

MUNICIPAL YEAR 2017/2018 - REPORT NO.

MEETING TITLE AND DATE :
Overview and Scrutiny Committee,
27th April 2017
CMB, 20th June 2017

REPORT OF:
Chief Executive
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Agenda - Part:	Item:
Subject: Land Planning at Meridian Water Scrutiny Workstream	
Wards:	
Key Decision No: N/A	
Cabinet Member consulted: Cllrs Sitkin & Oykenner	

1. EXECUTIVE SUMMARY

- 1.1 Meridian Water is an ex-industrial site of 85 hectares located in the far south-east of the London Borough of Enfield.
- 1.2 The Council's objective is to create a new neighbourhood of over 8,000 new mixed tenure homes, deliver up to 3,000 new permanent jobs by 2030 and 10,000 jobs in the construction industry during the lifetime of the development. The overall capital cost of regenerating this area is put in the region of £3.5bn. Barratts were selected recently to be the master developer and have promised to develop 10,000 new homes and create 6,000 new jobs.
- 1.3 The workstream was set-up to examine the robustness of the plans. The recommendations within this report are based around the evidence received by the work stream which looked at progress to date, major ongoing risks that need to be mitigated, the residential proposals, and further information that will be required in order for the Council to maintain a strategic oversight of this complex and important project.

RECOMMENDATIONS

- 2.1 OSC to receive future updates on Meridian Water, particularly on:
 - the financial viability of the development as it progresses,
 - the realism of the jobs offer,
 - detailed updates on the visual appearance and density, of the

Workstream Membership

The Workstream consisted of the following Councillors:

Cllr. Edward Smith (Chair), Cllr. Don McGowan (Vice Chair), Cllr. Lee Chamberlain, Cllr. Chris Bond, Cllr. Guney Dogan and Cllr. Adeline Kepez.

The Workstream members would like to thank the following officers for their contribution to the work of the review:

Peter George (Programme Manager, Meridian Water), Ian Guest (Technical Director, Lee Valley Heat Network), Dave Rutherford (Associate Director, Remediation & Ground Engineering, Amec Foster Wheeler Environment & Infrastructure UK Ltd), John Baker (Infrastructure Manager, Meridian Water).

3. BACKGROUND

- 3.1 The Workstream to investigate land planning issues at Meridian Water was set up under the aegis of the Council's Overview and Scrutiny Committee.

4. Terms of Reference

- 4.1 Using the Meridian Water Master Plan as a starting point, members of the workstream agreed the following terms of reference:
- examine the proposed tenure mix of housing on the site with a view to commenting on how it meets future housing demand and need and its economic viability;
 - review the planned interface between the development and the proposed Lee Valley Heat Network and sustainability requirements generally;
 - review proposed housing densities, building heights, design standards, including environmental enhancements, methods of construction and visual appearance;

- review the proposed provision and location of communal facilities such as primary health care and schools and open space; review the nature and viability of the existing industrial uses and employment on the site and make recommendations as to their future location and growth.

4.2 Members also looked at the procurement process of the master developer, this was an addition to the original scope.

5. **Meetings held**

5.1 The Workstream held six meetings. All meetings were attended by Peter George, the Programme Manager for Meridian Water. Ian Guest, Technical Director, Lee Valley Heat Network, Dave Rutherford, project manager, Amec Foster Wheeler and John Baker, Infrastructure Manager, Meridian Water all attended for one meeting each.

5.2 This was a large and complex area to review, not only due to the size of the project, but also due to the difficulty in receiving some of the information requested, due to the timelines of the project. Some of the information requested by the Workstream was not available either because the design work had not yet been undertaken or because it was deemed by officers to be commercial in confidence. In particular, detailed financial appraisal information was not forthcoming because of concerns that the procurement of the master developer would be compromised. This meant that the Workstream were not able to comment on the overall financial viability of the proposed scheme.

