

**MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE
HELD ON MONDAY, 14 AUGUST 2017**

COUNCILLORS

PRESENT Derek Levy (Chair), Nneka Keazor, Chris Bond, Elaine Hayward, Robert Hayward and Mary Maguire

ABSENT Abdul Abdullahi, Guney Dogan and Michael Rye OBE

STATUTORY CO-OPTEEES: *1 vacancy (Church of England diocese representative), Mr Simon Goulden (other faiths/denominations representative), Mr Tony Murphy (Catholic diocese representative), Alicia Meniru & 1 vacancy (Parent Governor representative) - Italics Denotes absence*

OFFICERS: Susan O'Connell (Governance and Scrutiny), John Baker (Project Consultant - Meridian Water), Gary Barnes (Acting Executive Director Regeneration and Environment), Paul Gardner (Regeneration and Environment) and Peter George (Assistant Director, Regeneration and Planning) Penelope Williams (Secretary)

Also Attending: Councillor Edward Smith, Councillor Alan Sitkin (Cabinet Member for Economic Regeneration and Business Development) and Councillor Daniel Anderson (Cabinet Member for Environment)

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WELCOME & APOLOGIES**

The Chair welcomed everyone to the meeting. Apologies for absence were received from Councillors Abdul Abdullahi, Guney Dogan, and Michael Rye and from co-optees Alicia Meniru, Tony Murphy and Simon Goulden.

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SUBSTITUTES**

Councillors Robert Hayward and Elaine Hayward were acting as substitutes in place of Councillors Edward Smith and Michael Rye and Councillors Chris Bond and Mary Maguire were acting as substitutes for Councillors Abdul Abdullahi and Guney Dogan.

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DECLARATIONS OF INTEREST**

There were no declarations of interest.

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CALL-IN OF REPORT: MERIDIAN WATER: STATION UPDATE AND BUDGET

The Committee received a report from the Chief Executive outlining details of a call in received on the Cabinet decision taken on the Meridian Water Station Update and Budget (Report No:46)

NOTED that this report was considered in conjunction with the information in the part 2 agenda.

All the discussion on this item took part in the part 2 section of the meeting.

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EXCLUSION OF PRESS & PUBLIC

Resolved in accordance with the principles of Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of the Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006.

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CALL-IN MERIDIAN WATER: STATION UPDATE AND BUDGET

The Committee received the information provided on the Meridian Water Station Update and Budget which had been included in the part 2 section of the agenda.

NOTED

1. The information was considered in conjunction with the report No: 46 on the part 1 agenda.
2. Councillor Edward Smith began by expressing his concern that the papers setting out the response to the reasons for call in had only been provided on the Friday before the meeting. He felt that this did not allow enough time for members to consider the information properly and was not a good way to conduct the business of the meeting.
3. Councillor Smith set out the reasons for calling in the decision:
 - Concern that there was not enough explanation in the Cabinet report as to reasons behind the increase in the cost to the Council of the proposals for the enhanced station at Meridian Water, when compared to the originally proposed base station.
 - Whilst acknowledging the need for providing connections across the railway and joining up the separate parts of the Meridian

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Water development, concern that the report did not provide enough context for connectivity issues across the whole area.

- Questions about the need for the Council to contribute to the costs of a Cross Rail 2 ready station which would probably not be needed for at least 20 years.
 - Concern about what he felt was the confusing way the costs were presented in the report.
 - Concern that the maintenance costs involved in keeping the new station bridge open 24 hours a day would fall to the Council. The view that the decision to finalise these costs should not be delegated to officers but referred back to Cabinet.
 - The apparent lack of clarity about the finances of the proposals and about which grants/loans could be spent on what aspects of the scheme.
 - Concern that the GLA would not re-designate areas for residential development that were currently designated for strategic industrial uses, which might mean that the Council could be at risk of losing money.
4. The response of Councillor Sitkin, Cabinet Member for Economic Regeneration and Business Development. He highlighted the following:
- The base station, as originally proposed, would not have been able to support the needs of the current Meridian Water residential proposals.
 - Much of the land would remain for industrial uses and estimated land prices in the report had taken all factors into account.
 - Network Rail was unable to pay for the enhanced station which was an essential part of the Meridian Water project. The station would include a bridge which would always have been needed as part of the overall scheme. The reasons were set out in detail in page 6 of the part 2 report.
 - Making the station Cross Rail 2 compliant was an investment in the long term future.
 - Analysis has been carried out to back up all the proposals in the report and to estimate land values following the building of the station.
5. Other issues highlighted by officers in support of the decision, included:
- That the station was part of a much wider scheme being run by Network Rail to improve the railway infrastructure in the Lee Valley corridor and to unlock growth in the area.
 - Costs had increased because the current proposal was very different from what was originally proposed by Network Rail. However, the increased costs would enhance land values and create additional money for the Council, thereby providing a strong business case for the proposals.

