

## **OPPOSITION PRIORITY BUSINESS – 31<sup>ST</sup> JANUARY 2018**

### **HOUSING AND REGENERATION PROJECTS IN ENFIELD**

1. It should be a matter of serious concern to the Administration that the Council has failed to deliver any significant new housing on many of the brown field sites it owns.
2. The Council has the third highest number of households in temporary accommodation in the country. Young couples have great difficulty in buying their own homes or finding suitable private or social rented accommodation they can afford in Enfield. This crisis has many causes, most of which are beyond this or any other Council's control, but unlike most other London Boroughs, Enfield has a significant number of brown field sites that could and should have been developed for new housing.
3. Since Labour took control of the Council 8 years ago, the only significant schemes that have been completed are the Highmead Estate in Upper Edmonton and Dujardin Mews in Ponders End. The Ladderswood Estate in Southgate Green is under construction, but progress on the Small Sites Programme and the various large-scale estate renewal projects has been very slow. Of the schemes that have been constructed or are near completion, only Dujardin Mews was started by the current administration. Highmead and Ladderswood were initiated by the previous Conservative administration. This is a sorry record for a Labour Council that congratulates itself on helping the poor and disadvantaged parts of the Borough.
4. The Mayor of London has just published his London plan for consultation. The Plan emphasises the need to develop more new homes in London to cater for our rapidly increasing population. He is seeking to deliver 66,000 new homes across London of which 50% would be affordable. Whether or not this is achievable, Enfield is likely to face an increase in its housing target completions to 1,876 per annum. On its record over the past 8 years, the likelihood of the Council making an appropriate contribution to meeting the Mayor's target is in our view remote.

### **Meridian Water**

5. After over a year of negotiation following Barratts successful bid for the Council's flagship scheme Meridian Water, Barratts withdrew. Obviously, there were reasons for this, but this was still a failure by the Council to achieve its stated objective of entering a partnership with Barratts. The Council is now in the midst of a second negotiation with PCPD, a Hong Kong based developer who came second in the original bidding exercise.
6. We on the Conservative side hope that a satisfactory deal can be done with PCPD. We have always supported the Meridian Water project and want it to succeed and provide the new housing and jobs that Enfield needs. However, there are major risks associated with this process that need to be satisfactorily addressed if the Council is to avoid financial loss and a completed scheme that fails to meet its original laudable objectives.

7. In terms of the financial position, we know that the Council has spent several hundred million pounds purchasing various sites at Meridian Water together with the legal, consultant and remediation costs ancillary to the project. In order to recoup its costs and hopefully make a surplus, it had expected to obtain a minimum figure per unit from the lead developer per phase when the sites were transferred over.
8. The current position is now however markedly different from when Barratts won the tender. In the first place, we on our side have brought to the Council's attention that one third of the developable land at Meridian Water is designated as strategic industrial land (SIL). The Mayor of London is concerned about the loss of industrial land to housing and therefore the GLA has stipulated that any loss of SIL at Meridian Water must be compensated by industrial land elsewhere in the Borough. This requirement has been known for some months, but we are still no wiser as to how much industrial land elsewhere can be identified. If the SIL at MW cannot be released for housing, the amount of developable land at Meridian Water will be significantly less than originally envisaged and there will be major consequences for the project.
9. The second major risk concerns the amount of affordable housing that will be provided on the site. His target of 50% is only a proposal at this stage but it shows that he intends to increase the levels of affordable housing being provided in London by private developers. Generally speaking the higher the level of affordable housing, the lower the profit margin of the developer. At Meridian Water, therefore, the Council will have to strike a deal at Meridian Water that is acceptable to both PCPD and the GLA. This will be no easy task and our concern is that the quality of the development will suffer and we seek reassurances that it will not.
10. The third major concern is the building contract the Council was pressured into by Network Rail to move the Angel Road train station into Phase 1 of the new development. We called this in because we had major concerns about the cost, the lack of information on the pedestrian and road network for the rest of the site, and who would meet the ongoing cost of the enhanced four trains an hour rail service. In addition, this contract was entered into whilst we suspected the negotiations with Barratts were collapsing and there was no certainty that a new developer would meet their share of the substantial costs of the new station.
11. There is not sufficient space to deal with knock on effects for the business plan for Energetik, a Council owned company that was set up to provide low cost heating for the homes on Meridian Water and elsewhere from the waste burned at the Edmonton incinerator site. Much of the necessary financial information to scrutinise this part of the overall project has been ruled as commercial in confidence and thus the true nature of any difficulties faced by the company have not as yet come out into the open.
12. In short, the Council's management of the Meridian Water project to date has

