

MUNICIPAL YEAR 2019/2020 REPORT NO. 203

MEETING TITLE AND DATE:

Cabinet
12th February 2020

REPORT OF:

Executive Director Place

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Regeneration

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Agenda – Part: 1

Item: 12

**Subject: Maximising the Council's Direct
Development Delivery**

Wards: All

Key Decision No: KD 4998

Cabinet Member consulted: Cllr Caliskan

1. EXECUTIVE SUMMARY

1.1 This report follows the HRA (Housing Revenue Account) 30-year Business Plan (KD 4969) which Cabinet agreed on 28th January 2020. With 2,245 new homes, of which 960 are affordable, being built in Enfield through direct delivery and council led partnerships initiated over the past 3 years, Enfield has a track record for delivery. This report primarily deals with “direct delivery” where the Council will directly commission contractors to build homes on Council owned land.

1.2 Building from this, the Housing and Growth Strategy 2020-2030 (KD 4841) sets an ambitious direct delivery/acquisition programme of 3,500 council owned homes over the next 10 years funded from within the HRA business plan. This includes the following key milestones:

- A 3-year programme of 1031 homes including through the GLA Building Council Homes for Londoners programme
- A 5-year programme which will see the start of new homes being built on Joyce and Snells subject to a successful resident's ballot
- By the end of 10 years we will have delivered 3,500 homes on a range of different tenures and product types to meet the needs of local residents and help to create balanced local housing markets.
- We will explore all green options including a certified Passivhaus Institute 'Low Energy Building', for heating and cooling of homes, with a Pilot on the Bury Street West site.

1.3 This report seeks approval for measures that will help us deliver these Council owned homes and fully engage residents in the process including:

- A Community Review Panel and an Innovations in Design and Construction steering group
- Design competition for local architects to produce an intergenerational housing model
- High quality tenure blind housing and place services on all new build schemes.
- A stakeholder engagement protocol and a local lettings and marketing policies for residents facing disruption.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Notes the progress made to date on the Council's housing development programme (including the current position of the Greater London Authority Building Council Homes for Londoners programme) as outlined section 3.2 and note the proposal for accelerating the programme in section 3.3.
- 2.2 Notes the 10-year housing development programme as shown in Appendix 1, and authorises the Executive Director of Place, in consultation with Executive Director of Resources, to award contracts and enter into agreements for the acquisition or disposal of property for each site, up to £20m in each case to deliver the first 2 years of the programme.
- 2.3 Approves the delivery of the programme primarily through direct delivery by the Council as outlined in section 3.4 and 3.5, the viability of each project to be determined by the Director of Housing and Regeneration in consultation with the Director of Finance in accordance with the criteria set out in 3.6.2.
- 2.4 Subject to compliance with the Budget Policy Framework, delegates authority to the Leader to approve additional sites and site substitutions, where a site in the programme is no longer viable or deliverable, within the Council's housing development programme's financial limits.
- 2.5 Delegates authority to the Executive Director for Resources to agree the appropriation of General Fund sites to the Housing Revenue Account (HRA) based on an open market valuation for the proposed affordable housing mix as outlined in section 3.5.5.
- 2.6 Notes that a further report will be brought to Cabinet at a later date, for the investment decision for the Upton & Raynham/Beck House scheme outlined in section 3.4.5 and 3.4.6 and agrees in principle to the Upton & Raynham/Beck House scheme being included in the programme until that decision is made.
- 2.7 Approves acquisition of property up to a cost of £2.5m necessary for future delivery of the Upton & Raynham/Beck House Scheme as outlined in 3.4.7 and delegates authority to the Director of Law and Governance to enter into the relevant legal agreements.
- 2.8 Delegates authority to the Director of Housing and Regeneration in consultation with the Director of Finance to approve a community engagement and local offer strategy for residents that will be disrupted by development proposals as outlined in section 3.8.
- 2.9 Agrees that the 10 year Housing Development Programme will be subject to annual review by the Leader of the Council and the Cabinet Member for Finance & Procurement, with a report back to Cabinet.

3. BACKGROUND

3.1 The need for accelerated housing supply

3.1.1 The Good Growth Housing Strategy sets out the urgent need for affordable housing. Many people are either living in homes that are unsuitable or unaffordable and an increasing number are becoming homeless and living in temporary accommodation for pro-longed periods. Equally, people aspiring to purchase a home in Enfield are being locked out of the market by prohibitive sales prices. Although the primary focus of the housing development programme is to deliver new council homes at social and affordable rents, it will also deliver rent to buy, part-share homes and homes for sale meeting the needs of residents and helping to balance local housing markets.

3.1.2 The 13th February 2019 Cabinet “Better Council Homes Workplan and Budgets 2019/20” (KD4830) decision to approve the bid for the Building Council Homes for Londoners, the HRA 30 year Business Plan 2020 (KD4969) and the Housing and Growth Strategy Report (KD481) considered by Cabinet on 22th January 2020 and Council on 29th January 2020, recognise the role the Council can play in increasing housing supply in the borough – both in its role of directly delivering new build homes (or acquiring them for affordable rent) and in enabling the delivery of homes by housing associations, developers and private landowners.

3.1.3 If we are to grow Enfield’s housing delivery in a way that ensures no one will be left behind, we will need to take the lead as a housing authority and use our available resources and powers to accelerate supply and achieve a better mix of homes for residents than would otherwise be delivered through the market. Our current projection of future new supply directly delivered or acquired is 3,500 new homes over the next 10 years, of which 1,031 will be delivered by 2023 and with some additional new homes on Joyce and Snells being delivered within 5 years (subject to ballot), plus many more through our strategic enabling role. This is the largest and most ambitious house building programme in the history of the borough.

3.2 Progress made to date

3.2.1 New homes: Over past 3 years the Council has built 160 new homes on its own land, of which 130 have been affordable homes. This excludes the 2,085 homes (of which over 805 homes will be affordable) that are being built through council-led partnership arrangements (e.g. Alma, New Avenue, Ladderswood and Electric Quarter, in table 2 below) and a further report will be presented to Cabinet on how we can maximise supply through these existing schemes. Although the delivery of the small sites programme (set out in the table 1 below) presented a range of challenges, the learning and action plan (presented to the Overview and Scrutiny Committee in April 2019) are being actively applied to the delivery of the 10 year development programme PL 19/173 C Part 1..

and despite the challenges the outcome has been good quality homes of all kinds for Enfield residents:

Table 1

Council Build (completed)	Total Units:	Of which Affordable:
Padstow Road	6	0
Dujardin Mews	38	38
Ordnance Road	15	15
Parsonage Lane	29	21
St Georges Road	3	3
Lavender Hill	12	12
Tudor Crescent	15	15
Jasper Close	18	18
Holtwhites Hill	8	8
Perry Mead	4	0
Hedge Hill	3	0
Forty Hill	9	0
Sub-Total	160	130

Table 2

Council-led Partnership Sites (in progress)	Total Units	Of which Affordable:
Alma Estate	993	401
New Avenue	408	165
Ladderswood	517	149
Electric Quarter	167	115
Sub-Total	2,085	830

Total for all sites (completed & in progress)	2,245	960
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3.2.2 Acquisitions completed: Since 2017 the Council has purchased or will have purchased over 163 street properties for general needs housings by end of the financial year 2019/20; funding a third of the costs through Right to Buy (RTB) receipts.