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- This was the only way to achieve 4 trains through the station an hour, which was a key objective. The Council had also submitted a bid to the Government Housing Infrastructure Fund to provide additional funds for the fourth track.
- On maintenance costs, the Council were negotiating a capped one off fee to cover these and to enable the bridge to be open 24 hours a day.
- In the unlikely event that a deal with the current development partner did fall through, the Council would seek to negotiate an alternative.
- Negotiations with the GLA on the changes to the designation of industrial land were progressing well.
- The report included, as was proper, the worst case scenario but this was unlikely to occur.
- The strategic industrial land sites were Stonehill, Hastingwood, Vosa and Phoenix Wharf.
- The work already carried out on site had already enhanced the value of the sites. Land values had been independently verified.
- The role of Network Rail was not primarily to invest in new railway infrastructure but to operate and maintain the current network. Any enhancements to the railway network, not programmed by the Department for Transport, were usually bought forward through separate third party agreements as in this case. The initial Network Rail plan had been for a very basic station which would not have met the needs of the Meridian Water development and would have been to Enfield's detriment.

6. Questions and comments addressed from members of the Overview and Scrutiny Committee:

- The third railway track was being developed through a complex web of negotiations and contributions from the GLA, Transport for London, the Department of Transport, the London boroughs of Waltham Forest, Haringey and Enfield.
- The Council was under a financial obligation to deliver the enhanced station to fulfil the requirements of the current phase one agreement.
- Councillor Smith felt that more information should have been provided on different methods of improving connectivity across the developments and why this proposal was the preferred.
- Network Rail was a publically accountable and therefore cautious organisation and the agreement included a large contingency to cover risks. The emerging cost contract would be monitored monthly by the Cabinet.
- It was felt to be more beneficial for the Council to agree an emerging contract rather than a fixed cost contract: they were more transparent and enabled the Council to have a greater input: 95% of Network Rail contracts were emerging cost.

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- The presentation slides from a briefing meeting held with Network Rail would be made available to committee members.
 - The two year delay had occurred due to a change in the way Network Rail operated.
 - A small amount of retail development inside the station was envisaged.
 - The Council would be providing most of the funding up front which would be paid back in part by the development partner over 10 years.
 - If BREXIT led to the withdrawal of airlines from Stansted and a decrease in the need for increased capacity on the Stansted line, this would release more capacity for the local stations.
 - The need for the 4th track was demanded by the needs of the proposed development alone. The ambition for the project had increased the need to review the capacity of the station.
 - Councillor Smith had not attended the Cabinet meeting where the decision had been taken.
 - Cabinet had received several informal briefings and had themselves discussed issues raised at this meeting, before taking their decision.
 - The station was due to be completed and open by May 2019 and the first houses built by the summer of 2019, a few months after the station.
 - The benefits of the station and the Meridian Water development would also be felt by those already living in Edmonton.
 - Any delay in signing the Implementation Agreement would result in the Council incurring considerable extra costs.
 - The GLA contribution to the station was conditional upon the delivery of the new homes.
7. The summing up by Councillor Edward Smith: that a useful discussion had been held and some useful information put forward, however he was still not persuaded that this was the correct decision. He felt that that there was no evidence of a strategic overview, the risks were large, difficult to resolve and could have knock on effects on the whole Council. He recommended that the decision should be referred back to Cabinet to enable them to look again at some of the issues raised.

Following the discussion, the Committee took a vote on whether the decision should be referred back to Cabinet, with the following result:

In favour of referring the decision back to Cabinet: 0

That the decision should stand: 3

Abstentions: 2

AGREED to confirm the decisions in the Cabinet report.