

## MUNICIPAL YEAR 2017/2018 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**OPERATIONAL DECISION OF:**  
Executive Director –  
Regeneration and Environment

<b>Agenda – Part: 1</b>	<b>KD Number: KD4575</b>
<b>Subject:</b>  7.5t Tipper vehicle replacement	
<b>Wards: All</b>	

### Contact officer and telephone number:

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#### 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval for the purchase of 6 x 7.5t Gross Vehicle Mass (GVM) base vehicles and subsequent conversion to the agreed specification for the Councils Street Scene Fly-Tipping and Enfield Council Housing Teams.
- 1.2. An approved framework for the purchase and conversion (Crown Commercial Services Vehicle Purchase Framework – RM1070) of the vehicles will be used. Procurement officers have been fully involved and consulted and agree with this strategy.
- 1.3. The vehicles will have an asset life of 7 years, with the first 3 of the conversion being warrantied by the vehicle convertor. The maintenance of the vehicles and equipment will be taken on by the Councils Fleet Department.
- 1.4. This proposal has already been previously agreed and this report is sent as means of an update.

#### 2. RECOMMENDATIONS

- 2.1. That the Council procures 6 x base vehicles using Crown Commercial Services Vehicle Purchase Framework – RM1070 to enable them to be provided for conversion to the agreed specification for Street Scene Fly-Tipping (x5) and Enfield Council Housing (x1) Teams.
- 2.2. Notes that the current 6 vehicles 3 x 5.0t and 3 x 7.5t GVM will be returned to the contract hire companies and replaced by 7.5t GVM vehicles.

### **3. BACKGROUND**

- 3.1. The Fly Tipping and Housing teams are currently budgeted for five and a single tipper vehicle respectively. These are used by the teams to meet operational requirements and are currently provided through contract hire from two different suppliers. These vehicles are now past their prime lease period and are in extension. The vehicles are now experiencing increased down time and the suppliers are looking to remove the current vehicles from service due to increased cost of maintenance. Further, the procured vehicles will be compliant with any proposed extension to the London Ultra Low Emission Zone.
- 3.2. The current method for repairing faults is to report the fault to the vehicle provider and then await their engineer to visit to repair the fault. This is normally 24 / 36 hours after the fault has been reported. This delay between fault being reported and repaired results in the reduction of the team's productivity. By moving to owned vehicles the Councils Fleet Department will be able to offer timely support to both the Fly Tipping and Housing teams increasing their productivity.
- 3.3. The business case demonstrates there will be a reduction in cost achieved by moving to an asset purchase model against the continued contract hire of the six vehicles. The expected savings to be delivered by this method of procurement is £118k over the 7-year life of the assets (including disposal income at the end of the assets life). The cost of internal maintenance has been taken in to consideration when calculating these savings which have been reviewed and approved by finance.

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

- 4.1. Continue with the present position of contract hiring the current vehicles. However, this is likely to lead to increased downtime resulting in a subsequent loss of service provision by the respective teams and decreased productivity.
- 4.2. Enter a replacement hire agreement via a competitive tender for the same number of vehicles we propose to procure. However, the calculations show that is not the most cost effective method of providing these vehicles and would not represent value for money for the Council over the life of the vehicle.
- 4.3. Do nothing and retain the existing structure of hiring vehicles. This is considered not an option due to being more expensive than outright purchase. We also have no control over market forces increasing prices and costs over the hire period.

### **5. REASONS FOR RECOMMENDATIONS**

- 5.1. The expected savings delivered by this method of procurement is £118k over the 7 year life of the assets. The cost of internal maintenance has been taken in to consideration when calculating these savings which have reviewed and approved by finance.

- 5.2. By moving to owned vehicles the Councils Fleet Department will be able to offer timely support to both the Fly Tipping and Housing teams increasing their productivity.
- 5.3. Fly-Tipping and Housing will be provided with 7.5t GVM vehicles which have greater capacity enabling them to deliver their services with a reduction in down time from trips to the Waste Transfer Station will be reduced.

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

### **6.1. Financial Implications**

- 6.1.1. This report seeks approval for the purchase of 6 x 7.5t Gross Vehicle Mass (GVM) base vehicles and subsequent conversion to the agreed specification for the Councils Fly tipping and Housing teams @ a total cost of £55,405 per vehicle.
- 6.1.2. The total cost of the 7.5t Tipper vehicle replacement is  $£55,405 \times 6 = £332,430$ . This will be funded from the internal leasing fund "Vehicle & Parks Equipment Replacement Reserve (94729)".
- 6.1.3. The business case demonstrates the reduction in cost to be achieved by moving to an asset purchase model against the continued contract hire of the 6 vehicles, the expected savings to be delivered by this method of procurement is £118k over the 7 year life of the assets including disposal income.
- 6.1.4. As shown in table below an outright purchase option using the internal leasing funding arrangement provides better value for money when compared to the costs for contract hire i.e. a total a saving of £118k with disposal income and £73k excluding disposal income.

Street Scene/ Enfield Homes										Comments
7.5t DAF Cage tipper										
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total	
Purchase cost	£55,405									
Contribution to Internal Leasing Fund		£8,783	£8,783	£8,783	£8,783	£8,783	£8,783	£8,783	£61,480	From internal rates schedule
Estimated Routine Maintenance Cost (that would normally be done by the contract hire company and is built into the hire rate)		£500	£750	£1,000	£1,000	£1,250	£1,250	£1,500	£7,250	Fleet workshop Estimates
Disposal Income								-£7,500	-£7,500	Fleet Management Estimate
Total		£9,283	£9,533	£9,783	£9,783	£10,033	£10,033	£2,783	£61,230	
Total Number of Vehicles		6	6	6	6	6	6	6	6	Proposed purchases
Grand Total		£55,697	£57,197	£58,697	£58,697	£60,197	£60,197	£16,697	£367,378	
		Year 1	Year 2	Year 3	Year 4	Year 4	Year 4	Year 5	Total	
Contract hire cost		£11,566	£11,566	£11,566	£11,566	£11,566	£11,566	£11,566	£80,962	Rates are extracted from the new supplier (Enterprise Rental Car) ESPO Framework 271
Total Number of Vehicles		6	6	6	6	6	6	6	6	Proposed purchases
Grand Total		£69,396	£69,396	£69,396	£69,396	£69,396	£69,396	£69,396	£485,772	
Including Vehicles Disposal Income										
Saving Per Vehicle		£2,283	£2,033	£1,783	£1,783	£1,533	£1,533	£8,783	£19,732	
Total Saving For 6 Vehicles		£13,699	£12,199	£10,699	£10,699	£9,199	£9,199	£52,699	£118,394	
Average Estimated Saving Per Annum For 6 Vehicles		£16,813								
Excluding Vehicles Disposal Income										
Saving Per Vehicle		£2,283	£2,033	£1,783	£1,783	£1,533	£1,533	£1,283	£12,232	
Total Saving For 6 Vehicles		£13,699	£12,199	£10,699	£10,699	£9,199	£9,199	£7,699	£73,394	
Average Estimated Saving Per Annum For 6 Vehicles		£10,485								

#### NOTES:

- 1) The current contract hire rates for 7.5t is £1,150 per month \* 12 = £13,800 per annum
- 2) Street Scene (ES1107) 6 vehicles
- 3) Housing (ES1103) 1 vehicle
- 4) Total Purchase Cost is £55,405\*6 = £332,430 will be funded from the internal leasing fund reserve

6.1.5. The annual contribution to the internal leasing fund (Vehicle & Parks Equipment Replacement Reserve - 94729) is £8,783\*6= £52,698 (total for 6 vehicles); this will be funded from Street Scene Cost Centre (ES1107 – 5 vehicles) and housing (ES1103 – one vehicle).

6.1.6. The internal leasing fund is designed in such a way that when the vehicles are due for replacement at the end of their assets life, there would be sufficient contributions made over the life of the assets to the reserve to fund the assets replacement costs when they fall due.

6.1.7. A £50k saving target is already reported in the MTFP linked to the replacement of cage tippers in 2018/19. Therefore, the average savings generated from this exercise £10,485 per annum (excluding disposal income) will go towards the 2018/19 savings in the MTFP. The income from the disposal of the vehicles is one off and is utilised towards the purchase of future vehicle replacements, which will be contributed to the reserve.

6.1.8. As per the recent Fleet vehicles management arrangement (agreed by Operational Services, Fleet Management and Finance) these vehicles will be wholly owned and run by Fleet Management Services and only, fuel, non-routine maintenance and damage costs will be charged to clients cost centres. All routine maintenance costs

will be carried out by Fleet and this is a similar concept to contract hire company's arrangements. The relevant budgets will be realigned to reflect the new arrangement (the centralisation of fleet vehicles).

## **6.2. Legal Implications**

- 6.2.1. Section 111 of the Local Government Act 1972 ("LGA") gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions. The matters outlined in this report are incidental to the functions of the Council's departments and are intended to help ensure an effective service.
- 6.2.2. The Localism Act 2011 S1(1) provides the Council with a general power of competence. That is the power to do anything that individuals generally may do provided is not prohibited by legislation and subject to Public Law principles.
- 6.2.3. The Council must comply with its Constitution and Contract Procedure Rules (CPR). CPR Rule 8.2 provides that Framework Agreements may be used to procure goods, subject to approval by the Assistant Director Procurement.
- 6.2.4. Procurement have done the due diligence to check that this is a legally compliant Framework which the Council is entitled to access.
- 6.2.5. The Framework may be called off by either Direct Award or Mini Competition.
- 6.2.6. The Council must adhere to the Duty of Best Value and must consider this duty in the manner in which the products and services are provided, in accordance with the local Government Act 1999.
- 6.2.7. As the contract value exceeds £250,000 this is a Key Decision and the Council must comply with the Key Decision procedure. It has been confirmed that approval from the procurement 7 Commissioning Board has been obtained.
- 6.2.8. Pursuant to CPR21 for every contract exceeding £250,000 the Council is required to obtain a performance bond or a parent company guarantee unless the relevant service Director and the Director of Finance, Resources and Customer Service deems this unnecessary.
- 6.2.9. The Call Off Contract provided in the terms of the Framework must be used for the Contract.

## **6.3. Property Implications**

- 6.3.1. There are no property implications associated with this report as the recommendation merely changes the vehicles arrangements from a rental supplier to an owned fleet.

## **7. KEY RISKS**

- 7.1. The key risk to the Council is an increase of vehicle down time by continuing to extend the current lease agreement resulting in a reduction in service delivery.
- 7.2. There will be an increase in costs as the service will need to hire additional vehicles to cover these vehicles.
- 7.3. Current suppliers will not update the vehicles we hire without a commitment to a new five year contract and it is likely that these will be at a substantially increased cost than current rates.

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

### **8.1. Fairness for All**

- 8.1.1. By providing replacement vehicles for the Fly Tipping and Housing teams will enable them to operate effectively for those people who live, work or travel in the Councils area, and the provision of using modern reliable vehicles will enhance the delivery of service.

### **8.2. Growth and Sustainability**

- 8.2.1. By using proven vehicle convertors, the vehicles will be available for duties for greater periods thus enabling the Council to provide these services on more regular basis.
- 8.2.2. All vehicles that are to be provided meet all current and future emission regulations giving us a fleet of the cleanest vehicles available when it comes to exhaust gasses. This will also ensure our carbon footprint is kept the absolute minimum when it comes to vehicle operation.

### **8.3. Strong Communities**

- 8.3.1. By using the 7.5t GVM vehicles Fly Tipping and Housing teams will have an increased payload of waste resulting in the teams remaining on task longer rather than disrupt their working day by trips to the waste transfer station.

## **9. EQUALITY IMPACT IMPLICATIONS**

- 9.1. Corporate advice has been sought regarding equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.
- 9.2. However, it should be noted that the any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 10.1. The new vehicles will enable the council to streamline the performance of the fleet using a single vehicle manufacturer. This will provide consistency in operation and service delivery.

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

- 11.1. All the new vehicles and have been designed to meet all health and safety and EU regulations. In addition, we are fully compliant with the forthcoming The Construction Logistics and Cyclist Safety report and Work Related Road Risk regulations. All drivers will have induction training as part of the contract and all workshop technicians will have full training on maintenance and operation of the equipment.

## **12. PUBLIC HEALTH IMPLICATIONS**

- 12.1. The new vehicles will conform to the latest emission standards (Euro 6) and will be compliant with any proposed extension to the London Ultra Low Emission Zone promoting clean air for the residents of all London Boroughs. Further, the new vehicles will have better fuel efficiency reducing pollution and improving air quality.
- 12.2. These vehicles deal with the fly tipping issues throughout the borough and will ensure that the street scene crews are able to effectively deal with waste issues which could ultimately lead to further pollution problems.