Year	Purchases of street properties
17-18	45
18-19	38
19-20	80

Total	163
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3.2.3 Retrofitting existing Regeneration schemes: The Council is also taking the opportunity to retrofit schemes that, had financing streams such as RTB, additional borrowing and GLA's Building Council Homes for Londoners fund been available, would have delivered a greater number of affordable units. By March 2020 the Council will have converted over 161 private homes to affordable housing on schemes such as Alma Estate (60), New Avenue (20) and Electric Quarter (75).

3.2.4 GLA's Building Council Homes for Londoners (BCHfL) Programme: Although a few of the schemes specified in the bid have been substituted, we currently have a 3-year housing development pipeline of 779 affordable homes for which we will seek additional grant funding. This is significantly greater than the 564 homes projected in the bid. The schemes will include acquired land, HRA in-fill sites, roof top extensions, conversions, property acquisitions including ex Council Housing as well as new homes built by developers and housing associations and, Section 106 acquisitions.

Programme Year	GLA BCHfL Bid Projections		Housing Development Pipeline	
	No. Affordable Units	Total BCHfL GLA Funding	No. Affordable Units	Total GLA BCHfL Funding
2019/20	103	£4,500,000	179	£4,500,000
2020/21	144	£4,820,000	292	£4,820,000
2021/22	317	£8,788,000	308	£8,788,000
Total	564	£18,108,000	779	£18,108,000

The detailed housing development pipeline, including the site substitutions in the Building Council Homes for Londoners programme, is shown in Appendix 1. The Director of Housing and Regeneration is working with the GLA to consider how Councils can significantly increase output with additional GLA grant if this was to become available beyond 2022. This means that the Council needs to continue to develop its pipeline of schemes to be able to take advantage of new funding should it become available.

3.2.5 SME and custom build sites: We have selected 3 sites from the long list of sites agreed by Cabinet on 24th April 2019 (KD 4613) on which Naked House will deliver 22 new low-cost homes for sale. Also, since 2018, we have funded the delivery of 97 new affordable rent homes through RTB grants to registered providers.

3.3 Accelerating the right supply

3.3.1 As noted in section 3.2.4, we have a GLA programme which is set to exceed its delivery targets. We are now building a pipeline of new opportunities, as identified in the table below and in more detail in Appendix 1. The programme will enable us to deliver 1,031 affordable homes (of which approximately 90% will be for affordable rent and 10% for shared ownership/shared equity) over the next 3 years.

3.3.2 By year 5 we plan to have started a second round of the Building Council Homes for Londoners programme and to have started the housing provision on the Joyce and Snells Estate Renewal scheme (subject to ballot). This will include the provision of Council owned homes on social rent levels for existing residents, on London Affordable Rent for the additional homes and shared ownership/shared equity for leaseholders.

3.3.3 In addition to the 3,500 Council owned homes (Social Rent, London Affordable Rent and Shared Ownership), from 2020 to 2030 we will have delivered at least an additional 304 homes for outright market sale targeted at local residents. Although approximately just 9% of programme output, these homes, which will be primarily homes for sale to local people and help to create mixed communities on appropriate sites.

Projects in Programme	3 years	5 years	10 years
Direct Delivery – including Joyce and Snells	518	953	1,774
Street Property Acquisitions	80	80	80
Off-the-Self & Section 106 Acquisitions	433	860	1,646
Total Number of Affordable Homes	1,031	1,893	3,500
Total Number of Market/Sale Homes	72	166	304
Total Development Costs			£989,662,800

3.4 Three-year additional pipeline to deliver 1,031 homes

3.4.1 From an initial assessment of our pipeline against these criteria, we have identified several sites that we want to add to the development pipeline. We will fund delivery through RTB and PWLB loans but will seek to replace with additional funding from the GLA. As set out in the HRA Business Plan elsewhere on this agenda, this will enable us to deliver a programme of at least 1,031 homes over the next three years.

3.4.2 A number of the direct delivery sites (Gatward Green, Newstead House and Bury Street West) being delivered over the next 3 years also form part of the BCHfL 19/20 programme and will be on site by March 2020. Likewise, a number of the off-the-self acquisitions on strategic sites (Electric Quarter, Alma Regeneration, New Avenue and Ladderswood) are already underway. This report is not seeking any additional delegated authority for these schemes.

3.4.3 Other than Upton & Raynham/Beck House Site and Ashburton & Crediton (Exeter Road Estate), residents have not been consulted and scheme proposals have not been worked up for the new direct delivery sites in the programme. Consultation will be undertaken on all the schemes in line with the community and stakeholder engagement proposal outlined in section 6 and proposals will not proceed without resident support.

3.4.4 The proposals are in accordance with the 10-year programme in the HRA 30 year business plan which Cabinet approved in KD 4969 dated 28th January 2020. The delegated authorities to deliver for the following proposals are being recommend within this report. Key sites within the programme are outlined below:

3.4.5 Beck House Redevelopment - Upton and Raynham Area: The redevelopment site shown in Appendix 3 was initially reported to Cabinet on 16th December 2015 (KD 4119), and Cabinet asked that this is reported back to them for the final investment decision. It is therefore proposed that this site is in principle included in the development programme subject to a further report is submitted to Cabinet for a decision on the final investment required for this scheme. In advance of this, Cabinet is being asked to approve land acquisitions to enable a future scheme to proceed. Brief details of the initial proposals and acquisitions are outlined below.

3.4.6 Phase 1 of the scheme is known as “Beck House Redevelopment and is shown on the first plan in Appendix 3. Initial proposals for Phase 1 of the site indicates a scheme of approximately 127 affordable homes (comprising 87 affordable rent and 40 shared ownership/intermediate rent units) and 47 PL 19/173 C Part 1..

open market units can be developed on the site. A sketch of the proposed scheme is shown on the second plan in Appendix 3. The total scheme cost is currently estimated at approximately £43.5m. Of this cost, GLA grant is estimated at £9.82m, with HRA headroom requirement of £33.68m but is subject to further work refining the proposals, cost plan and viability of the scheme. Once this work is completed, a further report will be submitted to Cabinet. Phase 2 of the site, shown on the plan in Appendix 3 is the Council owned Car Park and Community Centre on Upton Road, which are subject to an asset review, and therefore development proposals on this part of the site are currently on hold.

3.4.7 Cabinet also resolved on 16th November 2015 to use CPO powers should the Council fail to acquire property interests by agreement. This report provides an update on those by agreement negotiations in Part 2 Report, with terms agreed for the acquisition of the property known as 13-47 Beck House, 1 Upton Road, Edmonton, London, N18 2LJ and negotiations on Units 11 and 12 Beck House. 13-47 Beck House is currently owned freehold by Riverside Housing Association and is used by the Council as temporary accommodation for those in housing need. In addition, negotiations are underway with two leaseholders of commercial units known as Units 11 and 12 Beck House. Also, land owned by TfL may be required to be included in the scheme depending on the final proposals. The total cost of the acquisitions are estimated at £2.5m, including CPO costs if required, and this will enable the Council to assemble the Phase 1 site. If negotiations for the land acquisitions are not concluded satisfactorily, then a CPO may be needed, and if this is the case then this will be the subject of a further report to Cabinet.

