits and receipts generated from this development will feed back into the Council's finances to enable investment into front line services to the wider community.

There are a number of implications that arise from developing a site such as this. Issues that arise during demolition and construction phases will be monitored closely and contractors will be required to work in accordance with the Considerate Constructors Scheme

Background Papers

None