## **Background Papers**

None.





## MUNICIPAL YEAR 2017/2018 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

#### PORTFOLIO DECISION OF:

Cabinet Member for Housing & Housing  
Regeneration and Cabinet Member for  
Finance and Efficiency.

#### REPORT OF:

Executive Director – Regeneration and  
Environment and Executive Director of  
Finance, Resources and Customer Services.

Agenda – Part: 1	KD Number: 4574
<b>Subject:</b> <b>Utilising the Government's One for One Replacement Receipts to Provide Grant Funding – Entering into Agreement with Westway HA to Acquire Five Dwellings.</b>	
<b>Wards: All</b>	

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### 1. EXECUTIVE SUMMARY

- 1.1 The Council has set aside a total of £15.1m of right to buy receipts, to be utilised by RP's by March 2020. Under Phase 1, the Cabinet Member for Housing & Housing Regeneration and Cabinet Member for Finance and Efficiency approved funding of £3.4m. This amount has been reduced to £2.4m following withdrawal of two of the bids.
- 1.2 Report KD 4418 recommended that the Cabinet Member for Housing & Housing Regeneration and Cabinet Member for Finance and Efficiency approve the award of grant funding (totalling £3.4m) from uncommitted right to buy, "One for One" replacement receipts to four RP's, (RP's).
- 1.3 KD4418 also authorised entry into separate legal agreements with the grant recipients outlining the terms of its use along with the roles and responsibilities of the Council and respective recipients.

## **2. RECOMMENDATIONS**

It is recommended that the Cabinet Member for Housing and Housing Regeneration and the Cabinet Member for Finance and Efficiency;

- 2.1.1 authorise the Executive Director - Regeneration and Environment, and the Executive Director - Finance, Resources & Customer Services to enter legal agreements (grant and nominations agreements and all ancillary documentation) with Westway Housing Association, (WHA), to use, "One for One", replacement funding to purchase and repair five dwellings for affordable rent as provided at Appendix 1.
- 2.1.2 note that the nomination rights to the five dwellings to be provided by WHA will be for 30 years', (see paragraph 3.1.5).
- 2.1.3 Approve a change in payment tranches from the current arrangement, i.e. 50% at start on site and 50% on completion, to 50% of the funding to be remitted upon WHA, signing the grant agreement and 50% of the funding to be remitted upon property completion on a 'property by property basis', thereafter. In accordance with the claw back provision at Appendix 1, clause 11.

## **3. BACKGROUND**

- 3.1 In January 2017, report KD 4418 approved the award of grant funding, totalling £3.4m from uncommitted Right to Buy One for One Receipts, to four RP's. This report focuses solely on WHA's £544k bid for grant funding to provide five, affordable homes for rent - see paragraph 3.1.6, Table 1, and the need to sign the grant agreement to draw down funding.
  - 3.1.1 Following negotiations, to agree the terms of the grants use, one provider withdrew their bid from further consideration. Another provider's bid was withdrawn because of a failure to agree terms and enter agreement. This meant of the four bids only two will receive funding and consequently reduced the overall amount awarded to RP's from £3.4 to £2.4m.
  - 3.1.2 To address the £1m underspend and reduce the risk of returning unspent receipts plus interest to the Department of Culture and Local Government, (DCLG), officers will seek to acquire a mixture of ex-local authority leasehold and privately owned freehold family sized dwellings during the current financial year.
  - 3.1.3 Grant awards are provisional and payment is subject to entering agreement with prospective recipients on the terms of its use and our respective roles and responsibilities. Officers are currently in negotiations with the other remaining RP, Christian Action, to agree these terms.
  - 3.1.4 To enable the swift defraying of grant it is recommended that once agreed approval, to enter this and other future agreements, be delegated to the Executive Director Regeneration and Environment and Executive Director of Finance, Resources & Customer Services.

3.1.5 The agreement provides the Council with nominations rights, to the dwellings purchased by WHA, for 30 years. After this period the Council may have to consider alternative arrangements if WHA choose to sell the dwellings; or use them for alternative use other than for general needs housing.

**3.1.6 Table 1, Phase 1 Grant Awards to RP's**

<b>Registered Provider</b>	<b>Grant Amount £</b>	<b>Number of Dwellings</b>	<b>Average Grant Per Dwelling £</b>	<b>Anticipated Start Date</b>	<b>Anticipated Completion Date</b>
<b>Westway HA</b>	544,860	5	108,972	Autumn 2017	March 2018

3.2 Based on the RTB receipts accrued to the end of March 2017 (£5.9m), which can be used to fund up to 30% of the total cost of providing replacement affordable rented homes, there is total investment pot of more than £19.7m.

3.2.1 Revised projected expenditure for registered providers to 31<sup>st</sup> March 2020, is £15.1m and this is broken down as follows;

- £0.5m for 17/18
- £5.9m for 18/19  
and
- £8.7m in 19/20

Subject to agreement with CAHA it is anticipated £950k will be allocated and spent in 18/19 and the same amount in 19/20. These figures are included in the above projections.

3.2.2 Although Phase 1 is substantially underway anticipated expenditure is below the minimum required spending profile. So, in addition to acquisition of family sized dwellings a number of alternative opportunities are also being explored.

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

- 4.1 The Council could choose to do nothing. If this course of action was adopted the Council would not be able to fulfil its duty to provide affordable housing for rent and utilise this expenditure as agreed.
- 4.2 It will not only have to return the receipts to Central Government but also pay interest, currently at 4% above the base rate compounded, from the time the receipt was generated.

## **5. REASONS FOR RECOMMENDATIONS**

5.1 The Council's Housing Strategy requires 798 new homes to be built each year.

5.2 If approved the funding will;

- increase the portfolio of affordable rented accommodation in the borough and available to the Council
- assist the Council to discharge its statutory duties to households on the housing waiting list and those living in temporary accommodation
- ensure the Council retains 100% nomination rights to a mix of 70 affordable rent dwellings
- make this scheme potentially more attractive to prospective RP's and encourage them to submit bids for grant funding
- achieve the Council's objectives not to return receipts to the Department of Culture and Local Government.

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

### **6.1 Financial Implications**

6.1.1 The latest Right to Buy One for One Replacement Scheme monitoring (July 2017) and the current HRA Business Plan both contain assumptions that £0.5m will be granted to RP's in 2017/18, with a further £5.9m granted in 2018/19. Previously, the RP's to whom these grants will be made had not been identified. The proposals in this report mean that £0.5 m will be now be granted to named providers in 2017/18, with a further £0.9m earmarked for 2018/19. Work will need to continue to ensure that the remaining unallocated resources earmarked for RP's are taken up and utilised to avoid any repayment to Central Government.

6.1.2 The granting of these sums to RP's means that they are required to match fund the grant sums with a 70% contribution from their own resources. This means that the Council does not have to find the 70% match funding from within its HRA. The latest version of the HRA Business Plan demonstrates that the HRA could not afford to match fund these sums.

6.1.3 The grants will be made from the Council's General Fund Capital Programme (Scheme C380143), with the corresponding capital receipts transferred to fund them.

### **6.2 Legal Implications**

6.2.1 S.111 Local Government Act 1972 ("LGA") 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.

6.2.2 S. 112 LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.

6.2.3 Under s.8 Housing Act 1985 ("HA") the Council as local housing authority has a duty to keep under review the provision of housing in its area, and has power under s.9 HA to provide housing accommodation through erecting or acquiring houses. Local authorities also have a general fiduciary duty to Council Tax payers and must therefore take whatever is the overall most reasonable and cost effective course of action in order to deliver best value from land owned by them.

6.2.4 S.1 Localism Act 2011 permits the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. Creating stronger communities and addressing current housing needs are key priorities for the Council.

6.2.5 As mentioned in KD4418, provided that the:

- (a) evaluation criteria used to award the grant allocations to the organisations have been consistently and fairly applied and the;
- (b) competition process utilised was in accordance with the principles of the Council's Contract Procedure Rules ("CPRs") and the overarching EU Treaty Principles

then, despite the grant allocations being arguably able to be deemed public contracts (under the Public Contracts Regulations 2015 ("PCRs") and having values above the applicable EU threshold £164,176 (whereby an OJEU notice would be appropriate unless an exemption applies), the award of the grant allocations should present a low level of risk to the Council going forward, given that the awardees themselves are representative of the very organisations who could constitute possible challengers (were they not awardees in this instance).

6.2.6 With reference to any challenge to the awards, based on the PCRs: if challenged, as long as the Council in this instance, can point to a transparent, and fair (if limited) competition process, there should be a low level of risk of any successful challenge being brought under the PCRs.

6.2.7 Not having gone out to OJEU in these circumstances, it must be borne in mind that there is always the possibility of any registered provider who feels they may have been unfairly excluded from the selection of RP's who were chosen to be invited to express an interest, bringing a challenge to the awards - though that risk is low, given that the current awardees themselves represent the possible range of challengers that could be expected to come forward).

6.2.8 All risks associated with the time of payment of the grant have been mitigated by the robust 'claw back' clauses contained within the grant funding agreement, which is to be signed between the RP and the Council.

6.2.9 Any resultant legal agreements must be in a form approved in advance of commencement by the Assistant Director of Legal and Governance Services.

### **6.3 Property Implications**

It is proposed that the Council's only interest in the properties would be contracted nomination rights in perpetuity. If the Registered Provider decides to divest from the assets to which the grant was applied, and this occurs during the Agreement's term, grant funding will need to be clawed back from the Registered Provider against a formula set out in the Grant Agreement.

As the Council will only have nomination rights, Corporate Landlord liabilities will rest with the Registered Providers who will need to ensure these properties are statutory compliant.

The management of this Programme will be undertaken by the Housing Development and Estate Renewal Team, and Housing Management will need to put in place a monitoring programme to satisfy the Council that the Registered Providers are compliant with appropriate legislation.

## **7. KEY RISKS**

- 7.1 If the Council does not do this there is a risk that it could fail to meet its statutory obligations to households on the housing register.
- 7.2 There is a possibility of the RTB receipts not being spent within the specified timeframe. If this were to happen the Council would not only have to repay any unspent amounts but also pay interest of 13.5%.
- 7.3 To mitigate this risk, the Council will enter a grant funding agreement with successful grant recipients which would enable a swift draw down of grant. Payment will be 50%, up front, on signing the agreement and 50% per dwelling, thereafter, on completion.
- 7.4 This arrangement will allow grant to be drawn down within new prescribed deadlines thereby reducing the possibility of returning unspent amounts with interest to the DCLG.
- 7.5 The grant agreement will include a rigorous and robust claw back arrangement to ensure repayment of grant in the event of default.

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

### **8.1 Fairness for All**

The diverse mix of dwellings and plans to bring them into use as affordable rented accommodation will maximise the supply of affordable housing in the Borough, providing more opportunities for people in Enfield to access homes they can afford.

### **8.2 Growth and Sustainability**

Supporting the acquisition of housing will enable the Council to increase the portfolio of stock it has to discharge its statutory housing responsibility to households that live in the Borough.

### **8.3 Strong Communities**

Developing good quality housing in areas where people desire to live will help to create and maintain strong sustainable communities.

**9. EQUALITIES IMPACT IMPLICATIONS**

The Council recognises that providing good quality, affordable housing within the Borough helps those most in need of a home and least able to afford property on the open market.

A scoping Equalities Impact Assessment, (see Background Documents) has been completed. This highlights benefits to clients in protected groups such as those with disabilities, ethnic minorities, elderly persons and single pregnant women.

No specific negative impact has been identified.

**10. PERFORMANCE MANAGEMENT IMPLICATIONS**

This proposal will increase the portfolio of stock that is available to assist the Council to discharge its statutory housing obligations i.e. supporting those in temporary accommodation seeking permanent and assisting with decanting of households directly affected by the Councils regeneration proposals.

**11. HEALTH AND SAFETY IMPLICATIONS**

All properties owned and rented by Enfield are subject to rigorous health and safety checks as a matter of course.

**12. PUBLIC HEALTH IMPLICATIONS**

The provision of safe, clean affordable housing has a clear connection to individuals' health and wellbeing. Providing renovated affordable rented housing as proposed in this report will have a positive impact on Public Health.

**Background Papers**





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### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

#### PORTFOLIO DECISION OF:

Cabinet Member for Housing &  
Housing Regeneration and Cabinet  
Member for Finance and Efficiency  
and Efficiency.

#### REPORT OF:

Executive Director – Regeneration and  
Environment and Executive Director of  
Finance, Resources and Customer Services.