3.4.8 263 Bullsmoor Lane: The site currently accommodates a single storey chalet bungalow, with direct access via a crossover to Bullsmoor Lane. The site is bordered on the eastern side by Great Cambridge Road (A10) and on the southern side by Bullsmoor Lane. To the north of the site is a large area of gravel used historically for car parking by Kingsland/Waterworld Nursery and a small residential property. The site is bordered to the west by the 'New' river with open space beyond forming part of the metropolitan Green Belt. The site is relatively isolated and cut off from the surrounding context by Bullsmoor Lane and Great Cambridge Road. The site is opposite low-rise housing on Bullsmoor Lane. The consented scheme provided 27 units of which 40% would be affordable housing. The Council intends to alter the scheme to 32 units, all of which will be affordable homes – this is an example of where the Council's involvement in direct delivery will secure a better housing outcome for residents.

3.4.9 Dendridge Close: Proposing to extend by acquiring neighbouring site. The Council will re-provide the existing community facility on the eastern end PL 19/173 C Part 1..

of the site and potentially build 50 new council homes in its current location. The new homes could provide decant capacity for the adjacent council blocks and enable the council to build a higher density second phase.

3.4.10 Kemp Hall & Mason Road Car Park: The Council is seeking to expand the Kemp Hall site, which is already in the BCHfL programme, to include the Mason Road Car Park, increasing delivery from 18 to potentially 65 units.

3.4.11 Roof Tops with in-fill: Although the roof top schemes are already in the BCHfL programme, we are looking at the in-fill opportunities that, with the support of residents, could be delivered in conjunction with the schemes.

Site Name & Description	Roof Top Capacity	In-fill Capacity	Total Capacity
Ashburton & Crediton, Exeter Rd Estate	75	50	125
Dowland House, Meyer Green Estate	42	23	65
Caradoc Evans Close, New Southgate	10	7	17
803-859 Great Cambridge Road	23	10	33
Total units	150	90	240

3.4.12 Meridian Water Phase 1: This project does not form part of the direct delivery programme in this report, except that affordable housing units developed under a S.106 agreement may be purchased by the Council through the development agreement with Galliford Try for phase 1, which enables the Council's purchase of 230 affordable housing units for social housing at London Affordable Rent levels at practical completion in 2022-2024.

3.5 Building our longer-term pipeline to deliver 3,500 homes

To deliver our programme over the next ten years we anticipate the following:

3.5.1 Estate Renewal

The 2,929 homes, which includes Build-to-Rent for private tenants, to be delivered through the Joyce and Snells regeneration will be delivered over the 10-year programme and beyond and will be subject of a separate Cabinet report.

There are a number of current estate renewal projects, such as Ladderswood, New Avenue and Alma which are being developed under development PL 19/173 C Part 1..

agreements with the private sector which are shown in table 2 in 3.2. Feasibilities for further projects are currently being undertaken. A report providing an update on the existing projects and on the future Estate Renewal programme will be reported to Cabinet separately. Funding for these schemes must be within the limits of the HRA Business Plan, which is currently able to fund a maximum of 3,500 new homes, or through partnerships with others.

3.5.2 Low Yield In-fill Sites

As part of our enabling role to increase delivery on low yield infill sites from an average of 250 units per year to the 353 units per annum set out in the London Plan, the Council will need to address the obstacles to delivery. In this vein, the Council has recruited a Small Sites Development Lead who will be principally responsible for enabling delivery:

- Proactively identify and build out or market council owned sites and work with landowners to bring their sites forward for development.
- Unviable residual land value: Incentivise development of more than 10 units through grants from the GLA (such as the Small Sites Small Builders fund) and RTB. On sites that cannot achieve 10 units, support delivery of houses which are more attractive in land viability terms.
- Site constraints: Support land assembly to unlock sites (using CPO powers where it is reasonable to do so), assist with party wall and neighbour issues, help build capacity of existing operators and new entrants.
- Construction capacity: Build SME operators' and landowners' knowledge and access to modern methods of construction that overcome issues such as site access and material and labour shortages by sign posting to resources and information.
- Planning: Support SME operators and landowners through the planning process through the role of the Small Sites Development Lead and build capacity within the development management team to handle the increased volume of applications.

3.5.3 Five-year Pipeline Sites:

3.5.3.1 Roman Way Garages: These garages, which are situated on the periphery of the Avenues Estate, could produce around 70 new homes which through a local letting arrangement would be offered to estate residents and could potentially enable the regeneration of the estate.

3.5.3.2 John Wilkes House: Following the implementation of our new Homelessness Service model, this Council office will become redundant. Its demolition and redevelopment could produce about 25 new homes.

3.5.3.3 Highview Gardens: The site consists of two garage blocks and a multi-purpose play area (MUGA). Initial designs suggest that a housing development along with a new MUGA and new and replacement car parking provision can be provided. It is anticipated that more than 27 homes could be provided.

3.5.4 Future Supply

3.5.4.1 The Council will switch focus from the acquisition of ex RTB properties in later years to prioritise land acquisition for housing development, development of new build homes and the purchase of Section 106 affordable housing units. This means positioning the Council as the prime developer on Council owned sites and seeking to become the preferred Section 106 partner for private developments in Enfield. The latter will require negotiations with private Developers at an early stage of the development process; the benefit of this approach is that the Council could potentially acquire units at their build costs (rather than market value) and is better able to influence the quality outcomes of these developments.

3.5.4.2 The authority required to approve these acquisitions and their inclusion the 10-year housing development programme are covered in the delegations by Cabinet to the Executive Director of Place and the Property Procedure Rules.

3.5.4.3 In addition, Cabinet is being asked to agree that the 10 year Housing Development Programme will be subject to annual review by the Leader of the Council and the Cabinet Member for Finance & Procurement, with a report back to Cabinet.

3.5.5 General Fund

The Council is currently undertaking a review of its assets. A large number of these assets are held within the General Fund. The proposal in this report is to give the housing development programme first call on general fund “surplus to requirement” sites which would normally be disposed of on the open market. With new business and development managers working closely with Property colleagues to identify opportunities which can be appropriated to the HRA based on an open market valuation (OMV) with a restriction based on the proposed affordable housing mix and community/social benefits for each site. Where the OMV is less than what could be achieved if it were based on a typical planning compliant scheme (e.g. proposed scheme delivers a higher proportion of affordable housing or more community/social benefit than is

required by planning policy), it is proposed to appropriate the site at this lower OMV.

3.5.6 Partnerships to deliver more than we can deliver on our own

3.5.6.1 We will also actively seek opportunities to partner with other developers and land owners either through leveraging of our own land or through our HRA investment. The expected benefits for the Council (such as faster delivery, bringing forward sites that would otherwise not be delivered, spreading capacity through the partnership and learning from JV partners) will be weighed against the development costs, risks of the partnership and whether the Council could deliver the scheme on its own.

3.5.6.2 We will also continue to work with the GLA and other regional agencies to bring forward development. For example, officers in conversation with Transport for London about how they use the GLA Transport Plan to support development in low PTAL areas.

