

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON TUESDAY, 9 MAY 2017**

**COUNCILLORS**

**PRESENT** Doug Taylor (Leader of the Council), Achilleas Georgiou (Deputy Leader), Daniel Anderson (Cabinet Member for Environment), Krystle Fonyonga (Cabinet Member for Community Safety and Public Health), Dino Lemonides (Cabinet Member for Finance and Efficiency), Ayfer Orhan (Cabinet Member for Education, Children's Services and Protection), Ahmet Oykenner (Cabinet Member for Housing and Housing Regeneration) and Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development)

**Associate Cabinet Member (Non-Executive and Non-Voting):** George Savva (Enfield South East)

**ABSENT** Yasemin Brett (Cabinet Member for Community, Arts and Culture) and Alev Cazimoglu (Cabinet Member for Health and Social Care), Bambos Charalambous (Associate Cabinet Member – Enfield West) and Vicki Pite (Associate Cabinet Member – Enfield North)

**OFFICERS:** Ian Davis (Executive Director of Regeneration & Environment), James Rolfe (Executive Director of Finance, Resources and Customer Services), Tony Theodoulou (Executive Director of Children's Services), Bindi Nagra (Assistant Director, Health, Housing and Adult Social Care), Asmat Hussain (Assistant Director Legal & Governance Services), Jayne Middleton-Albooye (Head of Legal Services), Peter George (Assistant Director, Regeneration and Environment), Alan Fleming (Meridian Water Programme Director), Paul Gardner (Regeneration and Environment), Heather McManus (Interim Assistant Director Property, Strategic Property Services) and Gerry Ansell (Planning Policy Team Leader) Jacqui Hurst (Secretary)

**Also Attending:** Councillor Derek Levy (Chair of the Overview and Scrutiny Committee) and Councillor Robert Hayward

**1**

**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Alev Cazimoglu (Cabinet Member for Health and Social Care), Yasemin Brett (Cabinet Member for Community, Arts and Culture), Bambos Charalambous (Associate Cabinet Member (Enfield West), and Vicki Pite (Associate Cabinet Member (Enfield North); and, Rob Leak (Chief Executive) and Ray James (Executive Director of Health, Housing and Adult Social Care).

**2**

**DECLARATIONS OF INTEREST**

Councillor Achilleas Georgiou (Deputy Leader) declared a disclosable pecuniary interest in Report Nos.263 and 264 – Meridian Water: Land Acquisition (Minute Nos. 6 and 13 below refer) as a member of his family was employed by PricewaterhouseCoopers (PwC). Councillor Georgiou left the meeting and took no part in the discussion on these reports.

**3**

**URGENT ITEMS**

NOTED, that the reports listed on the agenda had been circulated in accordance with the requirements of the Council's Constitution and the Local Authorities (Executive Arrangements) (Access to Information and Meetings) (England) Regulations 2012 with the exception of Report Nos. 263 and 264 – Meridian Water: Land Acquisition (Minute Nos. 6 and 13 below refer). These requirements state that agendas and reports should be circulated at least 5 clear working days in advance of meetings.

**AGREED**, that the above reports be considered at this meeting.

**4**

**DEPUTATIONS**

NOTED, that no requests for deputations had been received for presentation to this Cabinet meeting.

**5**

**ITEMS TO BE REFERRED TO THE COUNCIL**

**AGREED**, that the following reports be referred to full Council:

1. Report Nos. 263 and 264 – Meridian Water: Land Acquisition

**6**

**MERIDIAN WATER: LAND ACQUISITION**

Councillor Doug Taylor (Leader of the Council) introduced the report of the Executive Director of Regeneration and Environment (No.263) and invited Peter George (Assistant Director – Regeneration and Environment) to present the report to the Cabinet.