Agenda – Part: 1

KD Number: 4573

#### Subject:

**Utilising the Government's One for One  
Replacement Receipts to Provide Grant  
Funding to Registered Provider Partners  
to Deliver New Affordable Housing.**

**Wards: All**

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### 1. EXECUTIVE SUMMARY

- 1.1 Report KD 3932 delegated authority to the Cabinet Member for Housing and Housing Regeneration and the Cabinet Member for Finance and Efficiency to agree the details of a scheme to grant fund RPs and enter into grant agreements with successful Registered Providers subject to the Council's Constitutional arrangements, Financial Regulations and the Contract Procurement Rules
- 1.2 The Council has set aside a total of £16.3m of right to buy receipts, to be utilised by RP's by March 2020. Report KD 4418 recommended that the Cabinet Member for Housing & Housing Regeneration and Cabinet Member for Finance and Efficiency approve the award of grant funding (totalling £3.4m) from "One for One" replacement receipts to four RP's, (RP's)..
- 1.3 This amount has been reduced to £2.4m following withdrawal of two of the four bids. To address this £1m shortfall and realise expenditure of prescribed amounts for 18/19 and 19/20, officers propose to introduce several initiatives, (see paragraphs 3.3 to 3.7), aimed at making grant funding potentially more attractive to our registered provider partners.
- 1.4 It is envisaged that these changes will help to maximise expenditure within prescribed deadlines, thereby, reducing the risk of returning unspent amounts plus interest to the Department of Culture and Local Government, (DCLG).
- 1.5 This report provides an update on schemes awarded, "One for One" replacement funding under Phase 1 and seeks the approval of aforementioned Members to delegate authority for future Phase 2 awards, to Directors of Housing & Housing Regeneration and Finance, Resources & Customer Services respectively.

## **2. RECOMMENDATIONS**

It is recommended that the Cabinet Member for Housing and Housing Regeneration and the Cabinet Member for Finance and Efficiency;

- 2.1 Note the changes outlined in paragraphs 3.1.2 and 3.1.3 of this report and approve the award of grant funding from Right to Buy One for One Receipts to the revised list of RP's, listed in Table 1, paragraph 3.1.5.
- 2.2 Authorise entry into separate legal agreements with the revised list of RP's outlined in Table 1, paragraph 3.1.5.
- 2.3 Note and authorise proposals for Phase 2 funding outlined in paragraphs 3.3 to 3.7, of this report.
- 2.4 Authorise introduction of admin fees of 3% as set out in paragraph 3.8 of this report.
- 2.5 Agree that any future decisions to authorise funding/entry into legal agreements, be delegated to the Executive Director - Regeneration and Environment and the executive Director of Finance, Resources & Customer Services respectively, as outlined in paragraph 3.7 of this report.
- 2.6 Note proposed arrangements to speed up the planning applications process in paragraph 3.2.11 (ii).
- 2.7 Approve a change in payment tranches from the current 50:50 to 100% as outlined in paragraph 3.2.11(iv).
- 2.8 Note that following approval of policy and procedural changes for Phase 2 awards will be included in publicity information to potential applicants for grant funding.

## **3. BACKGROUND**

- 3.1 On 11<sup>th</sup> March 2015 Cabinet report KD3932, delegated authority to the Cabinet Member for Housing and Housing Regeneration and the Cabinet Member for Finance and Efficiency to agree the details of a scheme to grant fund RPs and enter into grant agreements with successful Registered Providers subject to the Council's Constitutional arrangements, Financial Regulations and the Contract Procurement Rules.
  - 3.1.1 In January 2017, report KD 4418 approved the award of Phase 1 grant funding, totalling £3.4m from the Government's "One for One Receipts", to four RP's.
  - 3.1.2 Following negotiations, to agree the terms of the grants use, one provider withdrew their bid from further consideration. Another provider's bid was withdrawn because of a failure to agree terms and enter agreement.

3.1.3 This means of the four bids submitted originally, only two can receive funding as part of Phase 1 submissions. Consequently, this has reduced the overall amount to be awarded, (see paragraph 3.1.3, Table 1, below, Grant Awards to RP's), from £3.4 to £2.4m.

3.1.4 It is important to note grant awards are provisional and payment is subject to entering agreement with prospective recipients on the terms of its use and our respective roles and responsibilities. Officers are in the final stage of negotiations with the two remaining RP's to agree these terms. Authority is now needed to enter agreement.

**3.1.5 Table 1, Phase 1 Grant Awards to RP's**

<b>Registered Provider</b>	<b>Grant Amount £</b>	<b>Number of Dwellings</b>	<b>Average Grant Per Dwelling £</b>	<b>Anticipated Start Date</b>	<b>Anticipated Completion Date</b>
<b>Westway HA</b>	544,860	5	108,972	Autumn 2017	March 2018
<b>Christian Action</b>	1,900,000	22	86,364	Autumn 2018	Spring 2020
<b>TOTAL</b>	<b>2,444,860</b>	<b>27</b>	<b>90, 550</b>		

3.2 Based on the RTB receipts accrued to the end of March 2017, which can be used to fund up to 30% of the total cost of providing replacement affordable rented homes, there is total investment pot of more than £19.7m.

3.2.1 Of this amount £2.4m, (£544,860 in 17/18, £950k in 18/19 and £950k in 19/20), has been earmarked to deliver projects outlined in Table 1 above. This is against projected expenditure of £1.2m for 17/18 £6.5m for 18/19 and £8.6m in 19/20 to RP's.

3.2.2 Given the withdrawal of two of the four schemes provisional anticipated expenditure of £1.2 for 17/18 is now reduced to £545k. In addition, only £950k is earmarked for 18/19 and the same amount in 19/20. Thus, anticipated expenditure for 17/18, 18/19 and 19/20 is currently below the minimum required spending profile.

**Research findings following consultation with neighbouring local authorities and registered provider partners.**

3.2.2 To address this underspend, and maximise the use of RTB receipts within the prescribed deadlines for future years and reduce the risk of returning unspent funding, plus compounded interest rate of 4% to the DCLG), officers consulted six local authorities i.e.

- Barnet
- Camden
- Haringey

- Islington
- Waltham Forest
- Westminster

about their use of receipts. The aim was to find out their priorities for funding, identify good practice, see what improvements, if any, were needed to the current bid submission process and establish whether any had plans to return unspent receipts.

3.2.3 Of the six authorities consulted five responded. Of the five, three solely used receipts to fund a programme of, "in house" Council development and acquisitions. Two had a mixed approach, making awards to RP's and at the same time funding their own affordable housing delivery programme. To date, one has awarded funding, (we await confirmation of exact amount), for one scheme and the other £5.265m to two schemes.

3.2.4 By comparison Enfield has provisionally awarded £2.4m to two schemes for the same period and like other local authorities embarked on a programme of, "in house", development and acquisitions. As part of this, 25 new 1 and 2 bed dwellings costing £3.4m will be delivered by the Council on Lytchet Way Estate by autumn later this year and a mix of 20 dwellings costing £2m, under phase 1 of the, "Small Sites Programme", to be delivered by 2020.

3.2.5 In addition to the above a total of £3.8m has also been used, or is earmarked to be used on several new build schemes that are at different stages of development, (see Table 2, below for details). This is additional expenditure against the total of £19.7m right to buy receipts generated to date.

3.2.6 **Table 2, Other Development Schemes That Have Received Grant Funding, or are Earmarked to Receive Funding from the £19.7m Allocation**

<b>Scheme</b>	<b>Grant Amount £</b>
<b>Dujardin Mews</b>	1,450,567
<b>Newstead House</b>	51,760
<b>Ordnance Road</b>	1,112,403
<b>New Avenue</b>	1,101,977
<b>TOTAL</b>	<b>3,716,707</b>

3.2.7 The Council could continue to use the RTB receipt pool to build and/or purchase new affordable homes itself. The receipts, however, can only be used to fund 30% of the affordable housing costs. If the Council were to build or acquire affordable homes itself, it would need to find 70% of the remaining cost from the Housing Revenue Account, (HRA). This would inevitably reduce funding available to carry out important management and maintenance of Council owned dwellings.

3.2.8 Officers, therefore, propose in the short to medium term to continue promote grant funding to RP's to deliver a range of deliverable schemes and prioritise

acquisition of ex local authority owned family sized dwellings. In addition to this officers recommend speeding up the authority's internal decision making processes to maximise the time available to defray expenditure.

3.2.9 In considering changes to make the scheme more attractive officers also consulted RP's to see if they had any concerns and to find out what, if anything, the local authority could do to address them.

3.2.10 The main findings were as follows;

- Providers not having GLA partner status poses a real problem
- Ensure smooth processing of planning applications with an understanding of parameters we are required to work towards
- Publicise availability, clarity on terms and conditions

Our response to these findings is set out below.

#### 3.2.11 GLA Partner Status

- i) The Council requires grant recipients to have GLA investment partner's status in place. This gives the Council assurance of providers' financial standing and their ability to deliver a programme. Given the financial risks and potential for damage to the Council's reputation, if a recipient failed to deliver required outputs, we feel it is vital the Council retains this policy to protect its interests.

Other Councils such as Haringey and Waltham Forest have adopted this approach.

- ii) Ensure smooth processing of planning applications

Securing the smooth processing of planning applications is vital as it helps to ensure the scheme can be delivered within prescribed timescales – a key requirement of grant funding. Failure to secure planning consents in a timely manner will have a significant knock on effect resulting in delayed start on site and the inability to draw down grant as originally specified.

Officers propose to establish a regular forum with RP's and representatives from the planning department to discuss these matters and identify workable solutions.

- iii) Publicise availability, clarity on terms and conditions

To maximise take up officers propose to review how the grant scheme is marketed and ensure terms and conditions are relevant but not too onerous for the next round Phase 2.

- iv) In addition to the above, officers propose to amend payment tranches from the current 50:50 i.e. 50% @ "start on site" and 50% on "completion", to 100% on exchange of contract (i.e. the grant funding agreement for the

purposes of this scheme). It is hoped that this change could support an RP's cash flow and incentivise more bids, thereby making the grant potentially much more attractive to prospective bidders.

The RPs will be required to enter into a binding grant funding agreement with the Council prior to the release of the 100% funding, obliging them to repay in full (in case of delay in repayment, interest will accrue) the total amount of the funding as initially transferred under the agreement.

- v) If approved this would be in keeping with other local authorities such as Haringey who are making awards on this basis.
- vi) Due to the potential risk associated with making advance payments officers have devised a rigorous and robust grant agreement in place to, "claw back" grant in the event of default. The clauses in the grant funding agreement will provide as follows:

*'Where an Event of Default has occurred the Council may, in its sole discretion by notice to the Recipient:*

*(a) terminate this Agreement, cancel any Undrawn Amount if any, and require the Recipient to immediately repay the Agreed Funding and all other amounts due under this Agreement together with Interest; and*

*(b) suspend or alter the timing of the payment of any Agreed Funding for such period as the Council will determine in its sole discretion; and*

*(c) reduce the Maximum Agreed Amount, in which case require the Recipient to immediately repay the Agreed Funding and all other amounts due under this Agreement together with Interest'*

- vii) If the proposals outlined above are approved officers will raise awareness, amongst RP's active in the borough, of the positive likely impact of changes. This will be done as part of the phase 2 launch which is scheduled for autumn this year.

### 3.3 Short Term - Awarding Grant Funding to RP's – Phase 2

Under phase 1 officers utilised two options, purchase and repair and new build development, to defray expenditure. Paragraphs 3.4 to 3.7 list a range of alternative options for Phase 2 funding, which will be used in addition to those already utilised in Phase 1.

#### 3.3.1 Prioritising Purchase & Repair

Along with continuing to provide funding for new build development officers propose to prioritise purchase and repair schemes. A significant benefit of this approach is that, without the need for planning consents, the turn-around time for a typical purchase and repair scheme is about 6 months.

- 3.3.2 Subject to the award of planning consents and if there are no delays from, "start on site" to "completion" new builds are likely to take longer, typically around 18 months, to complete. Given the need to draw down earmarked funding swiftly and maximise the Councils ability to meet expenditure targets it is proposed in the short term to prioritise purchase and repair schemes for funding.
- 3.4. Acquiring the Rented Elements of s106 sites
  - 3.4.1 As part of the planning applications process officers are uniquely placed to identify submitted applications and respective affordable housing requirements. It is proposed officers explore the viability of negotiating with developers at the earliest opportunity, to purchase the rented element of any section 106 requirement before they are marketed to RP's.
  - 3.4.2 Analysis of the Council's planning portal has identified several applications with large developments. If the Council could enter agreement with the developer to purchase the dwellings and earmark funding for these dwellings the receipts could be utilised swiftly.
  - 3.4.3 Once the Council's registered provider has been established grant funding can be diverted to it, to enable it, to build up its own portfolio of stock by funding a programme of acquisitions and new development. The Council could also use the funding itself to support a programme of development but as match funding of 70% would also be required and the HRA has little, or no headroom this is not recommended.
- 3.5 Medium to long term – Providing Funding for Small - Sites Phase 2
  - 3.5.1 Officers propose to identify sites suitable for development emanating from the Small Sites Phase 2 scheme and provide grant funding to interested RP's to make the sites more attractive and facilitate new development.
  - 3.5.2 This will require collation of detailed information about each site and its development potential. To do this officers will, need to provide a planning brief, valuations, redlined map with development footprint and an idea about how many dwellings could developed on each site.
  - 3.5.3 A benefit of this approach is that many of the Phase 2 sites are deemed surplus to requirements as they are small and difficult to develop. We have already been approached by a large registered provider who expressed an interest in acquiring some of the sites subject to grant funding being available.
- 3.6 Exploring the Viability of Supporting out of Borough Provision with RP's in Adjoining Districts.
  - 3.6.1 Officers propose to hold discussions with other local authorities and their partner RPs about funding either purchase and repair programmes or new development in their respective boroughs. This would require LBE to share some of the future nomination rights but it does provide an opportunity to expend the receipts and develop in what are usually popular areas outside of Enfield.