5.3 At the outset of the review, members of the work stream were asked to sign a confidentiality agreement preventing any disclosure of financial information to third parties. This was felt by some members of the work stream to conflict with or be unnecessary under their duties as elected members under the Local Government Act 1972. Legal advice was sought that concluded that the requirements were similar but that there were greater sanctions available under a confidentiality agreement. Cllrs. Smith and Chamberlain declined to sign the agreement as they thought by doing so could inhibit their freedom to carry out the review.

5.4 The principal issues that the workstream examined were the procurement of the Master Developer, site acquisition, remediation, financial viability, infrastructure including Lee Valley Heat Network and transport, provision of health, education and open place facilities, housing issues such as planning, tenure, technical standards, aesthetics, the creation of new jobs and training and skills opportunities, timescales of the development and how the community have been engaged in this process.

6. **Introduction**

6.1 Meridian Water is the largest regeneration priority area identified in the Council's adopted Core Strategy (2010). The Meridian Water

Masterplan provided a framework for managing change and development in the area. It was adopted as Planning and Urban Design Guidance on 17th July 2013 at full Council.

6.2 The Council's vision for the redevelopment of this ex-industrial land in Enfield should see the creation of a new neighbourhood of over 8,000 new mixed tenure homes, 3,000 new permanent jobs in higher paid sectors, new educational and health facilities, and a new railway station (replacing Angel Road) by 2030. In addition to this, 10,000 jobs will be created in the construction industry during development.

6.3 One of the aims of the Meridian Water redevelopment scheme is to make local people the main beneficiaries of the new homes, jobs, training, infrastructure and facilities provided.

7. Additional Funding- Housing Zone and London Regeneration Zone monies

7.1 The workstream were informed that the Meridian Water scheme was not sufficiently advanced to be selected for the Mayor's original list of Housing Zone areas in February 2015. But after the Council had completed its first acquisition of 9 hectares of Land at Meridian Water in April 2015, the Council submitted the final Meridian Water Housing Zone proposal seeking £25m from the GLA. This was approved in principle on 25 June 2015.

7.2 Enfield was also successful in obtaining London Regeneration Zone funding from the GLA to deliver a £2.7m investment in Meridian Water's commercial future. The "Meridian Works" project will support the relocation and expansion of Building BloQs to become London's largest open workshop for skilled workers, a new artist studios managed by ACAVA and a new Sky Café viewing gallery. This is intended to provide over 300 jobs and a built environment Training Centre from 2017.

8. Procurement of a Master Developer

8.1 The workstream was interested in the process to procure a master developer to oversee the development of the whole of the Meridian Water site.

8.2 It was necessary to identify a partner with the skills, experience, expertise and financial capacity to develop the site to meet the Council's objectives.

8.3 The workstream were informed that an OJEU compliant procurement process was followed to achieve sufficient control over the procurement

process. The Council appointed Jones Laing LaSalle (surveyors), PricewaterhouseCoopers (Accountants) and Trowers and Hamlin (lawyers) to support its internal team.

The stages in the procurement process were as follows:

- a. OJEU Contract Notice and the release of PQQ
- b. Pre-qualification Questionnaire (selection stage)
- c. Invitation to participate in dialogue and submit Outline Solutions (ISOS)
- d. Invitation to submit Final Tender Solutions (ISFTS)
- e. Submission of Final Tender Solutions
- f. Evaluation and award

- 8.4 The process formally commenced on the 29th May 2015 with the issuing of the Contract Notice and the release of the PQQ. Five developers were shortlisted for the ISOS stage although only 4 of these submitted tenders.
- 8.5 The Invitation to Continue Dialogue (ICD) was subsequently issued to three developers: Barratts, Berkeley Homes and PCPD. This document detailed the Council's aspirations for the site and the minimum project requirements for; design place making and construction; employment offer; residential units; planning, phasing and deliverability; management and maintenance; residential involvement and community offer; environmental sustainability; socio-economic regeneration; finance and legal. The workstream examined this document in detail.
- 8.6 The final selection of the development partner was due to take place in January 2016. The report recommending who should be chosen finally went to Cabinet in May 2016. The work stream were advised that there had been delays to the procurement process due to a number of factors: the Council wished to complete site visits for each bidder one of which was delayed and one of the bidders had requested an extension of time.
- 8.7 The Workstream explored the jobs offer in the Invitation to Continue Dialogue , they were assured that the new jobs created would be new and not relocated jobs from other areas and that there would be sufficient training provided for local people to enable them to access the new opportunities. The intention was that the new jobs created would be in higher paid sectors. The workstream felt it important that these aims were monitored and realised.

