

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Leader of the Council

REPORT OF:
Programme Director –
Meridian Water &
Director of Property &
Economy

Agenda – Part 1:

Item: 4936

Subject: Letting of Hawley Road site

Wards:

Key Decision No: 4936

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1. EXECUTIVE SUMMARY

- 1.1 Meridian Water is the Council's flagship regeneration programme, with plans for 10,000 new homes and thousands of new jobs delivered over the next 20 – 25 years supported by the recently opened Meridian Water station.
- 1.2 The Stonehill site was acquired from HSBC in June 2017. This site is currently classified as being strategic industrial land (SIL) as confirmed in the current Enfield Leaside Area Action Plan (ELAAP) and would not be developed for at least 15 years.
- 1.3 The key objective behind the marketing of the site, by the Council's property agent Lambert Smith Hampton, was to secure a tenant for the site that would provide a significant income and support the regeneration scheme. Further details are provided in the Part 2 report.
- 1.4 North London Waste Authority are a strategic partner, as the rebuilding of the ecoplant is an essential project to support future waste and energy requirements both for Meridian Water and Enfield Council as a whole. Further details are provided in the Part 2 report.
- 1.5 The North London Waste Authority have indicated that they are aiming to submit their planning application on 3rd September 2019, with a view that a decision will be made at the November/December Planning Committee meeting.

1.6 As the proposed lease would be conditional to achieving planning consent, the Council is looking to enter into an Agreement to Lease with the North London Waste Authority, while they are progressing their planning application.

1.7 The Agreement to Lease would be for a short and finite period of time (maximum period of 6 months), so as to not commit the Council to this letting indefinitely. In the event that this letting is not achievable, the Council would look to re-market the site to the open market.

2. RECOMMENDATIONS

That the Leader of the Council:

2.1 Delegates approval of the final version of Heads of Terms to the Programme Director of Meridian Water and the Director of Property and Economy.

2.2 Intrusts the authorised legal officer to enter into an Agreement To Lease.

2.2 Intrusts the authorised legal officer to enter into a lease based upon the final agreed terms.

3. BACKGROUND

3.1 The Hawley Road site is a 3.82 acre site located north of Hawley Road. The site is formed of the concrete slab of the former building and is enclosed by a metal wire fence.

3.2 The northern part of the site is vacant. The southern part of the site (1.69 acre) is currently let to NLC Distribution Ltd, a pallett storage and distribution company, since 20/03/2018.

3.3 The site was marketed in parallel with the main Stonehill site, by Lambert Smith Hampton through the Estates Gazette, the Enfield Independent as well as their own website, from 12th January 2019 to 22nd March 2019. Bidders could bid for either one of these sites or both of these sites together. During the marketing phase, a potential term of 12 years was being offered.

3.4 Submissions received

3.4.1 No compliant bids were originally received for the main part of Stonehill (7.5 acre) site). It was then re-marketed. The submissions are currently being evaluated. Recommendations for the letting of the Stonehill site will be subject to a separate report.

3.4.2 In relation to the Hawley Road site, only two compliant bids were received. These details are provided in the Part 2 report.

3.5 Evaluation of the bids received

3.5.1 The Hawley Road site was evaluated through submissions using the criteria of 75% price and 25% quality. It is important that the Council obtains a significant rental income from this site to help meet it's current meanwhile income targets.

3.5.2 To evaluate the bids received, a panel consisting of 4 members of the Council was set up. It included members from the Meridian Water Team, the Property Team and the Finance Team. The panel were asked to go through each proposal and score elements that met the price criteria and required quality criteria.