3.6.3. Building on our good working relationships the Council could seek to enter joint venture agreements with these Council's on suitable regeneration, new build and or purchase & repair projects thereby securing better value for money via joint commissioning and sharing resultant nomination rights.

### **3.7 Speeding up the Decision-Making Process**

3.7.1 To enable the swift defraying of grant it is recommended that, once agreed, approval to enter these and other future agreements, be delegated to the Executive Director Regeneration and Environment and Executive Director of Finance, Resources & Customer Services

3.7.2 It is to note that going forward, subsequent authority reports will still need to be prepared and considered seeking the relevant authority from the Directors of Housing & Housing Regen. and Finance Resources Customer Services to approve future funding and award of legal agreements to the future providers.

### **3.8 Administration Fees**

3.8.1 Officers propose to add an administration fee of 3% to future grant recipients. This is to cover staff costs and other expenses related to record keeping and/or other administration of the grant.

3.8.2 Using 3% as a basis, for every £1m of grant, the Council would generate £30k.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 The Council could choose to do nothing. If this course of action was adopted the Council would not be able to fulfil its duty to utilise this expenditure as agreed.

4.2 It will not only have to return the receipts to Central Government but also pay a punitive rate of interest, currently at 4% above the base rate compounded, from the time the receipt was generated.

## **5. REASONS FOR RECOMMENDATIONS**

5.1 The Council's Housing Strategy requires 798 new homes to be built each year.

5.2 If approved the funding will;

- increase the portfolio of affordable rented accommodation in the borough and available to the Council
- assist the Council to discharge its statutory duties to households on the housing waiting list and those living in temporary accommodation
- ensure the Council retains 100% nomination rights to a mix of 70 affordable rent dwellings
- make this scheme potentially more attractive to prospective RP's and encourage them to submit bids for grant funding

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



## **6.1 Financial Implications**

- 6.1.1 The latest Right to Buy One for One Replacement Scheme monitoring (July 2017) and the current HRA Business Plan both contained assumptions that £1.2m will be granted to RP's in 2017/18, with a further £6.5m granted in 2018/19. Previously, the RP's to whom these grants will be made had not been identified. The proposals in this report mean that £545k, will be now be granted to named providers in 2017/18, with a further £950k in 18/19 and the same amount in 19/20. Work will need to continue to ensure that the remaining unallocated resources earmarked for RP's are taken up and utilised to avoid any repayment to Central Government.
- 6.1.2 The granting of these sums to RP's means that they are required to match fund the grant sums with a 70% contribution from their own resources. This means that the Council does not have to find the 70% match funding from within its HRA. The latest version of the HRA Business Plan demonstrates that the HRA could not afford to match fund these sums.
- 6.1.3 The grants will be made from the Council's General Fund Capital Programme (Scheme C380143), with the corresponding capital receipts transferred to fund them.

## **6.2 Legal Implications**

- 6.2.1 Section 111 of the Local Government Act 1972 ("LGA") 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.
- 6.2.2 Section 112 of the LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.
- 6.2.3 Under section 8 of the Housing Act 1985 the Council as local housing authority has a duty to keep under review the provision of housing in its area, and has power under section 9 to provide housing accommodation through erecting or acquiring houses. Local authorities also have a general fiduciary duty to Council Tax payers and must therefore take whatever is the overall most reasonable and cost effective course of action to deliver best value from land owned by them.
- 6.2.4 Section 1 of the Localism Act 2011 permits the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. Creating stronger communities and addressing current housing needs are key priorities for the Council.
- 6.2.5 As mentioned in KD4418, provided that the:
- (a) evaluation criteria used to award the grant allocations to the organisations have been consistently and fairly applied and the;

- (b) competition process utilised was in accordance with the principles of the Council's Contract Procedure Rules ("CPRs") and the overarching EU Treaty Principles

then, despite the grant allocations being arguably able to be deemed public contracts (under the Public Contracts Regulations 2015 ("PCRs") and having values above the applicable EU threshold £164,176 (whereby an OJEU notice would be appropriate unless an exemption applies), the award of the grant allocations should present a low level of risk to the Council going forward, given that the awardees themselves are representative of the very organisations who could constitute possible challengers (were they not awardees in this instance).

- 6.2.6 With reference to any challenge to the awards, based on the PCRs: if challenged, as long as the Council in this instance, can point to a transparent, and fair (if limited) competition process, there should be a low level of risk of any successful challenge being brought under the PCRs.
- 6.2.7 Not having gone out to OJEU in these circumstances, it must be borne in mind that there is always the possibility of any registered provider who feels they may have been unfairly excluded from the selection of RP's who were chosen to be invited to express an interest, bringing a challenge to the awards - though that risk is low, given that the current awardees themselves represent the possible range of challengers that could be expected to come forward)
- 6.2.8 Any resultant legal agreements must be in a form approved in advance of commencement by the Assistant Director of Legal and Governance Services.

### **6.3 Property Implications**

It is proposed that the Council's only interest in the properties would be contracted nomination rights in perpetuity. If the Registered Provider decides to divest from the assets to which the grant was applied, and this occurs during the Agreement's term, grant funding will need to be clawed back from the Registered Provider against a formula set out in the Grant Agreement.

As the Council will only have nomination rights, Corporate Landlord liabilities will rest with the Registered Providers who will need to ensure these properties are statutory compliant.

The management of this Programme will be undertaken by the Housing Development and Estate Renewal Team, and Housing Management will need to put in place a monitoring programme to satisfy the Council that the Registered Providers are compliant with appropriate legislation.

## **7. KEY RISKS**

- 7.1 If the Council does not do this there is a risk that it could fail to meet its statutory obligations to households on the housing register.

- 7.2 There is a possibility of the RTB receipts not being spent within the specified timeframe. If this were to happen the Council would not only have to repay any unspent amounts but also pay interest of 13%.
- 7.3 While upfront payment, of 100% grant funding, to Registered Providers would maximise the likelihood of meeting payment targets it could at the same time increase the risk of default. To mitigate this, risk the grant agreement will include a rigorous and robust claw back arrangement to ensure repayment of grant in such an event.
- 7.4 A further consideration is that CA is an investment partner with the GLA. This means they have already been assessed to have robust governance arrangements in place and have a proven track record of delivery in the Borough.

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

### **8.1 Fairness for All**

The diverse mix of dwellings and plans to bring them into use as affordable rented accommodation will maximise the supply of affordable housing in the Borough, providing more opportunities for people in Enfield to access homes they can afford.

### **8.2 Growth and Sustainability**

Supporting the acquisition of housing will enable the Council to increase the portfolio of stock it has to discharge its statutory housing responsibility to households that live in the Borough.

### **8.3 Strong Communities**

Developing good quality housing in areas where people desire to live will help to create and maintain strong sustainable communities.

## **9. EQUALITIES IMPACT IMPLICATIONS**

The Council recognises that providing good quality, affordable housing within the Borough helps those most in need of a home and least able to afford property on the open market.

A scoping Equalities Impact Assessment, (see Background Documents) has been completed. This highlights benefits to clients in protected groups such as those with disabilities, ethnic minorities, elderly persons and single pregnant women.

No specific negative impact has been identified.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

This proposal will increase the portfolio of stock that is available to assist the Council to discharge its statutory housing obligations i.e. supporting those in

temporary accommodation seeking permanent and assisting with decanting of households directly affected by the Councils regeneration proposals.

**11. HEALTH AND SAFETY IMPLICATIONS**

All properties owned and rented by Enfield are subject to rigorous health and safety checks as a matter of course.

**12. PUBLIC HEALTH IMPLICATIONS**

The provision of safe, clean affordable housing has a clear connection to individuals' health and wellbeing. Providing renovated affordable rented housing as proposed in this report will have a positive impact on Public Health.

**Background Papers**

None

## MUNICIPAL YEAR 2017/2018 REPORT NO.

**MEETING TITLE AND DATE:** N/A

**REPORT OF:**

Executive Director of Health, Housing  
and Adult Social Care, Ray James

Executive Director Finance, Resources  
and Customer Services, James Rolfe

**Contact officer and telephone number:**

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**Agenda – Part: 1**

**Item:**

**Subject: Leasing of Silverpoint  
premises, Fore Street, Upper  
Edmonton**

**Wards: All**

**Key Decision No: KD107 4570**

**Cabinet Members consulted:  
Cllr Krystle Fonyonga & Cllr Dino  
Lemonides**

### 1. EXECUTIVE SUMMARY

- 1.1 the Integrated Sexual Health Community Services contract was awarded to North Middlesex University Hospital NHS Trust (NNUH) to commence on the 1<sup>st</sup> November 2015. The services are designed around hub and spoke clinics.
- 1.2 The contract identifies Enfield Council as the commissioner of these mandated services as being responsible for providing premises for this Hub Clinic.
- 1.3 The Sexual Health contract is currently a 'block contract' in which NNUH is guaranteed a monthly payment irrespective of the number of Enfield residents seen. Non-Enfield residents' charges are made to their Local Authority of residence. The contract therefore is best value when Enfield residents use local services rather than out of borough services which currently cost £2.4m.
- 1.4 The specification for the premises that house sexual health services are detailed and include the need for a clinic environment with high level of privacy, multiple clinical rooms and a laboratory.
- 1.5 Burleigh Way was opened as the Spoke Clinic in Enfield Town in June 2016 but subsequent reviews in 2016 by Property Services on local authority and NHS properties within the Enfield Highway area took place with no viable hub clinic option identified. The scope of the property search was widened to the East End corridor of the Borough.
- 1.6 In March 2017 Silverpoint premises at Fore Street, Upper Edmonton was identified as a newly available option for the Enfield Sexual Health Clinic Hub. Discussions with Enfield Clinical Commissioning Group (CCG), the freeholder Village Healthcare and NNUH were undertaken in May 2017. Silverpoint was considered the only viable option.

1.11 In June 2017 a further Briefing Paper on Silverpoint was forwarded to the Executive Director of HHASC and agreement given to relocate the Enfield Sexual Health Clinic Hub to the Silverpoint premises.

1.12 Modelling indicates that under the Sexual Health contract the additional costs of the lease should be offset by a shift in Enfield residents currently using out of borough services into local services provided by NMUH. This will be facilitated by the recent closure of other Sexual Health clinics previously located at St. Anne's (Haringey) and the Royal Free Hospital.

1.12 Permission is therefore sought for LBE to enter into a lease agreement with the owners of Silverpoint (Village Healthcare) so that it may be subleased to the North Middlesex University Hospital as a hub for sexual health services in Enfield.

## **2. RECOMMENDATIONS**

**The Executive Director is asked to:**

- 2.1 Note the terms of the sexual health contract including the provision of Hub premises and the financial incentives for LBE of providing local services to residents.
- 2.2 Approve LBE entering into a lease agreement with Village Healthcare to sublease Silverpoint to NMUH.

## **3. BACKGROUND**

3.1. As part of the implementation of the Health and Social Care Act 2012, previously held NHS Public Health commissioning responsibilities including those for Sexual Health Services were transferred to Local Authorities in April 2013.

3.2. The Council has a statutory duty to ensure appropriate access to Sexual Health Services and to protect the health of the local population.

3.3. These services provide contraception and genito-urinary medical clinics as part of an integrated model aligned with the London Sexual Health Transformation Programme. They promote good sexual health and prevent unwanted pregnancies and the spread of sexually transmitted infections.

3.4. Following a competitive tender process in 2015 where Enfield Council tendered its three (3) services – Family Planning, GUM

and Sexual Health Outreach provision, the newly designed Integrated Sexual Health Services Community contract was awarded to North Middlesex University Hospital NHS Trust to commence on 1<sup>st</sup> November 2015. The contract is capped at a maximum fixed price level of £2,572,820 per annum, subject to satisfactory performance. There is no annual increase for inflation.