- 8.8 The Workstream raised a number of potential issues on the minimum project requirements set out in the ICD including:
- the possibility of overseas investors buying up properties;
 - local people not being able to access the homes;
 - the amount of proposed affordable housing;
 - the amount of smaller properties available for young people to buy;
 - further information on the size and tenure of the proposed properties;
 - and preventing buy to let, possibly on a large scale. The work stream were not convinced that the developers fully understood that if large scale buy to let occurred on the earlier phases then the attractiveness of later phases to owner occupiers as time went on might be jeopardised.
- 8.9 The Programme Manager advised that: the properties would be marketed on a putting local people first principle; sales to any one individual would be restricted; the minimum threshold for affordable housing was 25% across the development; and the definition of affordable homes may include a requirement for starter homes. There will be range of dwelling sizes across the development, including a minimum of 25% of 3bed +. Although there was no prohibition on overseas purchasers or buy to let, the developer is making a 20 year investment in Meridian Water so it is in their interests for the early phases to be sustainable and to create the right market perception.
- 8.10 The Workstream wanted details of the aesthetics of the scheme and how the site might look particularly the more dense and high rise areas. A 3 D model was shown to the Work stream, but was indicative only and subject to change. It was felt that wind resistance should be modelled to assess air flow at ground level.
- 8.11 The Workstream were advised that bids were assessed by three separate Tender evaluation panels; these being Legal, Finance and Technical to select the winning bidder. These panels received advice from the Council's consultants as follows: Jones Lang LaSalle – technical and commercial; Trowers and Hamblins – legal; Pricewaterhouse Cooper – financial and accountancy.
- 8.12 In addition, Ernst and Young provided interim Corporate Procurement services and KPMG had acted as Quality Assurance Observers. The Council also engaged Browne Jacobson Solicitors to receive the final tenders to ensure due diligence and to reduce the risk of a challenge.

- 8.13 The approval of Barratt London & SEGRO as the development partner was agreed at Cabinet on the 18th May 2016. The Workstream were advised it may take 6 to 12 months to agree the detailed final contract.
- 8.14 The Programme manager advised that the winning bid includes the provision of 10,000 homes, 6,000 permanent jobs, and 10,000 jobs in the construction industry over a 20 year period alongside supporting infrastructure. This represents 2,000 more homes and double the amount of permanent jobs stated within the original objectives set by the Council.

9. Financial viability

- 9.1 The Council intended to enter into a 250 year lease with the master developer. The Council were in the process of buying individual sites at Meridian Water from the current landlords, which in due course would be sold on to the master developer who would develop out the sites themselves or arrange for them to be developed by third parties. One of the conditions precedent in the development agreement was that the council would receive a minimum of £30,000 per plot or more if house prices increased over the lifetime of the project (overage).
- 9.2 The main factors within the overall financial appraisal of the scheme are subject to change over time, e.g.:
- The tenure breakdown between owner occupation, private renting and affordable housing
 - The level and type of affordable housing
 - The residential density achieved, which is linked to the projected height and dwelling types agreed
 - The amount of the overall site devoted to residential, commercial, education, health and green spaces
 - The cost of future land purchases
 - The construction cost and income generated by these different forms of development
 - Phasing and timescale
- 9.3 The Workstream fully recognised that this was a very complicated financial exercise. However, the Workstream were not shown the detailed appraisal work that had been carried out by consultants due to the commercially sensitive nature of the information and the timing which was during the master developer procurement process. This has meant that the Workstream cannot comment on whether the Councils estimates on things such as cost of construction, timescales and projected income were accurate and reasonable.

- 9.4 At the final meeting at the end of May, the Workstream were made aware that there was a financial plan for the whole programme, including viability and phasing although again they were not given detailed sight of this.