3.5.6.3 Any future proposals for partnership arrangements will be subject to Cabinet approval.

3.5.7 Procurement Strategy that Reflects Scale of Programme and Achieves Best Value

3.5.7.1 The Council has existing Cabinet approved corporate procurement strategies, frameworks and processes, which the programme will follow. The programme of housing development and regeneration to be embarked on will involve some £989,662,800 of total construction costs and professional fees. This gives the Council a unique opportunity to market itself and secure better value and quality for its programme.

3.5.7.2 We intend to hold market engagement events to inform the market about our plans, to seek feedback on the optimum procurement strategies and to generally present the Council as an organisation, which is good to work with to secure the most competitive prices for delivery. This will enable us to develop a strategic housing procurement plan that, whilst conforming to the Council's procedures and procurement rules, maximises the wider benefits achieved through procurement of services and works at this scale for the benefit of Enfield residents – for example the use of local suppliers and labour and the creation of apprenticeships and jobs.

3.5.8 Supporting the HRA Business Plan

The Report (KD 4969) agreed by Cabinet on 28th January 2020 sets out the HRA 30 year business plan. To achieve the Council's ambitions to invest in and renew its existing stock in order to deliver its Better Council Homes programme, the HRA will need to build up a significant reserve in order to cash flow planned improvement and estate renewal schemes. To enable this, the Council will:

- As established in the social value criteria set out in paragraph 4.4.2 below, prioritise pipeline projects that can deliver at least 50% affordable homes, create long term revenue assets such as commercial units and achieve capital gain through the disposal of market sales and shared ownership units.
- Seek to secure additional grant funding from the GLA and other funders. The council has begun initial conversations with the GLA about entering into a strategic partnering agreement and although the GLA has been very receptive to the notion, they have been clear that key determinants will include our delivery capacity and track record. These are the same determinants that will be considered by other funders such as institutional investors. Section 7 of this report sets out how we are building capacity to ensure we are credible partners by funders and others.
- Fund Housing Associations/Registered Providers through RTB receipts. The Council contributes 30% of the development costs, per RTB receipt spending requirement, and the Housing Association /Registered Provider contributes the remaining 70%. Entering into these funding agreements would increase the supply of affordable housing by enabling our delivery partners and freeing up HRA resources to assist in funding future investments.
- Dispose of sites where direct delivery does not add value against what could be achieved through the planning system.
- Dispose of out of borough holdings such as developable land.

3.6 Governance & Scheme Appraisal

3.6.1 Governance Framework

The sites within the Council's 10-year housing development programme are at different stages of development – ranging from schemes already under construction to newly identified sites.

To ensure the deliverability of the programme the following gateway process, that is governed by the Housing Development Board, has been developed:

Gateway 1: Site Identification

New sites and acquisition opportunities are considered at Housing Development Board and recommendations are made to the Director of Housing and Regeneration, who then authorise officers to proceed with feasibility appraisals.

Gateway 2: Feasibility Assessment

Sites that pass the first gateway undergo a feasibility assessment (including capacity studies, risk assessments and scheme appraisals) which are considered at Housing Development Board and recommendations made to the Director of Housing and Regeneration on whether to authorise officers to proceed with scheme development.

Gateway 3: Scheme Development

At this stage, a design team is commissioned to develop the initial capacity studies, in consultation with local residents and internal stakeholders, to fully designed schemes. They are then reappraised and presented at Housing Development Board, which recommends to the Director of Housing and Regeneration whether to authorise the scheme to be developed further for planning submission.

Gateway 4: Scheme Delivery

Prior to submission, the finalised schemes and their updated scheme appraisals are reviewed Housing Development Board and the Director of Housing and Regeneration gives authority to submit.

Once planning consent achieved, contractor procurement will commence through existing corporate and departmental governance frameworks. As part of the contract award approval process the Delegated Authority Reports and updated scheme appraisals will be presented to the Housing Development Board for consideration.

The Housing Development Board (which is chaired by Director Housing and Regeneration, serviced by the Programme Manager and includes senior officers such as the Director of Planning and Director Property as well as officers from finance, legal and procurement), will also interrogate programme highlight reports and recommend corrective actions.

3.6.2 Scheme Appraisal

We will appraise development proposals and viability against the following criteria and seek to secure additional GLA grant funding for their delivery:

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<p>Cost</p>	<p>The cost of each proposed development will be examined. It will be assessed with the cost of comparable schemes to ensure value for money. Investment decisions will be based on the following benchmarks:</p> <ul style="list-style-type: none"> • Average Build Cost per Unit (CPU) of £250,000 or less • Cost to Value Ratio of equal to or less than 100% • Average Net Present Value (NPV) of -£50,000 per unit or greater • Internal Rate of Return (IRR) of 3.5% or higher • Subsidy to Costs Ratio (Grant/ RTB) of 30% or higher • Loan to Value Ratio of 50% or less • Loan repayment within 30 years • Residual Land Value of £1 or higher <p>The overall development programme will need to meet the key assumptions in the HRA business plan.</p>
<p>Timescale</p>	<p>All schemes will be expected to progress efficiently within realistic timescales. Where applicable, schemes that can be delivered within funding deadlines will be progressed ahead of others that have longer timescales.</p>
<p>Housing Need</p>	<p>New homes will be designed to meet housing demand. The decisions on housing type, bed size and tenure mix will be subject to planning policy, viability, location and local housing need. Schemes that can meet specific priority housing need, such as accommodation for vulnerable adults, large family or key worker homes, will be progressed ahead of others.</p>
<p>Complexity</p>	<p>Some sites are more difficult to develop than others. For example, converting garages into flats on constricted sites will be more complex than building new homes on large Greenfield sites. Complex schemes can cost more and take longer to develop, although they may have a positive impact in terms of regeneration. Schemes that are more deliverable will be progressed ahead of other more complex schemes. Unviable sites can be unlocked by carrying out option appraisals with different tenure split including more open market dwellings to cross subsidise affordable units.</p>
<p>Social value</p>	<p>All schemes will be expected to deliver real gains for the residents that will live in the new homes and, more generally, for all Enfield residents – whether its use of local labour and supply chain, offering training and apprenticeships opportunities, making public realm improvements, raising capital receipts to fund future regeneration schemes, helping reduce carbon emissions by offering bike or car sharing schemes or providing needed community infrastructure. Schemes that can deliver greater social value will be progressed ahead of those with limited gains. All green options for heating and cooling of homes will be considered. In some cases, such schemes may not meet all of the viability benchmarks and this will be acceptable as long as the overall programme is within the hurdle rates.</p>

The criteria will also be applied to how retained RTB receipts are spent with an additional preference for schemes that are stalled or would lead to poor quality without the Council's investment.

To ensure that the assumptions that underpin the scheme appraisals are evidence based and reflect the schemes specifics, the Council will:

- seek to align with the GLA's Benchmarks for Development Viability Reviews and
- conduct quarterly review of market conditions for sales, shared ownership and private rented tenures
- review specifications and establish maintenance, repair and replacement costs for new build based on build type and M&E systems used and explore all green options for heating and cooling of homes.