3.5. The previous contractors delivered the Sexual Health Service from St Michael's in Gator Drive and the 1<sup>st</sup> floor of Evergreen Medical Centre in Edmonton. Both were viewed as inappropriate locations as access was difficult for St Michael's due to poor transportation links. e and the rental and service charges for Evergreen Medical Centre was considered unaffordable with a rent of over £450k per annum and a poor IT system.

3.6. The Cabinet report in July 2015, awarding the contract to NMUH identified Enfield Town and Enfield Highway as locations for the Spoke and Hub clinics respectively.

3.7. Enfield Town was identified due to its easy transportation links. The Eastern part of the Borough was identified for the Hub due to the level of need evidenced by residents' historic service activity in local and out-of-borough clinics.

3.8. A number of locations were scoped and considered unsuitable for the location of the hub including the Swan Annex (Old Town Hall); Green Towers; St. Modwens; Community House.

3.9. A further search in collaboration with Enfield CCG and Property Services identified Forest Road Primary Care Centre, Edmonton and Silverpoint, Upper Edmonton as the only available options for the Enfield Sexual Health Clinic Hub.

3.10. Silverpoint was selected as it was considered better value for money than Forest Road.

#### **4. Silverpoint Premises**

4.1. Silverpoint, (formerly Highmead), is a privately owned building; the freeholder for the building is Countryside (UK) limited who have let the clinic to Village Healthcare (UK) Ltd on a 250 year lease.

4.2. The first floor of the building is a purpose built healthcare facility acknowledged to have been built to a high standard.

4.3. Silverpoint will offer a 7 (seven) day service to residents of Enfield from 8.00am to 8.00pm Monday to Sunday.

- 4.4. Since 2015 there have been discussions, facilitated by Enfield CCG, between GP Practices, NHS England and NHS Property Services with regards to the location of GP Practice at Silverpoint.
- 4.5. In May 2017 discussions facilitated by Enfield CCG took place between Enfield Council, NMUH and Village Healthcare concerning the occupancy of Silverpoint by NMUH for the relocation of the Enfield Sexual Health Clinic Hub.
- 4.6. Since June there has been ongoing dialogue between Enfield Council, NMUH and Village Healthcare regarding the costs associated with the rent and service charge for this 1<sup>st</sup> floor premises.
- 4.7. A Briefing Paper presented to the Executive Director, HHASC in June 2017 endorsed the agreement to relocate the Enfield Sexual Health Clinic Hub to the Silverpoint premises.
- 4.8. Discussions in relation to taking on the lease for Silverpoint led to an options paper being forwarded to NMUH for their Board's consideration – (i) NMUH to take on the lease and (ii) Enfield Council to take on the lease with sub-leasing arrangements with NMUH.
- 4.9. The NMUH Board did not want to take on the lease and agreed that Enfield Council should be the leaseholders subleasing Silverpoint to NMUH.
- 4.10. The proposal is for Enfield Council to take on the lease for Silverpoint, subject to approval, for a 5.5 (five and half) year period. The length of the lease agreement falls in line with the length of the Sexual Health Service contract.
- 4.11. Enfield CCG has been facilitating discussions between the GP Practice(s) in the Upper /Lower Edmonton area, NHS England and the freeholder with regard to the location of a GP Practice at Silverpoint premise, which is anticipated to relocate to Silverpoint at the earliest possible opportunity.
- 4.12. It was agreed that full occupancy of the premise would entail both NMUH and a GP Practice sharing this facility with a proposal to split occupancy of floor space 70% 30% respectively.
- 4.13. Both the landlord and Enfield CCG are happy to endorse this co-location as it will allow full occupancy of this vacant building and provide a multi-agency clinic hub in the Upper Edmonton locality.



4.14. Agreement is now sought for the Council to enter into a lease with the freeholder for the relocation of the Enfield Sexual Health Clinic Hub.

4.15. In summary we anticipate that the increase in multi-site service provision through the relocation of the Enfield Sexual Health Clinic Hub to Silverpoint will; Address the demands of the population; Ensure access across the Borough; Reduce the out-of-borough spend for GUM activity; Open a world-class healthcare facility in Upper Edmonton

## **5. Silverpoint Financial Considerations**

5.1. Please see Part 2.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

6.1. There are no alternative options to the relocation of Enfield Sexual Health Services Hub to the Silverpoint premises. The contract states a Hub and Spoke model of delivery to increase access for sexual health provision within the Borough.

6.2. To date Enfield Town has been only viable location for the Sexual Health Clinic and is operating as both a Hub and Spoke for sexual health provision within the Borough. Furthermore, it is currently the only location for comprehensive sexual health provision in Enfield creating capacity issues within the clinic and longer than anticipated waiting times for appointments. A clinic in the East End of the Borough would increase access to local sexual health provision and reduce activity out of borough, currently a significant cost pressure.

## **7. REASONS FOR RECOMMENDATIONS**

7.1. A comprehensive scoping of available local authority and NHS properties has been completed and the Silverpoint premises have been identified as suitable location in an area of high health need.

7.2. The contract states the need to establish a Hub Clinic in the Borough offering a seven-day service, in an area of high need.

7.3. The establishment of the Hub Clinic will reduce out of borough consultations, which are increasing. It is vital for managing the cost pressures in the public health budget.

7.4. Other out of borough clinics in north London have recently closed so there is an opportunity for Enfield patients previously using these clinics to move to using a local service.

7.5. The co-location of the Enfield Sexual Health Clinic Hub with a GP practice is considered complementary, it ensures that Silverpoint fulfils its function as a Primary Care Clinic offering patients choice and access to a full range of sexual health interventions in a high quality facility.

7.6. Sexual health provision is an important component of improving health of the population of Enfield. These services promote good sexual health and prevent unwanted pregnancies and the spread of sexually transmitted infections.

7.7. This clinic will ensure; access to services to help residents make a positive contribution towards the community; easy and direct access to high quality integrated sexual health services delivering the best interventions in the most effective community settings; that young people have the best opportunity to stay safe, achieve and make a positive contribution.

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

### **8.1. Financial Implications**

8.1.1. Any costs as a result of the Silverpoint clinic will be met from the ring fenced Public Health Grant. The Grant for Enfield is 17.272m in 2017/2018 and is designed to cover expenditure incurred in delivering the Public Health function including mandated (statutory) and non-mandated (non-statutory) services. Sexual Health Services is a mandated service.

8.1.2. Currently out of borough spend on GU services is £2.4 million per year. The closure of sexual health clinics in Waltham Forest, Haringey and the Royal Free strongly imply that this spend could be markedly reduced by persuading residents to use local services

8.1.3. Conservative scenario planning by Property Services anticipates Silverpoint costing the Council an additional £409,200 over 5 years e.g. approximately 2 months spend on out of borough sexual health services.

8.1.4. Relocating 10% of out of borough provision would save the Council £240,000 per year. Silverpoint would therefore become cost saving in Year 2.

8.1.5. With the closure of other local sexual health clinics above it is anticipated that is achievable within 2 years.

8.1.6. See Part 2 for additional comments.

## **8.2. Property Implications**

8.2.1. Property Services have assisted with the option appraisal for alternative property for the sexual health clinic. The option for Silverpoint was chosen by HHASC and the NMUHT as provider so Property Services were instructed to assist HHASC officers. Property surveyors have inspected the Silver Point Clinic and met with the landlord and sought to re-negotiate the best terms for the London Borough of Enfield.

8.2.2. Property Services officers have seen the Heads of Terms and draft lease for the clinic from the Landlord. Officers have also exchanged Heads of Terms the NMUHT for the under lease which have been agreed by NMUHT. Property Services have instructed Legal Services to begin work on the draft leases and will instruct Legal to complete the leases once approval is obtained with the completion of this DAR.

8.2.3. Property Services have advised HHASC of the potential financial implications of entering into the two leases and have been assured that the Public Health budget will be utilised to fund this building rather than through Corporate funding.

8.2.4. HHASC officers should be aware of the budget requirements and the need to raise purchase orders for the ongoing payment of rent and service charges to the landlord and to raise invoices on ASH to the NMUHT for their lease payment obligations.

8.2.5. HHASC and or the NMUHT will need to represent the clinic at the Leaseholder/tenant meetings for the Silverpoint building. This is to discuss building service charges and is a requirement to under our sublease for the landlord and the freeholder of the Building. Resource should be set aside for these meetings and any work stream that flow from this forum.

8.2.6. Property need to be advised of any rent review proposals and service charge disputes.

## **8.3. Legal Implications**

8.4. The Council has power under the Local Government Act 1972 and section 1 of the Localism Act 2011 to enter into the proposed leases.

8.5. The Council has a contractual duty to provide suitable premises for the delivery of services outlined in the ISHS Agreement.

8.6. The terms of the proposed lease should be negotiated and agreed by the Council's Assistant Director (Property Services).

#### **8.7. Procurement Implications**

8.7.1. There are no procurement implications.

### **9. KEY RISKS**

9.1. The lease agreement between the Council and landlord with regard to Silverpoint premises is initially for a period of 5.5 (five and half years), in line with the length of the Integrated Sexual Health Services Community contract. Rent, rates and service charge costs are budgeted within the contract and will mitigate financial risks associated with the Council entering into a lease agreement.

9.2. The lease agreement between the Council and the landlord does not have a break clause. There is a risk that the Integrated Sexual health services community contract could be terminated by the Council or by the NNUH for a breach which would leave the Council at risk for ongoing rent, rates and service charge for the Silverpoint property for the remainder of the lease term.

9.3. A reduction in out of borough GUM activity of £30k per month will support the increased rental cost of Silverpoint. This is reliant on Silverpoint being up and running by October 2017, ensuring a Hub Clinic facility is available to patients across Enfield. Any delays would result in a continued increase in out of borough GUM activity particularly with the closures of Whittington at St Ann's Clinic in Haringey and Royal Free Hospital services at Hampstead, Barnet and Chase Farm in July of this year.

9.4. If the Council do not proceed with undertaking the lease for Silverpoint (70% occupancy) as the Hub location for the Sexual Health Service Clinic Hub, NNUH would have grounds to terminate the contract as the local authority would be in breach due to the fact they have not provided premises for the delivery of the Hub and Spoke model as outlined in the Integrated Sexual Health Services contract and there would be a potential for litigation. This would have substantial financial implications for the Council. There would be suboptimal service provision for Enfield residents driving demand to other Sexual Health services out-of-borough.

- 9.5. Risks to the continued occupancy of Silverpoint can be mitigated to most extent as the Council has other medical and health services which could be transferred to the premises if they were to be vacated by the Sexual Health Service. For instance, this would serve as a suitable accommodation for the Council's Occupational Health Service or other Public Health Services.

## **10. IMPACT ON COUNCIL PRIORITIES**

### **10.1. Fairness for All**

- 10.1.1. The scoping of suitable accommodation by Property Services has been extensive and all potential venues have been investigated with regards to D1 consent location, appropriateness as a clinical facility, the works that needs to be undertaken to ensure CQC compliance as well as rent and service charge costs which are in line with the service contract.

- 10.1.2. The process has been transparent and fair and Directors have been notified of all potential venues with details of risks and benefits to the community.

### **10.2. Growth and Sustainability**

- 10.2.1. The increase in service delivery sites with the relocation of the Sexual Health Clinic Hub at Silverpoint will ensure greater access for residents leading to an increase in the number of residents accessing the service.

- 10.2.2. A seven day service at this facility will ensure ease of access for out of hour's provision for people who cannot access services during normal working hours. The location of the clinic on the high street will ensure more people in the community will have access to an integrated sexual health treatment service in a choice of settings to improve their health in more appropriate and cost effective community settings.

- 10.2.3. The location of the Hub Clinic will also support the London ISHT programme and with the closure of clinics in Haringey and Waltham Forest, there will be an increased demand on the Town Clinic and Sexual Health Clinic Hub at Silverpoint due to its close proximity to the Haringey border.

### **10.3. Strong Communities**

- 10.4. Enfield Sexual Health Clinic Hub at Silverpoint will be co-located with a GP practice within an area of high health need and deprivation. This high specification clinical facility will offer

residents an opportunity to engage in services in a primary locality.

- 10.5. The service will support multi-agency working with the co-located GP Practice ensuring that each service is working to support the health needs of the local population.
- 10.6. The Hub and Spoke model across the two sites: Enfield Town and Upper Edmonton will ensure ease of access across the Borough. This seven day service will offer access to new patients, who have chosen to access services in inner London clinics back in borough as we will be able to offer state of the art health care provision.
- 10.7. The Hub Clinic will increase joint work with local partners including Pharmacists, Community HIV support Services, Drug and Alcohol Services, other GP practices and young people's services including those working with gang members, providing an opportunity of joint working. Sex workers within the Fore Street corridor will be supported through targeted outreach and encouraged to engage in these clinical services at Silverpoint.