10. Site Acquisition

- 10.1 The land on the Meridian Water site has multiple owners, and the Council is in the process of buying this land. The Council has purchased some of these sites and is in negotiation with other owners.
- 10.2 At the time of writing this report the Council had already acquired 18 hectares of land, including the recent Phoenix Wharf purchase, out of circa. 55 hectares of developable land at Meridian Water. The Council is hoping to purchase the remaining land which is held by some half a dozen different major landowners over the course of the next few years. Given the Council needed urgently to proceed and the landowners did not, there is a natural concern about paying over the odds for these sites. However, owing to the commercial in confidence nature of these negotiations, the Workstream were not in a position to investigate this issue further.
- 10.3 The workstream were informed that the Council plans to release the land it holds to the master developer in stages to retain greater control and safeguard its financial position. The developer will need to apply to the local authority for planning permission at each stage the land is required. A plot value for both residential and commercial development, and an uplift mechanism if prices rise, is provided for in the Final Tender documentation.
- 10.4 The Workstream noted that mitigating these risks by using a CPO process was not considered appropriate by the Council and the issues involved are discussed in the next section.

11. Compulsory Purchase Order process

- 11.1 A compulsory purchase order (CPO) is a legal function in the United Kingdom and Ireland that allows certain bodies which need to obtain land or property to do so without the consent of the owner. The Council has power under section 226 of the Town and Country Planning Act 1990 to apply for a CPO.
- 11.2 The Workstream queried why a CPO was not applied for after the adoption of the Meridian Water Masterplan in 2013 to safeguard the Council's position.
- 11.3 The Programme manager advised the work stream that putting in place a CPO required the agreement of the Secretary of State. The applying

authority had to be able to demonstrate beyond reasonable doubt that they had the ability to deliver the planned development. The Council considered that the Meridian Water Framework was not sufficient in this respect. It took the view that it needed to have a master developer on board with the capabilities to develop the site and access to the necessary levels of funding before a CPO could be applied for.

- 11.4 The alternative view was that the CPO process was designed to allow public bodies to assemble land under different ownerships for public purposes to prevent values increasing over time as the project proceeded. It could be argued that the Council's expenditure of several million pounds on various site purchases evidenced a sufficient commitment and capability to proceed.

12. Remediation

- 12.1 Willoughby Lane and Meridian Way constitute land that was formerly used for the Edmonton Gas Works. This was decommissioned in the early 1970s, and the land has been subject to remediation works throughout the years. However, in order to prepare the sites for residential development, further remediation work is required both to the contaminated soils and the contaminated ground water.
- 12.2 Willoughby Land is the most contaminated and is also the first site scheduled for development (Phase 1).
- 12.3 The Council appointed Amec Foster Wheeler to advise on environmental matters relating to the Meridian Water sites. Work including site investigation has been undertaken with both the Environment Agency and the environmental consultants to understand what is required.
- 12.4 The results from the site investigation enabled Amec Foster Wheeler to produce Remediation Strategies for Willoughby Lane and Meridian Way.
- 12.5 A remediation specification has been prepared for phase 1 including the removal of existing underground structures up to a depth of 1.6 metres.
- 12.6 Amec Foster Wheeler has undertaken various site reviews since 2013 to look at the constraints of the site, the conceptual site model, soils turnover, removal of gross contamination, removal of recoverable Non-Aqueous Phase Liquids (NAPL) in shallow groundwater and conceptual redevelopment in cross sections. Given that Phase 1 is a former gasworks site it is known that there will be gross contamination. There will also be soil conditions issues requiring more complex and expensive piling systems.