**NOTED**

1. That Report No.264 also referred as detailed in Minute No.13 below.
2. That approval was being sought to the Agreement for Sale and authorisation to exchange contracts and complete purchase of two sites in Meridian Water comprising c.13 hectares (c.32 acres) subject to approval of the overall viability of the Meridian Water scheme. The report set out the reasons for the recommendation and the regeneration benefits of proceeding with the acquisition.
3. The excellent progress that the Council had made to date in land assembly at Meridian Water, as detailed in section 3.2 of the report. The acquisition of the land in question would take the total land holdings in Council ownership up to c.87 acres (c.35 hectares) or c.64% of the developable land in Meridian Water.
4. Peter George outlined in detail the background to the recommendations and the proposed way ahead including the anticipated development on the sites; and, the vision for job creation and employment opportunities, as set out in full in section 3 of the report. Barratt London had previously been approved as the preferred master developer; contracts were due to be concluded in the near future. The proposed development on this part of Meridian Water consisted of two main elements: the e-commerce building and residential-led mixed use development. The proposals would seek significant job creation in the area. The e-commerce centre, as explained within the report, would be the first significant step for Barratt London (with SEGRO) on delivering on its commitment to provide 6,700 jobs, a number of which would be high salaried positions.
5. The detailed overall employment proposals as part of the Meridian Water site as set out in section 3 of the report together with the anticipated timeframe.
6. The valuation processes which had been carried out to date, with two independent valuations having been sought, as set out in the report and explained to Members in detail. The report was seeking approval for exchange and completion of the purchase of both the Stonehill and Hastingwood sites subject to confirmation of the overall viability of the Meridian Water scheme.
7. The status of the land in question and the potential income generation from the sites was noted. The Stonehill site was currently held as Strategic Industrial Land (SIL) with a restrictive planning designation presently in place which did not support residential development. However, Members were advised of ongoing discussions and proposals currently under consideration. Peter George explained to Members the basis on which the Council was proposing to purchase the sites. He outlined the due diligence work which had been

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undertaken to date and, the further financial due diligence that was being carried out to confirm the overall viability of the proposals, as detailed in recommendation 2.1 of the report. Members were advised of the financial implications of the proposals and the options in the future.

8. In relation to the Council's acquisition strategy, it was noted that this negotiated settlement was another example of the Council securing control of land through negotiated methods. The alternative options considered, as set out in section 4 of the report were noted, including private treaty acquisition at a later date; compulsory acquisition; and, the option of buying in ten years' time. Members noted the restrictions on seeking compulsory acquisition. Members were advised that an Area Action Plan for the area in question had not yet been adopted and, the contract with the Master Developer was still to be concluded; both of which would restrict the current use of a compulsory purchase order.
9. In response to issues raised by Members, the proposed timescales and reasons for purchasing the sites at this time was outlined in detail. The Stonehill site was currently vacant and not income-producing and therefore if the Seller did not sell now they were very likely to commit to proceeding with their development proposals, section 4.2 of the report referred. The potential implications of delaying the purchase were noted.
10. The property implications, section 6.3 of the report referred, and that the Council had fully complied with due process requirements. In response to issues raised, the Council's contractual relationship with Barratt London as the preferred master developer and the secondary relationship with SEGRO were outlined.
11. The need to conclude the acquisition without further delay for the reasons set out in the report and discussed in full by Members.
12. In conclusion, Councillor Sitkin reiterated that the acquisition of the land in question was within the overall Meridian Water development plan, as previously approved by Members. However, the opportunity to acquire the land had arisen earlier than had originally been anticipated. The part two report (as detailed in Minute No.13 below) set out a recommendation to full Council to increase the capital programme for 2017/2018 in order to enable acquisition of the land in question to proceed at this time, for the reasons set out in the report.

**Alternative Options Considered:** NOTED, the detailed alternative options that had been considered as set out in section 4 of the report including: Private treaty acquisition at a later date; compulsory acquisition and, option of buying in ten years' time.

**DECISION:** The Cabinet, subject to the agreement of the part two report detailed in Minute No.13 below:

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1. Noted that the decisions were subject to the demonstration of overall viability of the Meridian Water scheme. Cabinet agreed that authority to approve the overall viability be delegated to the Cabinet Member for Economic Regeneration and Business Development and the Cabinet Member for Finance and Efficiency in consultation with the Executive Director of Regeneration and Environment and Executive Director of Finance, Resources and Customer Services. Subject to confirmation of overall viability, the report recommended the following decisions.
2. Agreed to approve the terms of the sale as set out in the Agreement for Sale and associated legal documents (appended to the part two report, Minute No.13 below referred) for the purchase of two sites in the east of Meridian Water Regeneration Area: a 10 hectare (24.5 acre) site known as Stonehill Estate (Stonehill) and a 3 hectare (c. 7.3 acres) site known as Hastingwood Estate (Hastingwood) (the Sites) complete the acquisition in accordance with the terms set out in the Agreement for Sale and associated legal documents (appended to the part two report, Minute No.13 below referred) and subject to approval of overall viability of the Meridian Water scheme.
3. Agreed to authorise the Assistant Director of Legal and Governance in consultation with the Assistant Director of Regeneration and Planning, and the Assistant Director of Property to complete the legal requirements to enable entering into the Conditional Agreement for Sale and exchange and complete contracts subject to approval of overall viability of the Meridian Water scheme.
4. Noted that the recommendations for approval of all expenditure associated with the purchase of the Sites could be found in the part two report; Minute No.13 below referred.