## **11.EQUALITIES IMPACT IMPLICATIONS**

- 11.1. An Equalities Impact Assessment was undertaken to inform the previous Integrated Sexual Health Commissioning intentions. The findings and recommendations from this are current to this process and have been utilised accordingly. The relocation of the Sexual Health Clinic Hub to Upper Edmonton, an area of high deprivation and health need will improve equality of access for residents living in the East of the Borough.
- 11.2. Sexual health issues disproportionately affect those experiencing poverty and social exclusion resulting in poor outcomes for the individuals and their families. The Hub Clinic at Silverpoint and Spoke at Enfield Town will provide greater access for those target populations in need by offering locations with good transportation links and ease of access.

## **12.PERFORMANCE MANAGEMENT IMPLICATIONS**

- 12.1. The Integrated Sexual Health Community Services contract is subject to robust contract monitoring processes for service delivery and service quality. The principal focus is on accessibility to service users as well as an increase in HIV and STI testing, increased focus on outreach and preventative work and ensure that all members of this Borough's diverse population receives equal, quality treatment and support.

- 12.2. Regular contract monitoring is undertaken and audits are conducted to ensure the service is compliant with national and local clinical guidelines including NICE guidance and use of Patient Group Directions (PGDs).
- 12.3. A KPI dataset to monitor monthly performance is forwarded by NMUH as part of contract monitoring and as back-up data for payment of invoices in relation to the Sexual Health contract. NMUH are also expected to:
- 12.4. Generate quarterly data extract of all patient attendances and associated diagnoses and services at GUM and non-GUM clinics in accordance with Public Health England Genitourinary Medicine Clinic Activity Dataset (GUMCADv2<sup>1</sup>).
- 12.5. Utilise Sexual and Reproductive Health Activity Dataset (SRHAD) to capture contraception and other sexual and reproductive health activities
- 12.6. Following all new HIV diagnosis, NMUH is required to generate a data extract to the HIV and AIDS Reporting Section (HARS) in Public Health England;
- 12.7. The completion of the Chlamydia Testing Activity Dataset (CTAD) is mandatory for all NHS and NHS-commissioned chlamydia testing carried out in England. Whilst CTAD is submitted by laboratories, it is the responsibility of NMUH to ensure the core CTAD data requirements are provided to the laboratory for each chlamydia test.
- 12.8. SRHAD and HARS, together with GUMCADv2 will form the basis for a standardised sexual health dataset collected from the Borough's sexual health clinic settings (plus CTAD from laboratories).
- 12.9. Quarterly GUMCADv2 and SRHAD data will be inputted by NMUH for the Hub and Spoke Clinics with analysis from PHE enabling informed commissioning decisions relating to GUM attendances, activity and STI trends.
- 12.10. GUM activity data will be monitored by the North East London Commissioning Support Unit (CSU). This includes activity reports for GUM attendances locally and out of borough together with a finance report on baseline costs and any variance in relation to monthly activity.

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

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<sup>1</sup> PHE Genitourinary Medicine Clinic Activity Dataset (GUMCADv2) Guidance to Clinic Staff and Technical guidance and specification for data extract can be found: <http://www.hpa.org.uk/gumcad>

- 13.1. NMUH is responsible for executing H&S guidelines.

#### **14. HR IMPLICATIONS**

- 14.1. There are no HR implications

#### **15. PUBLIC HEALTH IMPLICATIONS**

- 15.1. Sexual health is an important and wide-ranging area of Public Health. Good sexual health is an important part of people's lives, fundamental to the health and well-being of the individual as well as their families which has obvious implications for society. Having effective sexual interventions and services has positive effect on population health and well-being as well as individuals at risk.
- 15.2. The consequence of poor sexual health can be serious. Unplanned pregnancies and STIs can have a long standing impact on people's lives. The results of STI's include acute symptoms, chronic infection, complications such as pelvic inflammatory disease and serious delayed consequences. STI's are the main preventable cause of infertility, particularly in women. These adverse consequences are avoidable, through prevention, early diagnosis and treatment.
- 15.3. The burden of poor sexual health is not evenly distributed across society, concentrated amongst key at risk groups. There is a clear relationship between sexual ill health, poverty and social exclusion. There is an unequal impact of HIV on men to who have sex with men (MSM) and other ethnic groups from areas where HIV is endemic.
- 15.4. Unplanned pregnancy can have a physical and psychological impact on women. Abortion carries additional health risks.
- 15.5. Good service provision supports patients by engaging them to control their fertility by offering a choice of contraception methods and outlining the risks of unprotected sex and sexually transmitted diseases.
- 15.6. Extending provision across the Borough will ensure greater access to such provision in an area of high health need, deprivation and diversity.
- 15.7. Through the relocation of the Sexual Health Clinic Hub to Silverpoint, it will better serve Enfield's diverse community in a facility built to a high specification. It will encourage in borough attendances and reduce the number of out of borough



attendances by offering a local clinic in a highly deprived ward with a diverse mixture of young and less affluent people.

15.8. Improving and promoting sexual health makes good sense in both health and economic terms. Investment in sexual health services can deliver healthcare savings through preventing unplanned pregnancies; reducing transmission of STI's, costs of infertility treatment and of treating disease.

15.9. For example, for every one pound spent on contraceptive services, the net gain to the NHS has been estimated to be £11 (Department of Health, 2013). Each time a person is prevented from developing HIV it is thought the NHS saves over £350,000 (APPG, 2012).

15.10. It is estimated that in 2013, unintended pregnancy and STIs cost the UK between £84.4 billion and £127 billion. Of the lower level, £84.4, 11.4 billion was NHS costs and 73 billion was wider public sector costs. It is estimated improving access to contraception and contraceptive services could save between £3.7 and £5.1 billion (Development Economics, 2013).

## **16. Background Papers**

16.1. N/A



**MUNICIPAL YEAR 2017/2018 REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**PORTFOLIO DECISION OF:**

Cabinet Member for Housing and  
Housing Regeneration and Cabinet  
Member for Finance and Efficiency

**REPORT OF:**

Executive Director –  
Regeneration & Environment  
and Executive Director of  
Finance, Resources, and  
Customer Services.

**Agenda – Part: 1**

**KD Num: 4076**

**Subject: Electric Quarter:** Acquisition of  
Land at United Reformed Church

**Wards: Ponders End**

**Cabinet Members consulted:**

Councillor Oykenor and  
Councillor Lemonides

Contact officer and telephone number:

Kenneth Rose

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**1. EXECUTIVE SUMMARY**

- 1.1 On 17 June 2015 Cabinet (**KD4076**) resolved to make a Planning Compulsory Purchase Order (the **PCPO**) under section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and new rights within the area described in the report and shown edged red on the plan attached to the Cabinet Report (the **Order Land**) (**Appendix 1**)
- 1.2 The same Cabinet meeting delegated authority to the Executive Director of Regeneration and Environment, acting in consultation with the Executive Director of Finance, Resources and Customer Services, to acquire all necessary interests in land within the area subject to the **PCPO** either by agreement or compulsorily.
- 1.3 Heads of Terms (**Appendix 2**) have been agreed between the London Borough of Enfield (the **Council**) and the **United Reformed Church Thames North Trust (URC)** (the **Seller**) for the transfer of part of the Sellers freehold land and the grant of temporary rights to URC over the adjoining land during Phase A of the Electric Quarter development.
- 1.4 Authority is sought to approve the acquisition of the strip of land at the front of the URC based on the agreed Heads of Terms.

## **2. RECOMMENDATIONS**

- 2.1 Authorise the acquisition by the **Council** of the freehold land interest held by URC (**Appendix 3**) by agreement on the basis of agreed Heads of Terms referred to in **Part 2** of this report.
- 2.2 Delegate authority to the authorised Legal Officer to approve and enter into the final detailed terms of the Sale Contract and associated legal documents, in accordance with the agreed Head of Terms and compliance with the Councils Property Procedure rules.
- 2.3 To note the Acquisition contributes towards meeting a Council condition in the Agreement to Lease signed in October 2014.
- 2.4 To authorise payment of the Acquisition and Seller's costs which will be incurred on completion of the transaction (**Refer to Part 2**)

## **3. BACKGROUND**

- 3.1 On 24 April 2013, Cabinet (**KD 3682**) noted the results of the procurement exercise for a Delivery Partner for the Electric Quarter and approved the recommendation to select Lovell Partnership Limited as the Preferred Developer Partner. The same Cabinet delegated authority to the Director of Regeneration and the Director of Finance to enter into an Agreement for Lease, and then to grant a Lease to the Preferred Bidder following the satisfaction of the Conditions for the Agreement for Lease for the delivery of the Electric Quarter.
- 3.2 Under the Agreement for Lease entered into on 8 October 2014, Condition B required the Council to acquire all land and property interests.
- 3.3 On 17 June 2015 Cabinet (**KD4076**) delegated authority to the Executive Director of Regeneration and Environment, acting in consultation with the Executive Director of Finance, Resources and Customer Services, to acquire all necessary interests in land within the area subject to the Electric Quarter PCPO (**The Order Land**) either by agreement or compulsorily.

### **Compulsory Purchase and Land Acquisition**

- 3.4 On 18<sup>th</sup> July 2012, Cabinet (**KD 3525**) authorised the commencement of negotiations with freehold and leasehold owners to acquire from them by agreement their land and property interests.
- 3.5 The Council has subsequently acquired the following properties via Private Treaty negotiations:
  1. The former Middlesex University site (Portion of Site)
  2. 188 High Street

3. 198 High Street
  4. 204-214 High Street
  5. 230 High Street (Plastics Factory)
- 3.6 Extensive discussions have been ongoing between the Council and URC with whom Heads of Terms have been agreed for the transfer of land. The URC were an objector to the **London Borough of Enfield Planning and Compulsory Purchase Order 2016**. The **PCPO** was confirmed without modification by the Secretary of State for Communities and Local Government on June 16<sup>th</sup> 2017.

#### **Details of the site**

- 3.7 The land in question is situated to the north of URC at Ponders End and is currently used as amenity space. The total site area is 117 sqm.
- 3.8 The site has two access points through the front gates of the church along the existing highway and a side entrance along the existing footpath at College Court. The Site is delineated in red. **(Appendix 3)**. Vehicular access is provided at the front of the church site through the front gates.
- 3.9 The church is operational and holds regular services.

#### **Heads of Terms**

- 3.10 Heads of Terms have been agreed for the transfer to the **Council** of the Seller's freehold interest in land at the United Reformed Church, Ponders End, Enfield which is required in connection with the Electric Quarter development.
- 3.11 The Transfer Agreement is being drafted by the Buyer's solicitors, Bevan Brittan, in liaison with the Sellers Solicitors Ashurst.
- 3.12 During temporary works taking place at College Court, the Council (**Buyer**) and Lovell (**Developer**) will grant URC (**Seller**) temporary rights of access during the construction phase including vehicular rights over the existing access road and pedestrian access.
- 3.13 The **Developer** will covenant with the URC that it will carry out and complete a number of accommodation works within the URC car park in exchange for the land transfer. Lovell will provide URC with the following:
- Installation of brand new railings
  - New resurfaced car park and pathway
  - An offer to provide the services of a landscape gardener to remove various vegetation and replace it with new shrubs around their land.
  - The Council will also grant new permanent rights over the adjoining access road to enable the Church to access its building and car park areas.

#### 4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 **Not to include the land in the Electric Quarter Phase A boundary:** The land is required for the new road formation at the Electric Quarter and for it to be built to adoptable standards.
- 4.2 **Not to proceed with the transfer on the basis of the Heads of Terms.** The Acquisition is within the **PCPO Order Scheme Land Boundary**. The **PCPO** is now confirmed. The negotiations in respect of this purchase precluded the confirmation and it was necessary to enter negotiations prior to acquire the site for **PCPO** purposes. Furthermore, to meet planning conditions and to ensure the site has unrestricted access to serviceable utilities once the homes are delivered.
- 4.3 Government Guidance as set out in "Guidance on Compulsory Purchase Process, DCLG, 2015" states that acquiring authorities should make best efforts to reach a negotiated settlement with land owners. Given that extensive negotiations have already taken place to reach agreed Heads of Terms with the Church, the land is proposed to be acquired by private treaty.
- 4.4 **Do nothing:** The main road leading to the development would not be built to adoptable standards. The Council has also resolved to acquire all Order Land within with the Order Scheme to enable the development of the Electric Quarter using **PCPO** powers or private treaty. **(Cabinet 17 June 2015, KD 4076)**. The developer will also be in breach of approved planning conditions as a consequence of doing nothing.