- 12.7 The workstream received detailed information on the remediation planned and the cutting edge technologies to be used on phase 1 of the site.
- 12.8 The Council has allowed £12million for remediation to cover this. Currently all proposed work is contained within the existing budgets for remediation. It was thought that it would take around 12 months for the remediation works to be completed.
- 12.9 The site must be completely safe after remediation. Contamination must therefore either be removed or capped. The work stream discussed problems with contamination that had occurred on other sites in Enfield, e.g. the Enfield Island Village site, and were keen to see that lessons had been learned. The Workstream were advised that the type of contamination on site (largely sticky oil) does not dissolve easily and is not a problem for the River Lee. Furthermore, the proposed non-contaminated layer of 1 metre is a recognised thickness with regulators across the UK including gardens and was deemed safe.
- 12.10 The Workstream also expressed concern over the marked disparity in tender prices for the remediation. They were advised that the Council intended to carry out a reality and quality check and unrealistic bids would be removed.
- 12.11 There was also concern regarding ground conditions (i.e. the capability of the soil to withstand heavy loading) because of difficulties experienced on an adjacent school site where special piling had been required.

13. Infrastructure 1 - Transport Links

- 13.1 A new Meridian Water station is due to open in 2018; this will relocate and replace the existing Angel Road station. The new station will also have an additional railway track with a regular service direct to Stratford and Tottenham Hale.
- 13.2 Good transport links including the promise of regular high speed trains is important to attract investors and residents; the Council's vision for Meridian Water included an improved train service with 4 trains an hour. The Master Plan assumed an increased frequency of trains with the three tracking of the London – Stansted line would create more efficient connections with the capital transforming the residential, retail and employment outlook for the site.

- 13.3 However, whilst the Council were led to believe that there would be 4 trains an hour to the new station from 2018, the Department for Transport (DfT) had not formally agreed to this. The franchise document recently issued by DfT for the train line specified 2 trains an hour, with the new operator to be awarded a ten year contract. The Council challenged the Department in court but were unsuccessful.
- 13.4 All of the developers confirmed that they would work with the Council on this issue and were asked within the final tender submissions for proposals to mitigate for this. The master developer, Barratts, does not have a contractual obligation to enter into contract if the Council cannot fulfil the requirement of 4 trains an hour.
- 13.5 The Workstream were advised that the Council are working to resolve this with together with the Greater London Authority, Transport for London and Haringey Council (as they also require 4 trains an hour into Northumberland Park). However, DfT will not pay for any additional trains so funding would need to be found from elsewhere.
- 13.6 The Workstream was informed that details on the cost, timescales and who will be financing achieving four trains per hour were not known.

14. **Infrastructure 2- Lee Valley Heat Network**

- 14.1 Lee Valley Heat Network (LVHN) is an energy service company and an energy savings company run and wholly owned by the Council. LVHN has a holding company to take the strategic decisions and an operational company to take operational decisions. The trading name for LVHN is 'Energetik'.
- 14.2 The network is a system of highly insulated underground pipes that supply heat in the form of hot water from the low carbon, low cost heat source at the Eco-Park at Edmonton (energy from waste).
- 14.3 Upon decommissioning of the existing energy from the current waste site, LVHN will continue to receive heat from the proposed new energy recovery facility that North London Waste Authority (NLWA) is seeking permission to build.
- 14.4 The workstream were advised that there is a strong case for a CPO on the site or a nearby site if pipework needs to be extended.
- 14.5 LVHN will not manage the heating system once it is up and running but they will retain ownership of all equipment and assets. The Heat Interface Unit and the meters will be maintained and repaired by LVHN.

LVHN will use very high quality materials providing a minimum lifespan of 50 years.

- 14.6 The developer will provide the network to the site of the new homes and must comply with the specification set by LVHN. The developer will have to pay LVHN a connection charge for each dwelling.
- 14.7 The customer will be metered on the amount of energy they consume; any losses in the system will be absorbed by LVHN. The workstream were informed that this risk will be managed through quality operational modelling, taking into account revenue streams. The scale of the product and the quality and resilience of the energy centre will provide mitigation for this risk.
- 14.8 The first phase of the district heating system will require an anticipated initial capital investment (£15 - £20m) and to extend the pipe work (£8 million). In the first phase of the residential development, the developer will be required to provide an interim boiler plant unit comprising 2 self-contained boiler rooms to serve 750 homes should the LVHN pipes not be ready for connection.
- 14.9 LVHN is scheduled to have the temporary boiler plant in place by early 2018 and the Energy centre and the community energy network running by mid-2019. This is based on the assumption that by the end of 2018 there are 350 homes on site.
- 14.10 Another risk factor is that district heating systems are inefficient because of transmission losses (estimated to be approx 10% in the case of this system). (It was noted that the Olympic Village system incurred an average heat loss of 35-45%). They become more efficient the more dwellings are connected to the system. The Workstream were assured that the LVHN specification would be 250% above British Standards and that any system losses would be absorbed by LVHN.