3.7 Ensuring Quality

3.7.1 The Council is updating its Employer's Requirements and design guide to capture lessons learnt from completed schemes, define its place making ambitions, respond to the Climate Change emergency declaration and align with national policy and guidance such as the Independent Review of Building Regulations and Fire Safety and the National Design Guide.

3.7.2 Quality assurance will go beyond design development and be embedded within the tendering and contract award, the principal design and quality inspection and the post occupation evaluation processes. Design will consider whole life implications such as carbon emissions (in construction and occupation), repair, maintenance and replacement costs, and resident safety.

3.7.3 We will establish a group to explore proven innovations in design and construction that produce better and more sustainable homes, reduce construction time and costs, and enable occupants to live healthier, greener and socially connected lives.

3.7.4 To further this, the Council intends to adopt a Passive Principles design approach with the aim of significantly reducing energy consumption by up to 70% and will deliver our first "Low Energy Building" for heating and cooling of homes on the Bury Street West site. This pilot will test the Passivhaus standards against our hurdle rates and delivery model. Subject viability, it is our ambition to deliver all schemes, including Joyce and Snells, to either Passive Haus standard or similar models/approaches.

3.7.5 We will also encourage social connectiveness by inviting local architects to participate in a design competition to create an intergenerational housing scheme on one of our pipeline sites, which can be modelled across other projects.

3.7.6 As a minimum, 10% of all units delivered will be wheelchair accessible or easily adapted for wheelchair users and our buildings will be designed to be accessible to all residents and visitors. We will also seek to ensure that specialist housing delivered via the programme are accessible, adaptable and flexible such as to meet the changing needs of the specific client groups they serve.

3.7.7 We will also improve the quality of our building and estate management. The Council intends to offer high quality tenure blind property services on all new build schemes. This will include ensuring seamless place-based management and maintenance plans that do not distinguish between public realm and private amenity.

3.8 Community & Stakeholder Engagement

3.8.1 Housing construction can be a lengthy and disruptive process and failing to continuously engage all stakeholders and to offer tangible immediate benefits to effected residents can lead to communities objecting to schemes.

3.8.2 As such, the Council will seek to give stakeholders a real voice and a stake in the success of its schemes through open and honest dialogue, and based on a firm commitment not to proceed with proposals that do not have the support of a majority of residents:

- Develop, in consultation with residents, a stakeholder engagement protocol that will set out key contact points (e.g. when a site is identified) and engagement level through the life of a scheme. This will include letters, co-production workshops, ward councillor briefings, face-to-face meetings, consultation events, and project webpages.
- Offer residents facing disruption, particularly on in-fill and roof top schemes, local lettings and marketing policies that give tenants and leaseholders first refusal for the new homes. This will include ensuring that schemes offer the right mix bed sizes and tenure types.
- Create a community review panel that can input on the engagement protocol, design standards and sustainability goals, local offers, construction employment and training opportunities (such as the Meridian Water Construction Skills Academy), community led

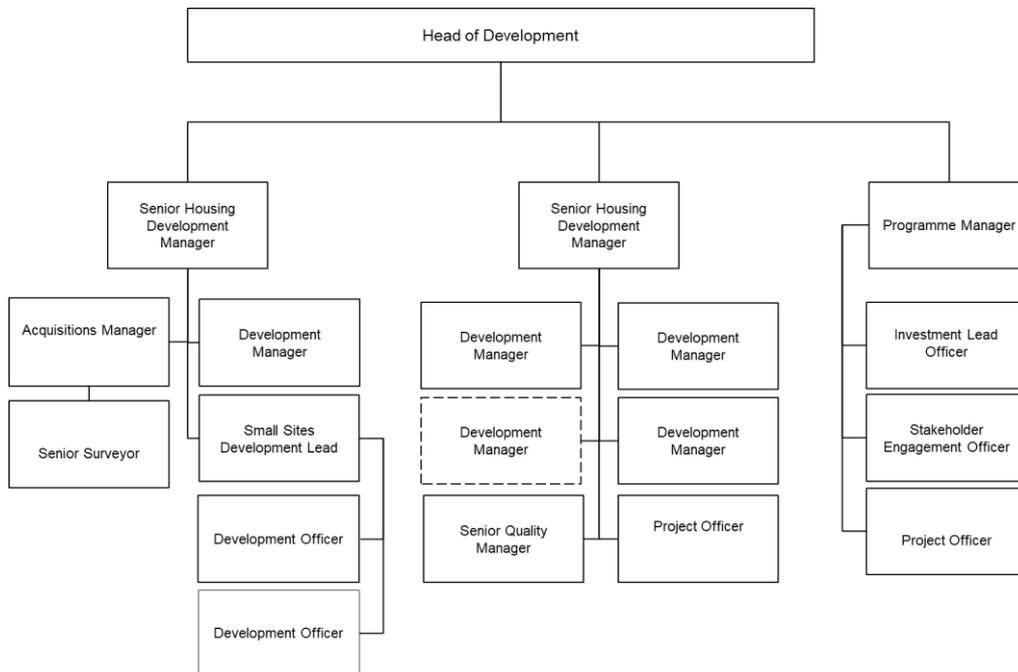
developments, setting good practice around areas such as construction method and resident satisfaction.

- As part of the Council’s low yield development strategy, we will identify a site, through co-production with the community review panel, that is suitable from a community-led housing scheme and build the capacity of local residents to access initiatives such as the GLA’s London Community Housing Fund.

3.9 Developing our capacity and skills

3.9.1 The Council is building its capacity to deliver through the recruiting of a Head of Development responsible for delivery of the development programme, a Regeneration Project Director to deliver the regeneration of its estates and a Strategic New Business Lead to build its delivery pipeline. It has also established a Housing Development Board to provide programme direction and monitor quality, cost and progress.

3.9.2 The housing development team, which will be principally responsible for the delivery of the 10-year development programme, is recruiting additional project management and technical staff to identify, enable and deliver development opportunities. The proposed structure, shown below, includes fixed term vacancies that will be filled as needed to deliver the programme.



3.9.3 To sustainably resource this growth, funding for the Development Team will be based on 1.4% of total development costs. This means that as we secure growth in our development programme, we will automatically bring on board the resources needed for delivery. The proposed structure will also allow for peaks and drops in development activity by creating flexible term contract roles.

3.9.4 Our planning team is recruiting new staff that will ensure there is sufficient capacity to efficiently manage the planning application process. With regard to other resources such as legal, procurement and finance, the Council will seek to use inhouse expertise in the first instance and if the need arises will, where appropriate, outsource some of the work in these areas, with the view of building internal capacity over time.

3.9.5 We are also growing our capacity to deliver by:

- Using funding from the GLA's Capacity Building Fund to identify skill shortages, provide training and improve programme management.
- On pipeline development, the HRA will make provision for feasibility assessments to identify and evaluate opportunities to bring forward for either housing development or regeneration.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 The approaches considered were:

4.2.1 Direct Delivery

- a) The site is developed through a 1 or 2 stage Design and Build contract through a competitive procurement and funded through grant and internal resources including Right-to-Buy (RTB) receipts and borrowing.
- b) The Council takes the sales risk and retains any realised profit.
- c) The Council will need to sufficiently resource the development activities. This includes resources within its development management, legal, and procurement services.
- d) The Council has the greatest level of control of the delivery objectives through the construction contract and Employer's Requirements (ERs).