#### 5. REASONS FOR RECOMMENDATIONS

- 5.1 Without acquiring land at **URC** the road will not be formed to adoptable standards this would have an adverse impact on the scheme.
- 5.2 The purpose of the proposed transfer is to advance the acquisition of all freehold and leasehold interests within the **Order Land**, which is a condition of the Agreement for Lease with the Developer Partner of the Scheme.
- 5.3 Cabinet has given authorisation **(KD 4076)** to proceed with the Electric Quarter Scheme and to acquire all land and property interests within **The Order Scheme** either voluntarily or compulsorily.
- 5.4 When delivered, the total Scheme **Phase A** and **B** will generate a range of benefits including: a new library with a high-street frontage, 167 residential units of which 30% will be affordable, 1,379 sq. metres of commercial and community space, the introduction of new high-quality public open space and improved connectivity along Ponders End High Street, and is a key programme contributing to the wider regeneration of Ponders End and North East Enfield at large.

- 5.5 The Scheme is in accordance with the adopted North-East Enfield Area Action Plan which prescribes comprehensive development for the Ponders End High Street area.
- 5.6 The Site is also required in the interest of enabling drainage connection works and constructing a new adoptable highway corridor from Ponders End High Street into the Electric Quarter development.
- 5.7 The acquisition of the Site will secure the implementation of the Council's obligations as set out in the overarching section 106 agreement dated 26th November 2016 between the Council and Lovell Partnerships Limited which includes highway works and in which the Developer has covenanted with the Council as follows;
- Not to Occupy or permit the Occupation of Phase A prior to the Completion of the Highway Works.
  - Not to Occupy or permit the Occupation of Phase A prior to completion of a Highways Agreement for the Proposed Roads

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

**7. Financial Implications**

Refer to **Part 2** of this report.

**8. Legal Implications**

- The Council is authorised under s.120(1)(b) of the Local Government Act 1972 to acquire land by agreement for "the benefit, improvement or development of their area". There is also a general power under s.1 of the Localism Act 2011 for the Council to do anything which an individual may generally do.
- The recommendations in this report are in accordance with the Council's powers and the proposed acquisition of property by the Council complies with the Property Procedure Rules.
- The agreed heads of terms of the acquisition are in Part 2 of this report.
- All documentation shall be in a form approved by the Authorised Legal Officer

**9. Property Implications**

Refer to **Part 2** of this report.

## **10. KEY RISKS**

Refer to **Part 2** of this report.

## **11. IMPACT ON COUNCIL PRIORITIES**

### **11.1 Fairness for All**

The Regeneration of Ponders End High Street will promote fairness for all members of the local community through consulting the community on the proposals and by the planned provision of new commercial, community and residential development that is appropriately accessible to the local community. The Community Benefits Toolkit has already informed Tender Documentation, and accordance with its requirements was an evaluation criterion

### **11.2 Growth and Sustainability**

Growth and sustainability are central to the proposals for Ponders End High Street. The proposed development will provide growth in terms of increasing the supply and tenure of quality housing in the area; improving the quality and quantity of commercial space; and by including one or more community uses that will facilitate appropriate community activities.

### **11.3 Strong Communities**

The proposals for Ponders End High Street aim to increase the type and tenure of housing in the area leading to an increase in home ownership levels which will create a more mixed community and support greater footfall along the High Street. The proposed redevelopment will also provide a range of unit sizes to accommodate a diversity of community and commercial uses, and improving the public realm will facilitate the free flow of people between the High Street, Park, and the former Middlesex University site.

## **12. EQUALITY IMPACT IMPLICATIONS**

- 12.1 The Electric Quarter Ponders End Equalities Impact Assessment (**EIA**) September 2015 submitted as part of the approved planning application of 26<sup>th</sup> January 2016 (15/04518/FUL) found that the development scheme has responded positively to delivering a development that will promote equality. The **EIA Matrix (Appendix 5)** sets out the positive aspects of the development which are Involvement; Crime, Fear of Crime; An Affordable Home; A Home to Meet Needs; Access to Facilities and Services, Public Transport and Accessibility; The table below also sets out the impact against the nine Protected Characteristics set out in the Equalities Act 2010. Overall the Equalities Impact Assessment proposes development will respond positively to securing a development that promotes equality.



## Electric Quarter, Ponders End: Equality Act 2010 Protected Characteristics

Protected Characteristic	Scheme: Electric Quarter	Mitigation
Disability	Positive	Not applicable
Gender	Neutral	None
Age	Neutral	None
Race	Neutral	None
Religion & Belief	Positive	Not applicable
Sexual Orientation	Neutral	None
Gender Re-assignment	Neutral	None
Pregnancy and Maternity	Positive	Not applicable
Marriage and Civil Partnership	Neutral	None

**Table 1: Protected Characteristics**

### 13. PERFORMANCE MANAGEMENT IMPLICATIONS

13.1 The Regeneration of Ponders End High Street contributes towards the delivery of:

- Ponders End Central Planning Brief 2011
- London Plan 2011
- North East Enfield Area Action Plan 2016
- The Sustainable Community Strategy 2007-2017

### 14. HEALTH AND SAFETY IMPLICATIONS

14.1 In relation to the works, it will be necessary, through the process of due diligence, to establish the extent of contaminated land and to ensure that appropriate measures are taken to mitigate risks and to ensure its suitability for projected end uses.

14.2 The **Council** would also need to ensure that any acquired property and/or land is managed effectively and efficiently to provide a satisfactory level of amenity, safety, and security in line with its statutory obligations.

### 15. PUBLIC HEALTH IMPLICATIONS

None.

#### Appendices:

**Appendix 1** - Order Land

**Appendix 2** - Heads of Terms

**Appendix 3** - URC Land Red Line Plan

## **Background Papers**

None.





## HEADS OF TERMS

### Parties

**Buyer:** London Borough of Enfield

**Seller:** URC Thames North Trust

**Developer** Lovell Plc

### Introduction

1. The Buyer made an order for compulsory purchase of the land on the west side of Ponders End High Street. The land is to form part of a larger development site which includes part of the former Middlesex University Campus on Queensway ("Scheme").
2. The Scheme is to be developed by Lovell. The Buyer will shortly be granting Lovell the first of two leases (of the part of the Scheme known as Phase A) to enable Lovell to occupy the Phase A land to continue with the development works.
3. The Seller and the Buyer have agreed terms for (a) the transfer of part of the Seller's freehold land to the Buyer (b) the grant to the Seller of temporary rights over the Buyer's adjoining land (part of Phase A) during the development of Phase A and (c) after completion of the development of Phase A, the grant of new permanent rights to the Seller over the Buyer's adjoining land. The rights will be for the benefit of the Seller's retained land.

### Property

Part of the Seller's freehold land registered at the Land Registry with freehold title number MX369980 and known as Ponders End United Reform Church. ("Property"). The Property is referred to as plot 30 in the CPO schedule and plans and forms part of Phase A.

### Terms

#### 1. Contract

The Seller and the Buyer will exchange contracts as soon as possible and the proposed completion date will be one week after exchange.

#### 2. Transfer

Lovell, as the developer and also as the tenant of Phase A, will be a party to the Transfer in order for it to covenant with the Seller to carry out agreed works and to grant the temporary and permanent rights.

### 3. Temporary Rights during development

The Buyer and Lovell will grant the Seller the following rights of access:

#### Phase 1

Vehicular rights of access across the land coloured blue and brown and pedestrian access across the land coloured green and pink as shown on the Phase 1 logistics plan. Lovell will provide a ramp over the land coloured pink to provide disabled access to the retained land.

#### Phase 2

Vehicular rights of access across the existing access road and pedestrian

access across the land coloured green and pink as shown on the Phase 2 logistics plan. The developer will provide a ramp over the land coloured pink to provide disabled access.

### Phase 3

Vehicular access to the Seller's car park will not be available during Phase 3. During Phase 3, Lovell will provide replacement car parking in the existing College Court car park. Pedestrian access will be provided across the land coloured green and pink as shown on the Phase 3 logistics plan. Lovell will provide a ramp over the land coloured pink to provide disabled access.

### Post Completion of Phase 3

Vehicular and pedestrian access will be provided across the existing access road until such time as it is adopted.

### 4. Accommodation works

Lovell will covenant with the Seller that it will carry out and complete the following works:

- To provide new replacement hooped top black glossed railings to the perimeter church frontage and new gates allowing for a larger entrance to the Seller's car park.
- To implement a new tarmac wearing course to the Seller's car park and paths leading up to the entrance to the church building and areas surrounding the memorial garden.
- To provide and bear the costs of a landscaper who having agreed the exact specification with the church will remove or cut back all of the existing shrubs/vegetation on the retained land and replace with a mulch bark boarder with new shrubs.
- Lovell to provide signage on the hoarding giving directions to the church car parking for the duration of the works

The Seller will allow Lovell all necessary access to the retained land to enable Lovell to carry out and complete the works. The works will be carried out during Phase [instructions]

### 5. Mutual Obligations

The parties agree to act reasonably and in good faith.



To respond to communications from each party in reasonable period of time and to use reasonable endeavors not to cause unnecessary delay to the timing and programming of the Scheme.

#### 5. Costs and Timing

The Buyer shall meet the Seller's reasonable costs incurred in connection with the transaction. These costs are to be paid on completion of the transfer

The Seller will agree in the contract to the withdrawal on completion of its objection to the CPO and that it will not to make any objection to any Compulsory Purchase or Stopping Up Order or any planning applications required for Lovell to complete development of the Scheme.

The Buyer will not exercise any compulsory purchase powers of acquisition in respect of Plot 30.

Subject to

- a. Contract / formal documentation
- b. Licensor delegated Cabinet approval

Solicitors

The solicitors acting on behalf of the Seller are:

Bevan Brittan LLP

[claire.coburn@bevanbrittan.com](mailto:claire.coburn@bevanbrittan.com)

The solicitors acting for the Seller are:

Cripps

Contact: Clare Hyland

Telephone +44 (0)1892 506 096

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## Agents

The agents appointed to act on behalf of the Licensor are:

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65 Gresham Street

London

EC2V 7NQ

Contact: Angela Nelson

Telephone: (020 7911 2231

Email: [Angela.Nelson@gva.co.uk](mailto:Angela.Nelson@gva.co.uk)

The agents appointed to act on behalf of the Licensee are:

Rapleys

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London

W1F 7JT

Contact: Peter Roberts

Telephone: 07789 691460

Email: [Peter.Roberts@rapleys.com](mailto:Peter.Roberts@rapleys.com)

.....Signed on behalf of Ponders End United  
Reform Church

..... Signed on behalf of London Borough  
of Enfield



Produced by  
**GIS Team**  
 Enfield Council  
 IT Department  
 Tel 020 8379 3520

**Key**



**Land to be transferred  
 at United Reform Church**



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**Land to be transferred  
 at United Reform Church**



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## MUNICIPAL YEAR 2017/2018 REPORT NO.

### MEETING TITLE AND DATE:

### PORTFOLIO DECISION OF:

Cabinet Member for Housing and  
Housing Regeneration and Cabinet  
Member for Finance and Efficiency

Contact officer and telephone number:

Kenneth Rose, 020 8379 4525

E mail: [Kenneth.rose@enfield.gov.uk](mailto:Kenneth.rose@enfield.gov.uk)

### Agenda – Part: 1

Item: KD 4583

**Subject: Electric Quarter – Acquisition of  
200-202 High Street, Ponders End EN3  
Wards: Ponders End**

**Key Decision No: KD4076**

### Cabinet Member consulted:

Councillor Ahmet Oykenen and  
Councillor Dino Lemonides

## 1. EXECUTIVE SUMMARY

- 1.1 On 17 June 2015 Cabinet (**KD4076**) resolved to make a Planning Compulsory Purchase Order (the **PCPO**) under section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and new rights within the area described in the report and shown edged red on the plan attached to the Cabinet Report (the **Order Land**) (**Appendix 1**)
- 1.2 The same Cabinet meeting delegated authority to the Director of Regeneration and Environment, acting in consultation with the Director of Finance, Resources and Customer Services, to acquire all necessary interest in land within the area subject to the PCPO either by agreement or compulsorily.
- 1.3 Heads of Terms have been agreed between the London Borough of Enfield (the **Council**) and Mr Ali Osman and Mrs Yonca Osman (the **Seller**) for the acquisition of their freeholder interest at 200-202 High Street, Ponders End, Enfield, EN3 4EZ (the Site).
- 1.4 The purpose of this report is to approve the acquisition of the Site based on the agreed Heads of Terms. (**Appendix 2**)

## 2. RECOMMENDATIONS

- 2.1 To authorise the acquisition of the freeholder land interest held by Mr Ali Osman and Mrs Yonca Osman, at 200-202 Ponders End High Street on the basis of agreed Heads of Terms.
- 2.2 To delegate authority to the Authorised Legal Officer to approve and enter into the final detailed terms of the Sale Contract and associated legal documents, in accordance with the agreed Heads of Terms.