**Reasons:** The detailed reasons were set out in section 5 of the report and listed below:

- The acquisition of the Sites would enable the Council to exercise control over a key plot of the land within the Meridian Water Masterplan area, which would help accelerate housing delivery.
- 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.
- The purchase of the Sites would underpin the delivery of the Meridian Water Housing Zone and this land could support a mixed use development at a later date, including providing the land for c. 2,200 homes, subject to the adoption of the current proposed submission Edmonton Leaside Area Action Plan.
- To provide an important opportunity to bring forward both meanwhile and permanent development that could begin to release the economic potential of Meridian Water, create jobs and spearhead investment in the area. The e-commerce centre proposed for the northern part of Stonehill could be brought forward at a very early stage creating over

1,000 new jobs and proving a major catalyst for economic regeneration in this part of the borough.

**(Key decision – reference number 4442)**

**7**

**ISSUES ARISING FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

NOTED, that there were no items to be considered at this meeting.

**8**

**CABINET AGENDA PLANNING - FUTURE ITEMS**

NOTED, the provisional list of items scheduled for future Cabinet meetings.

**9**

**MINUTES**

**AGREED**, that the minutes of the previous meeting of the Cabinet held on 26 April 2017 be confirmed and signed by the Chair as a correct record.

**10**

**ENFIELD STRATEGIC PARTNERSHIP UPDATE**

NOTED, that there were no written updates to be received at this meeting.

**11**

**DATE OF NEXT MEETING**

NOTED, that the next meeting of the Cabinet was provisionally scheduled to take place on Wednesday 21 June 2017, subject to approval of the Council's calendar of meetings for 2017/18 at the Annual Council meeting on 10 May 2017.

**12**

**EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**, in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the item listed on part 2 of the agenda on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

13

**MERIDIAN WATER: LAND ACQUISITION**

Councillor Doug Taylor (Leader of the Council) introduced the report of the Executive Director of Regeneration and Environment (No.264).

**NOTED**

1. That Report No.263 also referred as detailed in Minute No.6 above.
2. Members' questions were sought on the recommendations set out in the report and a full and detailed discussion followed on all aspects of the proposed land acquisition.
3. The current terms on which the land was to be acquired and the planning restrictions in place with regard to designated Strategic Industrial Land. Members noted the on-going discussions that were currently taking place with regard to the potential future commercial and residential uses of the sites in question, as set out in the report. Members were advised of the terms of the purchase based on existing uses and the valuations which had been carried out in support of the proposed purchase price. The potential future financial implications for the Council were discussed, as set out in the report.
4. The detail of the valuations and purchase report undertaken as set out in section 3.6 of the report. The recommended purchase price reflected the value of existing use as industrial, considering all current planning permissions. Councillor Sitkin emphasised the prudent approach that was being taken and, reiterated the potential implications of the on-going discussions with the GLA in moving forward with the future designated use of the sites in question.
5. Members highlighted the need for a holistic approach to the Meridian Water development to be taken. It was reiterated that the purchase was based on existing designated use and the timeframes for the overall development were outlined. The long-term aspirations were highlighted.
6. The importance of the Council having control over the future potential uses of the sites in question to support the overall aspirations of the Meridian Water development. The financial implications for the Council would be positive in considering the range of potential future uses of the land. Members were advised of the potential future uses of the sites in question by the current Seller should the Council not proceed with the acquisition. This could not only have a negative impact on the overall Meridian Water development proposals but would also potentially have a future financial impact on the value of the land.