4.2.2 Development Agreement

- a) The site is disposed via a long lease to a developer for a residual land value, through competitive procurement or land transaction, with the council retaining the affordable units. The Council can fund its retained units through the land value, grant funding, RTB and/or borrowing.
- b) The developer takes the sales risk with the potential for the council to gain on any overage.

- c) The developer will resource the development activities.
- d) The Council controls the delivery objectives through the development agreement.

4.2.3 Development Partnership/Joint Venture

- a) This model is best suited to larger more complex schemes including where risk transfer of sales is appropriate
- b) The Council enters into a contractual partnership with a developer wherein the Council commits its land and other resources and the developer commits capital outlay and expertise to the partnership. The partnership contracts the delivery of the scheme with the committed resources.
- c) Depending on the structure of the venture, it may not subject of procurement rules
- d) The Council and developer jointly share the risks, profit/loss and liability. The share of profit and loss will be based on agreed terms and extent of the liability each partner holds will be dependent on the form of partnership. The Council will need to take a view of its risk tolerance and degree of control and reward it requires when determining which form of partnership, it pursues.
- e) The Council could also commit capital to provide public sector finances (i.e. the council acts as lender to the partnership) and its return on investment is prioritised.
- f) The partnership is usually terminated when there are no longer any ongoing business activities such as sales and after the defect's liability period.
- g) The Council controls the delivery objectives through the development partnership agreement; and, depending on the form of partnership, it can also control the construction contract and ERs.

4.2.4 Disposal

- a) The site is marketed and disposed (with or without planning consent) to a developer for best consideration – the council negotiates the purchase price of the social rented units as part of the land deal.
- b) The developer takes the sale risk with the potential for the council to gain on any overage.
- c) The council has less control over the delivery objectives; most of its control over design quality will come through its role as the planning authority.

5. REASONS FOR THE RECOMMENDATIONS

5.1 There are serious implications for the programme in not spending the GLA external grant funding which will restrict the delivery of affordable PL 19/173 C Part 1..

housing on key housing sites and damage the council's reputation as an investment partner with the GLA.

5.2 Given the funding and timescale constraints, the size and nature of the sites, and the need to accelerate delivery of affordable housing, the best option is for the Council to directly deliver the programme. Direct delivery will enable the Council to:

- Bring forward schemes that would not be attractive to developers seeking headline profit margins of 20-25%.
- Increase the portion of affordable housing achieved and to maximise the number of family sized homes as required to meet housing need
- Control design quality
- Create successful places through high quality tenure blind place management
- Support the HRA through the income from rents and sales
- Ensure the socio-economic benefits of development are fully realised and equitably distributed.

5.3 Where there are clear advantages in terms of partnering with a developer on a site in terms of value for money and sharing risk and rewards, projects will be presented to Cabinet for a formal decision.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 The Housing Strategy sets out the need to increase affordable housing within the borough and the ambition to increase this level to 3,500 new homes in the next 10 years. This report details the development programme and the strategy of how this programme will be delivered. The 10 year Housing Development Programme will be subject to annual review by the Leader of the Council and the Cabinet Member for Finance & Procurement, with a report back to Cabinet.

6.1.2 The current agreed HRA 30-year business plan includes funding to provide an additional 1,031 new homes in the next 3 years. The Business Plan update report KD4969 that was agreed at Cabinet in January 2020 requested an additional £341m of borrowing to assist in the delivery of an additional 2469 units. The delegation in this report seeks to award contracts and enter into agreements for the acquisition or disposal of property for each site, up to £20m in each case to deliver the first 2 years of the programme.

6.1.3 The programme has been developed using standard build cost (£250k new development and £350k for regeneration projects), with RTB receipts

(30% of eligible build costs) and grant funding (£100k affordable and £28k shared ownership) also assisting in subsidising the programme. Each scheme will go through a viability assessment to ensure they are within agreed hurdle rates. If build costs are higher than the estimated £250k per unit, this will need to be reviewed within the overall affordability of the HRA Business Plan.

6.1.4 Appendix 1 shows the number of units being delivered by tenure with the associated build cost and subsidy attached.

6.1.5 In addition to the 3,500 affordable units in the programme there will be 304 private sale units built. These units will be funded from the HRA and sold at market value with the profits used to assist in funding the programme.

6.1.6 £18m GLA grant has already been secured as part of the Building Council Homes for Londoners programme. Further grant funding of c. £165m will be needed in order to assist in funding the Strategy in the next 10 years. Loans from the GLA are available and depending on future borrowing rates this may be a more viable option in years to come. This will be explored with the GLA to ensure the HRA is borrowing efficiently and can sustain the level of debt. The current borrowing assumptions are based on PWLB loans at 3.5%.

6.1.7 It should be noted that all borrowing requirements will remain within the Council's financial metrics and in line with the General Fund's Prudential Indicators and Treasury Management Strategy which will be approved at Council in February 2020. The loan principal will be paid back in full when it falls due. Interest is charged annually over the life of the loan.

6.1.8 This programme has been included in the updated Business Plan. This has confirmed that the level of borrowing required is sustainable within the plan.

6.1.9 Each scheme within this proposal will be subject to a full financial appraisal to ensure each scheme is viable and affordable.

6.1.10 All land appropriations between the General Fund and the HRA are to be in accordance with the Local Government Act 1972, which gives the Council power to appropriate properties from the General Fund to the HRA based on a certified value.

6.1.11 The acquisition of land to assist in the future delivery of Upton and Raynham is based on the market value which is £2.5m. Part of this site includes commercial units that currently generate rental income of c. £11k per annum. These assumptions are included in the updated HRA business plan.
PL 19/173 C Part 1..

The full scheme for this project are being developed and a report will be brought back to Cabinet at a later date. The report will detail full scheme details including build costs and income assumptions, demonstrating that the scheme is affordable and meets our financial metrics.

6.1.12 To ensure that adequate staffing is in place to delivery these projects it is estimated that staff costs represent 1.4% of development costs. This estimate is built into the business plan but may be subject to review.

Key Financial Risks

6.1.13 Key risks and mitigation measures are set out in appendix 2 of this report.

6.1.14 The 10-year development programme is based on £250k build cost including a contingency of £25k and £100k grant per unit. The assumed build cost is based on Savills market knowledge and may in practise prove to be higher. If build costs were to increase this would impact the number of units, we are able to deliver. A value engineering exercise would be carried out to bring cost in line.

6.1.15 Market sales, based on Savills residential research, are built into the programme in later years and with the uncertainty of the property sales market this will need to remain as a risk. A full appraisal for these schemes will be completed prior to implementing any decisions to start building on a site and the market will be assessed and considered at this point.

6.2 Legal Implications

MD: 22nd January 2020

6.2.1 Further analysis of the vires implications of each of the schemes mentioned in this report will be necessary as the specific details of each scheme are progressed.

6.2.2 Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. Furthermore, pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of their area with respect to the provision of further housing accommodation. The Council has the power under section 9

of that Act to provide housing accommodation and under s17 of that Act to acquire land for housing purposes.