### 3. BACKGROUND

- 3.1 On 18th July 2012 Cabinet (**KD3525**) authorised a budget from the Neighbourhood Regeneration Capital Programme and other finances to support the delivery of the Ponders End High Street Regeneration Scheme.
- 3.2 On 17 June 2015 Cabinet (**KD4076**) delegated authority to the Director of Regeneration and Environment, acting in consultation with the Director of Finance, Resources and Customer Services, to acquire all necessary interest in land within the area subject to the Electric Quarter **PCPO (the Order Land)** either by agreement or compulsorily.
- 3.3 On behalf of the Council, GVA have negotiated the purchase of **200 - 202 High Street** by agreement. The details of the background and context for this purchase, details of the site, and purpose of this acquisition are explained in **Part 1. Part 2** of this report sets out the **Heads of Terms** upon which this acquisition is being made; together with Property and Legal Implications provides details of the Red Book Valuation undertaken to acquire the Site; Due Diligence undertaken by the appointed solicitor, Bevan Brittan; the strategic importance of acquiring the Site; Key Risks; and includes Financial Implications.
- 3.4 Given the strategic importance and cost of this acquisition, this report is seeking Portfolio approval to proceed with the acquisition on the terms as set out in **Part 2** of this report.
- 3.5 The following sections explain the Agreement for Lease with the developer Partner for this Scheme; document the Council's progress to date with acquiring the land interests for the Electric Quarter scheme provides an update on the PCPO, and sets out the reasons for recommending the acquisition of the Site.
- 3.6 On 24th April 2013, Cabinet (**KD 3682**) noted the results of the procurement exercise for a Delivery Partner for the Electric Quarter and approved the recommendation to select Lovell Partnership Limited as the Preferred Developer Partner (**the Developer Partner**). The same Cabinet delegated authority to the Director of Regeneration and the Director of Finance to enter into an Agreement for Lease, and then to grant a Lease to the Preferred Bidder following the satisfaction of the Conditions for the Agreement for Lease for the delivery of the Electric Quarter.
- 3.7 On 8th October 2014, the **Council** entered into an Agreement for Lease with the Developer Partner (see Cabinet Report 15th March 2016 (**KD4261**)). Under the terms of the Agreement for Lease, the Developer Partner is tasked with securing a detailed planning application (amongst other conditions) and the **Council** is tasked with securing the land and property interests required for the Scheme (**Condition B of the Agreement for Lease**).



- 3.8 The Developer Partner submitted a planning application in October 2015 for a comprehensive redevelopment scheme in Ponders End called “**the Electric Quarter (the Scheme)**” which will provide 167 residential units and 1,379 sq m of commercial and community floor space. On 26th January 2016, the Developer Partner was granted planning permission for **Phase A and B** subject to conditions including the completion of a Section 106 Agreement (**Conditional Planning Consent**).
- 3.9 According to the terms of the Agreement for Lease, two separate leases will be signed: one for Phase A, which covers the remaining land formerly occupied by the Middlesex University, and Phase B, which is the East half of the Scheme, including the land fronting Ponders End High Street. This Site is in Phase B. The lease for Phase B will only be signed once the Developer Partner has completed the development of Phase A. However, an obligation of the Council under the terms of the Agreement for Lease is to secure all land interests to develop the whole of the Electric Quarter Scheme including land interests in Phase B.
- 3.10 The **Phase A** Lease has been signed. Signature of the Lease for **Phase B** is conditional upon the **Council** securing all land and property interests within **Phase B** to which this acquisition contributes.

#### **Compulsory Purchase and Land Acquisition**

- 3.11 On 18<sup>th</sup> July 2012, Cabinet (**KD 3525**) authorised the commencement of negotiations with freehold and leaseholder owners to acquire land and interest by agreement in the Ponders End Central Regeneration scheme area (that originally also included the former Middlesex University Site).
- 3.12 The same Cabinet meeting gave authorisation to the Director of Finance to use prudential borrowing for the acquisition of necessary land and property in the Scheme.
- 3.13 The **Council** has been able to acquire several properties via private treaty negotiations:
- (Part of) The Former Middlesex University Site
  - 188 High Street
  - 198 High Street
  - 204-214 High Street (former Police Station), currently occupied by The Qube community space
  - 230 High Street (site known as the Plastics Factory)
- 3.14 On 17 June 2015 Cabinet (**KD4076**) resolved to make a Compulsory Purchase Order under section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and new rights within the area described in the report and shown edged red on the plan attached to the Cabinet Report.(Appendix 1)

- 3.15 The same Cabinet meeting delegated authority to the Director of Regeneration and Environment, acting in consultation with the Director of Finance, Resources and Customer Services, to acquire all necessary interest in land within the area subject to the PCPO either by agreement or compulsorily.
- 3.16 The **Council** assembled a strong professional team to implement the **PCPO** and prepare for the Public Inquiry. This team consisted of:
- a) GVA Property Consultants, who provided property advice and are negotiating with the holders of land interests on behalf of the Council.
  - b) Persona Associates Limited, who undertook the initial land referencing exercise and have drawn up the Red Line plan for this acquisition.
  - c) Bevan Brittan, who provided legal advice and support throughout the Compulsory Purchase process. They are also undertaking the conveyancing for the acquisition of the Site on behalf of the Council,
  - d) Brian Ash QC, Lead Counsel for the **Council** at the Public Inquiry
- 3.17 Throughout the development of the Scheme the **Council** has undertaken extensive negotiations with all interest holders within the Order Scheme Boundary. These were conducted by Urban Vision until April 2016 when their lead advisor, Mr Philip Holden retired. From May 2016 GVA have since taken on this role.
- 3.18 In response to the making of the PCPO, eleven objections were received. The PCPO took place on 29<sup>th</sup> November to 2<sup>nd</sup> December 2016 in the **Council** Chamber at Civic Centre, Enfield. Brian Ash QC represented the interests of the **Council** at the Inquiry.
- 3.19 Ali Osman and Yonca Osman were one of the said objectors. At the Public Inquiry it was presented to the inspector that Heads of Terms have been agreed for acquisition to demonstrate **Council's** endeavours to acquire land through private treaty (see **Heads of Terms** appended to **Part 2** of this report).
- 3.20 On 16<sup>th</sup> June 2017, the Secretary of State confirmed the Compulsory Purchase Order without modification for the Order Land. (**Appendix 1**)

#### **Details of the Site**

- 3.21 The Site comprises of approximately 890 sqft (82.68 sqm) of retail and ancillary accommodation over ground floor. On the first floor there is residential accommodation. To the rear of the premises is a yard of 4,165 sqft (386.94 sqm) which is used for vehicle storage.

#### **Heads of Terms**

- 3.22 Heads of Terms have been agreed between the **Council** and the Seller for the acquisition of their freehold interest at 200 - 202 High Street, Ponders End, Enfield, EN3 4EZ.

3.23 The Sale Contract is being drafted by the Seller's solicitors, Addleshaw Goddard in liaison with Bevan Brittan, acting on behalf of the Council.

3.24 Further details of the Heads of Terms are provided in Part 2 of this report.

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

See Part 2 of this Report

#### **5. REASONS FOR RECOMMENDATIONS**

5.1 The purpose of the proposed acquisition is to advance the acquisition of all freehold and leasehold interests within the **Order Scheme**, which is a condition of the Agreement for Lease with the Developer Partner.

5.2 Cabinet has given authorisation (**KD 4076**) to proceed with the Electric Quarter Scheme and to acquire all land interests within the **Order Scheme** either voluntarily or compulsorily.

5.3 When delivered, **Phase A and B** of the Scheme will generate a range of benefits including: a new library with a High-Street frontage, 167 residential units of which 30% will be affordable, 1,379 sq metres of commercial and community space, the introduction of new high quality public open space and improved connectivity along Ponders End High Street, and a major catalytic project for the wider regeneration of Ponders End and North East Enfield at large.

5.4 The Scheme is in accordance with the **North - East Enfield Area Action Plan** which prescribes comprehensive development for the Ponders End High Street area. The acquisition of the Site is a keystone part of the Scheme which unlocks the one of the major obstacles to delivery.

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

##### **6.1 Financial Implications**

See Part 2 of this report

##### **6.2 Legal Implications**

See Part 2 of this report

##### **6.3 Property Implications**

See Part 2 of this report

#### **7. KEY RISKS**

See Part 2 of this report.

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

### **8.1 Fairness for All**

The Regeneration of Ponders End High Street will promote fairness for all members of the local community through consulting the community on the proposals and by the planned provision of new commercial, community and residential development that is appropriately accessible to the local community. The Community Benefits Toolkit has already informed Tender Documentation, and accordance with its requirements was an evaluation criterion.

### **8.2 Growth and Sustainability**

Growth and sustainability are central to the proposals for Ponders End High Street. The development will contribute to an improved rate of growth in the borough through increasing the number of social and affordable homes, improving the quality and quantity of commercial and community spaces and rates of employment, training, and enterprise creation for local people and inward investors.

### **8.3 Strong Communities**

The development and delivery of the Electric Quarter Scheme is a critical component of the London Borough of Enfield's regeneration priorities aimed at supporting and increasing community resilience, social and economic growth and creation of strong and resilient communities. The Electric Quarter development increases the housing options across all tenures, attracts local and new wealth across income streams, supports and enhances quality of life, civic pride and diversity of communities in the area. The development also creates high quality community, commercial spaces, civic amenity and a range of shopping and leisure opportunities. This combined with the other complementary transport and infrastructure projects such as the High-Street Improvement programme will create the infrastructure that empowers communities to participate fully in civic, economic, and social life in a revitalised area and high street.

## **9. EQUALITIES IMPACT IMPLICATIONS**

- 9.1 The Electric Quarter Ponders End Equalities Impact Assessment (**EIA**) September 2015 submitted as part of the approved planning application of 26 January 2016 (15/04518/FUL) found that the development scheme has responded positively to delivering a development that will promote equality. The **EIA Matrix (Appendix 5)** sets out the positive aspects of the development which are Involvement; Crime, Fear of Crime; An Affordable Home; A Home to Meet Needs; Access to Facilities and Services, Public Transport and Accessibility; The table below also sets out the impact against the nine Protected Characteristics set out in the Equalities Act 2010. Overall

the Equalities Impact Assessment proposes development will respond positively to securing a development that promotes equality.

*Electric Quarter: Ponders End - Equality Act 2010 Protected Characteristics*

**Electric Quarter: Ponders End – Equality Act 2010 Protected Characteristics**

Protected Characteristic	Scheme: Electric Quarter	Mitigation
Disability	Positive	Not applicable
Gender	Neutral	None
Age	Neutral	None
Race	Neutral	None
Religion & Belief	Positive	Not applicable
Sexual Orientation	Neutral	None
Gender Re-assignment	Neutral	None
Pregnancy and Maternity	Positive	Not applicable
Marriage and Civil Partnership	Neutral	None

**Table 1**

## 10. PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 The Regeneration of Ponders End High Street contributes towards the achievement of:

- Ponders End Central Planning Brief 2011
- London Plan 2011
- The Sustainable Community Strategy 2007-2017
- North East Enfield Area Action Plan 2016

## 11. HEALTH AND SAFETY IMPLICATIONS

11.1 In relation to the works, it will be necessary, through the process of due diligence, to establish the extent of contaminated land and to ensure that appropriate measures are taken to mitigate risks and to ensure its suitability for projected end uses.

11.2 The **Council** would also need to ensure any acquired property and/or land is managed effectively and efficiently to provide a satisfactory level of amenity, safety, and security in line with its statutory obligations.

## **12. PUBLIC HEALTH IMPLICATIONS**

12.1 The detailed Planning Application (**15/04518/FUL**) included a **Health Impact Assessment**. It concluded the development will contribute to objectives that have an overall beneficial effect on several determinants of health such as increases in the quality and affordability of housing, supporting active travel, creating a healthy environment, and delivering a vibrant Neighbourhood. Overall the development has the potential to support the delivery of healthy living benefits and increased quality of life for several vulnerable groups during the pre-and post-construction phases. These groups include the elderly, disabled, unemployed, young people, and children in poverty.

### **Appendices:**

- **Appendix 1** – PCPO Order Land Plan
- **Appendix 2** - Head of Terms (see Part 2)
- **Appendix 2** – URC Land Red Line Plan (see Part 2)



Development Site Boundary

Council owned land



Remaining land to be  
acquired via private treaty or CPO

Adopted Highway

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