15. **Phase 1 Outline Planning Application Meridian Water**

- 15.1 The Workstream heard that the Council took the lead with the Phase 1 outline planning application which includes key ambitions and planning objectives. It was unusual for a local authority to take this kind of planning application forward, but this was done to expedite the process.
- 15.2 As Meridian Water has been designated a Housing Zone there are requirements set within the Housing Zone Agreement for at least 300 homes to be delivered and occupied by May 2018. The Phase 1 application allows the local authority to expedite housing delivery by

obtaining permission in parallel with the development partner procurement process.

- 15.3 The provision of a parking ratio of 0.4 spaces per unit was flagged as a potential area of concern by the work stream in that it might deter future owner occupiers. They were advised that the master developer supported this approach and that the Council is working on a wider strategy for transport improvements, including highway and bus improvements, which is being coordinated with other boroughs and TfL.
- 15.4 The programme manager advised that the Strategic Housing Market Assessment carried out in 2015 identified an emerging trend for smaller properties, particularly 2 bed properties. Concern was expressed at the lack of studio accommodation in the planning application which was more affordable for single people. The latest market assessment was due to be signed- off in May and would be circulated to the work stream for information.
- 15.5 This outline planning application was submitted in March and agreed in June 2016. The anticipated date of the detailed planning application to be submitted by the developer is by the end of the year.

16. Community Engagement

- 16.1 The Workstream were told that the Council has sought to engage with the local community living near Meridian Water in a number of ways from instituting a specific website, producing updates and newsletters through to targeted events, open door sessions with individuals, schools and community groups and a wider section of the community. The Workstream were informed that over 400 people had attended sessions and that the council have also engaged with Haringey residents and councillors.
- 16.2 The community provided their views on open space, rail infrastructure and the Willoughby Rd planning application. Following the receipt of these views action had been taken to increase the number of parks from one to two and to provide a new community facility.

17. Meridian Water Regeneration Framework Strategy and Action Plan

- 17.1 The Workstream was advised that the purpose of these documents is to ensure that early consideration is given to economic development, social regeneration, community requirements and green issues.

- 17.2 The Framework Strategy “Investing in Enfield’s Future” had been prepared by consultants Temple and Regeneris and details the Council’s vision and objectives for the Meridian Water project, the challenges, opportunities both now and in the future, the delivery mechanisms, actions needed in the short, medium and long term and the measures of success.
- 17.3 The overarching aim of the framework is to take Upper Edmonton and Edmonton Green out of the top 10% most deprived wards in England.
- 17.4 The draft framework and action plan were endorsed by Cabinet 19th February 2016. A final more comprehensive version will be developed with the developer and should be available by the end of 2016.
- 17.5 The Workstream were not clear as to the usefulness of commissioning such a high level strategic study, particularly given the lack of detailed information in it on future education and health provision. The Programme Manager confirmed to the work stream that there was likely to be a requirement for two more primary schools in addition to the new school at Ladysmith Park and potentially two new secondary schools. With regards to health provision, the Council had started a discussion with the NHS and other stakeholders to define what will be needed in the area. The Meridian Water scheme would need to have all essential neighbourhood facilities. The Programme manager envisaged that a comprehensive document covering these topics would be available at the end of the year.
- 17.6 The action plan was noted. The Workstream considered that it provided a useful check list of the principal action areas to be addressed in order to make the project a success and the detailed projects required to be undertaken in each area. It was however a piece of work in progress that will need considerable fleshing out.
18. **Changes to be implemented by the New Mayor**
- 18.1 The Workstream commented that they were aware that a new London Plan is to be produced and changes within this could include the introduction of a living rent and changes to the proportion of affordable housing to be built on new developments. These will all have an impact on future phases of the Meridian Water site and will need to be assessed and planned for once this information is available.