Criteria	Factors under consideration	Score
Supporting Regeneration	<ul style="list-style-type: none">How the proposal will relate to neighbouring permanent and temporary development, such as the Causeway, River Lea Navigation and the Employment HubHow the leaseholder will demonstrate flexibility to comply with Strategic Infrastructure works that are scheduled to be delivered between 2021-2023.	10%
Positive Socio-Economic Impact	<ul style="list-style-type: none">This includes both existing businesses but also other placemaking and meanwhile tenants both within Meridian Water and beyond.	10%
Stakeholder Impact	<ul style="list-style-type: none">Creativity of proposals in contributing to changing perceptions of Stonehill and the East Bank.Demonstration of successful proposals elsewhere that have improved overall profile of industrial estates or brownfield pre-development land.	5%
TOTAL:		45%

The quality elements above reflect the aspirations and vision set out in the Meridian Water Place booklet.

3.5.3 The quality elements were scored from 0-5 with the scoring definitions as follows:

Scoring	Definition
0	<p style="text-align: right;">An unacceptable response:</p> <p>The information is either omitted or completely fails to address the requirement and/or poses an unacceptable risk to the Authority.</p>
1	<p style="text-align: right;">A poor response:</p> <p>Information contains significant shortcomings and/or lacks evidence of compliance with the requirement and/or poses a high risk to the Authority.</p>
2	<p style="text-align: right;">A below expectations response:</p> <p>Information has some omissions and/or only partially addresses the requirement and/or is inconsistent with the other proposals and/or poses a significant risk to the Authority.</p>
3	<p style="text-align: right;">A satisfactory response that meets expectations:</p> <p>Proposal demonstrates it can meet the minimum expected standard in most material respects in terms of level of detail, accuracy and relevance.</p>
4	<p style="text-align: right;">A good response:</p> <p>Proposal meets the required standard and is comprehensive in terms of detail, accuracy and relevance.</p>
5	<p style="text-align: right;">A very good response:</p> <p>Proposal meets the required standard, is comprehensive and demonstrates best practice and/or delivers added value.</p>

3.5.4 The evaluation scoring was undertaken individual, then the panel came to together to moderate the scoring. The panel jointly agreed the quality score for each submission. Further details are provided in the Part 2 report.

3.5.6 To convert the quality scores in percentages to help establish a quality percentage score, the following formula was used:

$$(Bidders\ score \div 5) \times percentage\ of\ criteria = Bidders\ Percentage$$

$$Example: (3 \div 5) \times 10\% = 6\%$$

Further details are provided in the Part 2 report.

- 3.6 The North London Waste proposal for meanwhile use at Hawley Road will further enhance the level to which Meridian Water could be considered a sustainable development, as the energy from the ecoplant along with Energetik, would power all the homes at Meridian Water. Further details are provided in the Part 2 report.

3.7 **Current position**

These details are provided in the Part 2 report.

3.8 **Heads of Terms**

These details are provided in the Part 2 report.

3.9 **Valuation**

These details are provided in the Part 2 report.

4. **ALTERNATIVE OPTIONS CONSIDERED**

These details are provided in the Part 2 report.

5. **REASONS FOR RECOMMENDATIONS**

These details are provided in the Part 2 report.

6. **COMMENTS FROM OTHER DEPARTMENTS**

6.1 **Financial Implications**

These details are provided in the Part 2 report.

6.2 **Legal Implications**

These details are provided in the Part 2 report.

6.3 Property Implications

These details are provided in the Part 2 report.

7. KEY RISKS

These details are provided in the Part 2 report.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The proposal stipulated in this report would not positively or negatively impact upon this priority.

8.2 Sustain strong and healthy communities

The proposal stipulated in this report would provide a positive impact upon the recycling rate and would also reduce the amount of waste sent to landfill. This in turn would have a beneficial impact upon the level of sustainability and air quality in the area.

8.3 Build our local economy to create a thriving place

The implementation of this proposal has a positive impact on this objective by boosting employment opportunities at Meridian Water and the borough. It would also generate a sizeable income for the Council which could be used to further other regeneration initiatives.

9. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equality impact assessment is neither relevant nor proportionate for the approval of this report.

Background Papers

N/A