6.2.3 Public law principles apply to the decisions made by the Council in relation to any project, including the Council's duty to take account of its fiduciary duties and to act prudently with public monies entrusted to it. The Council is also under a general duty to act reasonably and show that its decisions in relation to the delivery of its projects are made after having given due and proper consideration to all relevant factors (disregarding irrelevant factors). The Council must conscientiously consider the product of any public consultation undertaken.

6.2.4 Local authorities with a council-owned housing stock have a duty to maintain a housing revenue account which accounts for spending and income relating to the management and maintenance of council-owned housing stock. The keeping of the Housing Revenue Account is governed by Schedule 4 of the Local Government and Housing Act 1989 and various rules set out in primary and secondary legislation which control rents, the type of tenancies that can be offered and gives tenants the right to buy. The Housing Revenue Account is separated from the Council's General Fund by a "ring-fence" to prevent Council taxpayers subsidising Council Housing and vice versa.

6.2.5 The Local Government Act 2003 gives the Council power to borrow for any purpose related to its functions, and to utilise capital receipts, subject to the limitations set out in that Act. There is now no HRA borrowing cap. Borrowing levels will therefore be those recommended by the Council's Section 151 officer in accordance with the Prudential Code. The Council's power to borrow is determined not just by the absence or otherwise of legal constraints but also by a Council's ability to service the debt.

6.2.6 Cabinet is requested to delegate authority to the Executive Director for Resources to agree the appropriation of General Fund sites to the Housing Revenue Account (HRA). Section 19(1) of the Housing Act 1985 (the 1985 Act) permits local authorities to appropriate any land vested in them or at their disposal to the Housing Revenue Account (HRA). Where local authorities want to use land in their General Fund to build housing on, they are required to compensate the General Fund from the HRA for the value of the land (paragraph 5, Part III of Schedule 4 to the Local Government and Housing Act 1989). Currently, the Council may not permit cross-subsidy to or from, the Council's General Fund resources. However, the Government is currently considering allowing local authorities to gift land that has been held in the General Fund to the Housing Revenue Account at zero cost (consultation on the "Use of receipts from Right to Buy sales (August 2018)). Depending on the outcome of the Government's considerations, this may be of relevance to PL 19/173 C Part 1..

the current proposals and the Council is advised to continue to monitor the position. It should be noted that, although property can be transferred for accounting purposes between the Housing Revenue Account and the General Fund, in legal terms there is no transfer of the property because the Council's Housing Revenue Account and General Fund are not separate legal entities.

6.2.7 Disposals of Housing Revenue Account property out of the Council's ownership, whether on a freehold or leasehold basis, require consent under section 32 of the Housing Act 1985. The Secretary of State has issued some general consents to disposal. Further legal advice will be required in the event of any such proposed disposal.

6.2.8 In letting contracts and entering into property transactions, the Council must comply with the provisions of its constitution, including but not limited to its Financial Regulations, Contract Procedure Rules and Property Procedure Rules. In accordance with the Council's Financial Regulations, no contract for a capital scheme may be let until full Council has approved the inclusion of the scheme in the Capital Programme and where the scheme is estimated to cost in total more than £500,000, a scheme estimate report including an option appraisal and whole life costing has been subject to a Cabinet Lead Member, Cabinet or Council decision, All goods/works/services associated with the projects must be competitively procured in accordance with the Contract Procedure Rules and the Public Contracts Regulations 2015 and all contracts will need to be in a form approved by Legal Services on behalf of the Director of Law and Governance. Further legal advice will be required as the details of each scheme are established.

6.2.9 The public sector equality duty under section 149 of the Equality Act 2010 requires the Council to have due regard to; (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it. Any equality impact assessment prepared in respect of the schemes set out in this report should be revisited as each scheme develops.

6.2.10 When dealing with secure tenants the Council must comply with the provisions of the Housing Act 1985.

6.2.11 To the extent that the proposals set out in this report have staffing implications for the Council, further advice should be requested where required from the Council's Human Resources department. Any request for external legal advice must be approved in advance of instruction by the Director of Law and Governance.

6.3 Property Implications

6.3.1 The Council's housing development and estate renewal programme is supported by the Council's Strategic Property Services.

6.3.2 The report seeks approval for the Council's housing development programme to have first call on surplus to requirement general fund sites, rather than these sites being placed on the market. If suitable opportunities are identified, via the Council's property reviews, then it is proposed that these sites are appropriated to the HRA based on an open market valuation (OMV) recognising the proposed affordable housing mix and community/social benefits that the Council's development will bring.

6.3.3 Where the OMV is less than what could be achieved if it were based on a typical planning compliant scheme (e.g. proposed scheme delivers a higher proportion of affordable housing or more community/social benefit than is required by planning policy), it is proposed to appropriate the site at the lower OMV to the HRA.

6.3.4 Projects on Council owned land, strategic sites with partners or new acquisitions will need to be identified in the programme and will require feasibility work to be undertaken to better understand the local context, development constraints and viability. In particular, due diligence will need to be undertaken, including but not limited to the following key property risks:

- Town Planning opportunities and constraints
- Title report and potential encumbrances including rights of way, easements, wayleaves and any other rights granted to leaseholders and third parties on land affected by the development proposals.
- Land assembly, appropriation and Compulsory purchase (as a last resort if land and interests cannot be acquired by agreement).
- Highways capacity (on and off-street provision)
- Utility Services and infrastructure (location, capacity and diversion/relocation)
- Impact on Public Realm and amenity space
- Holding costs pending start on site and redevelopment.

6.3.5 Decanting and re-provision arrangements for existing residents may be required depending upon the quantum, scale and type of proposal on each PL 19/173 C Part 1..

estate which may involve additional land assembly, relocation and re-provision costs which should be fully considered at the viability stage.

6.3.6 Any legal agreements that are progressed as part of the development delivery programme outlined in this report must be granted in accordance with the Council's constitution including its Property Procedure Rules and Contract Procedure Rules and with advice from Legal Services.

6.3.7 The valuation of the land interest in order to be determine the disposal or acquisition of land or an interest should be obtained from a Registered Valuer in accordance with the Royal Institution of Chartered Surveyors guidance.

6.3.8 Further property implications will need to be considered on a project by project basis in terms of method of sale proposed (particularly if shared ownership or outright sale of developed units is proposed), joint venture agreements or direct development.

7. KEY RISKS

The key risks are set out in Appendix 2.

A risk register will be created for each project to capture the key risks and the measures to mitigate the impact will be considered as part of the project management arrangements.

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

8.1 **Good homes in well-connected neighbourhoods** This programme will increase the supply of a range of housing tenures including affordable housing and create thriving neighbourhoods and places

8.2 **Sustain strong and healthy communities** Developing and sustaining good quality housing in areas where people desire to live will help to create and maintain strong sustainable communities and increase the portfolio of stock it has to discharge its statutory housing responsibility to households that live in the borough.

8.3 **Build our local economy to create a thriving place** Support residents to take more responsibility to increase the local economy and improve their communities by more active engagement in project delivery.

9. EQUALITIES IMPACT IMPLICATIONS

All affordable housing schemes proposed within this report either have been or will be subject to Equalities Impact Assessments. However, providing good quality, affordable housing within the Borough is targeted at those most in need of a home and least able to afford property on the open market.