been disastrous. Some remediation works have taken place but not a single new home has been started. We have no idea whether the negotiations with PCPD will ever be completed or how long they will take. Also, we don't know whether PCPD will be prepared to meet the financial terms originally offered by Barratts and hence whether the Council will be able recoup the huge expense of acquiring sites at Meridian Water. Finally, We do not know what steps the Council will take to ameliorate the impact of the cost of these risks on the character of the scheme in terms of height of the blocks, tenure, density, green space, the number of jobs created, etc.

### **The Small Sites programme**

13. A report on the Small Sites Programme was taken to Cabinet last summer 18 months after the main sub contractor, Climate Energy, went into liquidation. The report was tabled and Cabinet had to adjourn for 45 minutes in the middle of the meeting to consider it. This was a completely inappropriate way to take decisions on a major programme and the Cabinet should not have permitted it. Subsequently, a report was brought to full Council on 19<sup>th</sup> July 2017.
14. The Chamber will also recall that the small sites programme was the subject of Opposition Priority Business in November 2014. Our complaint at that time was that it had taken three years from cabinet approval to proceed before a single brick had been laid. The position then got worse not better.
15. The present position is that fewer than 35 of the 94 units in the programme have been completed. The 18 completed units at Jasper Close have had to be demolished and building works on the sites at Holtwhites Hill, Forty Hill and Lavender Hill have either not yet started or little progress has been made. The Council has so far spent or committed more than was originally agreed on the small housing sites programme and faces a large increase in the estimated final total cost.
16. The Administration will argue that these costs will be largely recouped by selling the 57 properties on the open market and increasing grant towards the remaining units. We would remind them that originally the council intended to let these 57 properties at market rents and hence generate a substantial ongoing income. This is incompetence of a high order and given where we are now, the Council would have been wiser to have sold off the 7 sites to a private developer in the first place. They would at least have obtained 37 completed affordable units, which by now would be occupied.

### **Capital Housing programme**

17. As shown in the report to Cabinet of 20<sup>th</sup> December 2017, the approved housing programme budget for HRA major works, minor works and estate renewals stands at £80.7m, whilst actual spend at end of September was £23.7m. This is after reductions to the capital programme during the year of £26.7m in the previous financial year we were told that the housing capital budget would be largely spent by the end of the year. In the event there was

an underspend on a smaller programme of £9.21m.

18. To take just two recent examples, major refurbishment works to council estates at Blossom Lane, Heaths Close and Parsonage Lane have suffered delays running into months. This has naturally caused a great deal of stress and annoyance to the tenants who live in these properties. The fact that the contractors involved can provide reasons why these delays have occurred, doesn't excuse the fact that this all part of a repeating pattern that demonstrates that the Council is not managing its housing projects with the determination and expertise required.

### **Recommendations**

1. That Councillor Oykenner and Councillor Sitkin resign from their Cabinet positions.
2. That the Leader of the Council provides a confidential briefing on Meridian Water to the Leader of the Opposition to reassure her that the concerns raised in this report are being addressed and the Council's position will be protected.
3. The Leader of the Council takes immediate and personal responsibility for the Small Sites Programme and sets up a council task force made up of the most experienced and competent officers to ensure this scheme is finally delivered.
4. To seek advice on housing building from other more successful London boroughs.
5. To appoint a full time Assistant Director for Housing with the experience and skills necessary to sort out the poor performance of Enfield's Housing Department and show that we are serious about Council Housing.
6. That the new Executive Director for Regeneration and Environment undertakes a full review of the Regeneration Department when she starts in the spring.
7. That the current re-organisation of the Housing Department regarding the management of major and minor works is completed as soon as possible.
8. A report on progress brought back to Full Council in six months particularly with respect to the delayed housing schemes.