19. Findings

- 19.1 On the basis of the information provided by officers the Work Stream were generally satisfied that the procurement process had been handled correctly and it was noted that Barratts had produced the best offer. The procurement process was signed off by the Council's legal advisers, Trowers and Hamlins and this was confirmed at Cabinet.
- 19.2 The work stream would have liked more information on the external appearance of the proposed scheme however this was not available. The workstream felt that detailed updates on the visual appearance and density of the scheme should be received by the Overview and Scrutiny Committee.
- 19.3 Because Barratts was not chosen until near the end of this review in May 2016, the Workstream were unable to assess their job offer of 6,000 new permanent jobs. Now that a master developer has been selected, the Workstream felt that further and detailed updates on the realism of the jobs offer needed to be regularly received by the Overview and Scrutiny Committee.
- 19.4 The workstream felt that the Local First principle is vital and that updates on this should be received by the Overview and Scrutiny Committee.
- 19.5 The workstream noted that there were potential risks associated with undertaking a project over such a prolonged timescale including possible delays to start on site of the first phase; the financial viability of the project over a 20 year period; and the possibility that Barratts and SEGRO could have a change in focus over the course of the project. It is essential that the original specification, in particular the residential specification, is closely monitored against the final contractual position.
- 19.6 The Workstream were not able to comment on the overall financial viability of the proposed scheme as detailed financial appraisal information was not forthcoming because of concerns that the procurement of the master developer would be compromised. The workstream felt that the Council needs to be in a position to say at any given point in time going forward what profit/deficit the scheme is likely to make. The workstream felt that updates on the financial viability of the development as it progress should be received by the Overview and Scrutiny Committee.
- 19.7 Negotiations by any Council to buy parcels of land from private owners can be a slow process. The Council has purchased several major sites to date. These purchases involve a major potential risk for the Council until the master developer has signed the development agreement and

committed itself to re-purchase the sites involved. There is also the likelihood as the scheme progresses of the price of the remaining land going up in value and costing the Council more than it wishes to pay. The Council should consider whether using compulsory purchase orders to secure the remaining sites at Meridian Water is a practical option.

- 19.8 The Workstream remained concerned regarding remediation despite the assurances that were provided. In particular, it recommended that ground conditions should be tested in areas where taller buildings were to be constructed.
- 19.9 The workstreams view is that the increase in the frequency of trains to four per hour is a fundamental element to the success of the Meridian Water development. A formal agreement with DfT should have been in place from the outset of the project, to increase the frequency of the trains. The workstream are concerned at the potential costs to the Council of achieving this following DfT's decision, and the fact that it is not clear who will be responsible for these costs (which could be several thousands of pounds per annum) and for how long. Should it not be achievable to negotiate with the new line provider for an increase in the number of trains per hour this will have an effect on: the saleability of the homes; the proposed night time economy and attracting businesses to the area. The workstream felt that updates on progress in negotiating 4 trains an hour, particularly as regards the extra cost and who would pay for this additional level of service, should come to the Overview and Scrutiny Committee.
- 19.10 Lee Valley Heat Network is a Council owned company and the financial risks involved in the construction and management of the district heating system are also ultimately risks to the Council. The NLWA is a partner in this enterprise and therefore proceeding with this project requires the support of the constituent local authorities. Given these risks, it is entirely appropriate that a localised boiler plant will be constructed as part of Phase 1 in case there are major delays to the installation of the district heating system. Quality operational modelling will be essential to ensure that heating charges for residents and businesses on the site are maintained at a competitive level.
- 19.11 The Workstream felt it is important that the detailed planning application for the first phase contained the right balance of tenure, bedroom mix and quality design and landscaping because this would set the tone for the development as a whole. It would have been useful to have seen

the latest Strategic Housing Market Assessment to confirm the tenure and size mix aspects of the planning application.