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7. James Rolfe (Executive Director of Finance, Resources and Customer Services) outlined the detailed revenue and capital financial implications for the Council in proceeding with the land acquisition which would be within the Council's prudential borrowing thresholds. The issue of potential meanwhile income was also addressed. Members discussed the annual revenue income predictions of both sites and the benefits that this could present for the Council. It was anticipated that there would be no adverse impact on the Council's revenue position, as detailed in the report.
8. That following the previous deferral of the decision from the Cabinet meeting on 26 April 2017, further due diligence work had been undertaken as requested by Members. Financial due diligence was ongoing to confirm the overall viability of the Meridian Water scheme, as highlighted in the recommendations of the report and set out in the decisions below.
9. Councillor Taylor requested that recommendation 2.1 of the report be amended to include "in consultation with the Executive Director of Regeneration and Environment and the Executive Director of Finance, Resources and Customer Services"; as reflected in decision 1 below and in the decisions of the part one report (Minute No.6 above referred).
10. That the decisions included a recommendation to full Council for an additional capital fund to be made available to the 2017/18 capital programme to support the acquisition, decision 3 below referred. Excluding the recommendation to Council, the decisions taken would be subject to the Council's call-in processes.

**Alternative Options Considered:** NOTED, that the part one report (Minute No.6 above referred) addressed the alternative option of acquiring the Sites by CPO and acquiring the Sites at a later date. The part two report addresses the risks, as set out in full in section 4 of the report.

### **DECISION:** The Cabinet

1. Noted that the decisions below were subject to the demonstration of overall viability of the Meridian Water scheme. Cabinet agreed that authority to approve the overall viability be delegated to the Cabinet Member for Economic Regeneration and Business Development and the Cabinet Member for Finance and Efficiency in consultation with the Executive Director of Regeneration and Environment and the Executive Director of Finance, Resources and Customer Services. Subject to confirmation of the overall viability, the decisions below were recommended.
2. Agreed to authorise and approve the purchase of the Stonehill Industrial Estate (Stonehill) and Hastingwood Industrial Estate (Hastingwood) for a total price, detailed in recommendation 2.2 of the



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report (exclusive of VAT) plus SDLT and fees as detailed in recommendation 2.2 of the report.

3. Agreed to recommend to Council that the existing capital funding allocation for the Meridian Water programme be re-profiled to accommodate the immediate requirement and an additional capital fund, as set out in recommendation 2.3 of the report, be made available to the 2017/18 Capital Programme to support the acquisition.
4. Agreed to authorise the release of the sum detailed in recommendation 2.4 of the report (+VAT) for the purchase of Stonehill. The structure of the payment was as set out in recommendation 2.4 of the report including the deposit, payment on completion and, payment 12 months following completion.
5. Agreed to recommend that the Council Opt to Tax for the Stonehill Site. Confirmation had been received that Seller had elected to tax. This would allow the Council to recover the sum detailed in recommendation 2.5 of the report, in VAT liability. It also meant that the Council would charge VAT on future sales and leases at the Site.
6. Agreed to authorise the release of the sum detailed in recommendation 2.6 of the report, for the purchase of Hastingwood (subject to existing long leases). The structure of the payment was as set out in recommendation 2.6 of the report.
7. Noted that Hastingwood would be purchased on the basis of a Transfer of Ongoing Concern (TOGC) and therefore VAT was not payable on the purchase of this Site.
8. Agreed to delegate authority to the Cabinet Member for Economic Regeneration and Business Development and the Cabinet Member for Finance and Efficiency, in consultation with the Executive Director of Regeneration and Environment and the Executive Director of Finance, Resources and Customer Services, to authorise and approve the purchase of the 1.09 acre site known as "The Triangle" site, if the option to acquire this Site from the Seller became available at market value.
9. Agreed to delegate authority to the Cabinet Member for Economic Regeneration and Business Development and Cabinet Member for Finance and Efficiency, in consultation with the Executive Director of Regeneration and Environment, and Executive Director of Finance, Resources and Customer Services to approve the meanwhile strategy for Stonehill that would be recommended following further detailed appraisal of options and Due Diligence.

**RECOMMENDED TO COUNCIL** that the existing Capital funding allocation for the Meridian Water programme be re-profiled to accommodate the immediate requirement and an additional capital fund, as set out in

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recommendation 2.3 of the report, be made available to the 2017/18 Capital Programme to support the acquisition.

**Reason:** NOTED, the detailed reasons for the recommendations as set out in section 5 of the report.

**(Key decision – reference number 4442)**