19.12 The Workstream felt that that the Council had engaged with a number of different resident groups (e.g. REACT) and individuals and that there was evidence to show that the communities views had influenced parts of the outline planning application. The workstream recommended continued engagement with the community particularly with a view to keeping them informed of any changing circumstances as the project moves forward.

19.13 The work stream felt that a considerable amount of work was still required to quantify the demand for education and health provision generated by the projected population at Meridian Water. The final version of the Meridian Water Regeneration Strategy and Action Plan including the provision of education and health facilities should come to the Overview and Scrutiny Committee for comment.

20. ALTERNATIVE OPTIONS CONSIDERED

None

21. COMMENTS FROM CMB

CMB noted the report and the comments made by the Cabinet Members and the Assistant Director in response to the recommendations.

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22. REASONS FOR RECOMMENDATIONS

To monitor and comment on the development at Meridian Water.

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

23.1 Financial Implications

There are no financial implications arising from the recommendations within this report which are reporting requirements and do not commit the Council to any additional expenditure.

23.2 Legal Implications

The recommendations within this report for continued oversight of Meridian Water are lawful and will help support the Council in meeting its statutory obligations for effective overview and scrutiny. The Council has statutory duties within an existing legal framework to make arrangements for scrutiny of its decisions and service delivery.

The Overview and Scrutiny Committee are responsible for recommending their own work programme, which will be adopted by the Council following consultation with the Cabinet and the Council's

Management Board. These requirements are set out in the Council's Constitution.

23.3 Property Implications

The Report recommendations request further information regarding the property aspects of this important regeneration project.

With regards to recommendation 2.1 and 2.2, any future information must show how the viability of the scheme justifies the acquisition of land and property, and the disposal of the assets once developed.

24. KEY RISKS

The recommendations within this report detail the risks identified by the workstream. The Overview and Scrutiny Committee (OSC) will continue to monitor and comment on this important project, this should reduce these risks by enabling the committee to continue to scrutinise the development of the project.

25. IMPACT ON COUNCIL PRIORITIES

Fairness for All, Growth and Sustainability, Strong Communities

A key aim of the Land Planning at Meridian Water Scrutiny Workstream was to seek assurance that the Council's Meridian Water Plans would make a major contribution to achieving the Council's priorities and positively improve the lives of local people.

26. EQUALITIES IMPACT IMPLICATIONS

Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics or disadvantage those due to socio-economic conditions.

Meridian Water has completed an Equalities Impact Assessment and continues to review and monitor the work programme to ensure that the residents and service users' needs are met.

27. PERFORMANCE MANAGEMENT IMPLICATIONS

Regular updates to the Overview and Scrutiny Committee on the progress being made in delivering the Meridian Water Plans will enable effective scrutiny of the Meridian Water Plans as the development proceeds.

28. PUBLIC HEALTH IMPLICATIONS

There are no direct public health implications of this report but rather implications relate to development of Meridian Water itself. Here it is useful that members are concerned about the impact upon local residents, young people, buy-to-let and education and health facilities. The potential for Meridian Water to improve and maintain health through the promotion by design of healthy lifestyles should continue to be considered.

Background Papers
Meridian Water Masterplan

Appendix A

**CABINET MEMBERS' AND ASSISTANT DIRECTORS' RESPONSE
TO THE LAND PLANNING AT MERIDIAN WATER SCRUTINY
WORKSTREAM REPORT & RECOMMENDATION**

Recommendations	Director/Cabinet Members Response
Recommendations referred to the Cabinet Members for Economic Regeneration and Business Development; and for Housing and Housing Regeneration	Meeting with Cllrs Sitkin, Oykenner, Smith and Peter George 16th May 2017
<p>OSC to receive future updates on Meridian Water, particularly on:</p> <ul style="list-style-type: none"> • the financial viability of the development as it progresses, • the realism of the jobs offer, • detailed updates on the visual appearance and density, of the development, • the Local First principle and the risk register. • 	Agreed
OSC to receive and comment on the final version of the Meridian Water Regeneration Strategy and Action Plan including the provision of education and health facilities.	Agreed
OSC to receive updates on the progress towards 4 trains per hour, and any additional costs incurred by the Council.	Agreed