10. PERFORMANCE AND DATA IMPLICATIONS

10.1 The proposals contained in this report will increase the portfolio of stock that is available to assist the Council to discharge its statutory housing obligations i.e. decanting of households directly affected by the Councils regeneration proposals and supporting those in need of temporary accommodation.

10.2 The delivery of housing within the schemes will be subject to strict performance management to ensure that timelines are adhered to and ability to retain RTB receipts maximised.

11. HEALTH AND SAFETY IMPLICATIONS

All properties owned and rented by Enfield and RP partners are subject to rigorous health and safety checks as a matter of course. The proposed fire safety programme is supported as a means of tackling various fire safety concerns that have been raised in Fire Risk Assessments completed on the blocks in recent years. The safety benefits and learning experiences from the project will be valuable and shared with the London Fire Brigade to continue our good working relationship.

12. HR IMPLICATIONS

Additional resources will be required to deliver programme included within this Cabinet report, funding coming from the HRA Business Plan. A capacity study of the Development & Estate regeneration team to ensure they have the skills and resources to deliver the ambitious housebuilding programme has commenced.

13. PUBLIC HEALTH IMPLICATIONS

The provision of safe, clean affordable housing has a clear connection to individuals' health and wellbeing. Providing new affordable housing on the scale proposed in this report will have a positive impact on health outcomes.

Background Papers

None

Project title	Total Affordable Homes	Social Rent	London/ Enfield Affordable Rent	Shared Ownership/ Intermediate Rent	Open Market units	All Homes (Starting on Site)									
						2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Direct Delivery Sites - Council owned sites															
Gatward Green	12	0	12	0	0	12	0	0	0	0	0	0	0	0	0
Newstead House	22	0	22	0	0	22	0	0	0	0	0	0	0	0	0
Bury Street West	25	0	25	0	25	50	0	0	0	0	0	0	0	0	0
John Wilkes House	25	0	25	0	0	0	0	0	0	25	0	0	0	0	0
Highview Gardens	27	0	19	8	0	0	0	8	19	0	0	0	0	0	0
Roman Way	30	0	30	0	40	0	0	0	70	0	0	0	0	0	0
263 Bullsmoor Lane (subject to contract)	32	0	19	13	0	0	32	0	0	0	0	0	0	0	0
Small sites 4	50	0	35	15	0	0	0	0	50	0	0	0	0	0	0
Dendridge Close	52	0	40	12	0	0	0	52	0	0	0	0	0	0	0
Kempe Hall/Mason Rd	65	0	59	6	0	0	0	65	0	0	0	0	0	0	0
Upton & Raynham/Beck House Redevelopment	127	0	87	40	47	0	174	0	0	0	0	0	0	0	0
Joyce and Snell's Estate Regeneration - Additional	673	0	523	150	192	0	0	0	133	55	140	18	239	198	82
Joyce and Snell's Estate Regeneration - Reprovision	394	394	0	0	0	0	0	0	95	30	70	0	51	50	98
Direct Delivery Sites - Council owned rooftops															
Dowland House - Garages	20	0	20	0	0	0	0	0	20	0	0	0	0	0	0
Exeter Road - Garages	25	0	25	0	0	0	0	25	0	0	0	0	0	0	0
803-859 Great Cambridge Road	33	0	33	0	0	0	0	33	0	0	0	0	0	0	0
Dowland House	45	0	45	0	0	0	0	45	0	0	0	0	0	0	0
Exeter Road - Rooftops	50	0	50	0	0	0	50	0	0	0	0	0	0	0	0
Caradac Evans Close, New Southgate	17	0	17	0	0	0	17	0	0	0	0	0	0	0	0
Exeter Road - Scrubland	50	0	50	0	0	0	0	50	0	0	0	0	0	0	0
Direct Delivery Total	1,774	394	1,136	244	304	84	273	233	362	155	235	18	290	248	180
Street Property Acquisitions															
Street Property - Market to Affordable Housing	80	0	80	0	0	80	0	0	0	0	0	0	0	0	0
Street Property Acquisitions Total	80	0	80	0	0	80	0								
Strategic Acquisitions & Future Supply															
Electric Quarter (off shelf purchase)	75	0	47	28	0	75	0	0	0	0	0	0	0	0	0
Alma Regeneration Scheme Phases 2a and 4	66	0	21	45	0	0	66	0	0	0	0	0	0	0	0
Alma Regeneration Scheme- Additional AR S106	60	0	60	0	0	0	0	0	60	0	0	0	0	0	0
New Avenue - additional units	20	0	20	0	0	20	0	0	0	0	0	0	0	0	0
Ladderswood - New Planning Proposal (stp and stc)	189	0	113	76	0	0	0	0	60	69	60	0	0	0	0
Willoughby Lane (Meridian Water Phase 1)	230	0	230	0	0	0	0	75	0	75	80	0	0	0	0
Future Supply	1,006	360	346	300	0	0	98	99	82	82	160	160	80	100	146
Strategic Acquisitions & Future Supply Total	1,646	360	837	449	0	95	164	174	202	226	300	160	80	100	146
10 Year Development Programme Total	3,500	754	2,053	693	304	259	437	407	564	381	535	178	370	348	326

Appendix 1 – 10 Year Housing Development Programme Table 1 (1 of 2)

Appendix 1 – 10 Year Housing Development Programme Table 2 (2 of 2)

Project title	Total Affordable Homes	Social Rent	London/ Enfield Affordable Rent	Shared Ownership/ Intermediate Rent	Open Market units	Total Scheme Costs	Total GLA Grant	Total RTB Receipts	Total Headroom	Affordable Housing Income/Receipts	Net Headroom Required for 10 yrs.
Direct Delivery Sites - Council owned sites											
Gatward Green	12	0	12	0	0	3,000,000	420,000	375,000	2,205,000	743,400	1,461,600
Newstead House	22	0	22	0	0	5,500,000	0	1,650,000	3,850,000	1,362,900	2,487,100
Bury Street West	25	0	25	0	25	20,304,000	2,500,000	0	17,804,000	1,548,750	4,580,250
John Wilkes House	25	0	25	0	0	6,250,000	2,500,000	0	3,750,000	1,548,750	2,201,250
Highview Gardens	27	0	19	8	0	6,750,000	224,000	1,425,000	5,101,000	3,017,850	2,083,150
Roman Way	30	0	30	0	40	17,500,000	3,000,000	0	14,500,000	1,858,500	-6,038,500
263 Bullsmoor Lane (subject to contract)	32	0	19	13	0	8,160,000	358,400	1,468,800	6,332,800	4,134,720	2,198,080
Small sites 4	50	0	35	15	0	12,500,000	3,920,000	0	8,580,000	5,619,750	2,960,250
Dendridge Close	52	0	40	12	0	13,000,000	336,000	3,000,000	9,664,000	5,239,200	4,424,800
Kempe Hall/Mason Rd	65	0	59	6	0	16,250,000	6,068,000	0	10,182,000	5,035,650	5,146,350
Upton & Raynham/Beck House Redevelopment	127	0	87	40	47	43,500,000	9,820,000	0	33,680,000	14,593,650	-2,862,650
Joyce and Snell's Estate Regeneration - Additional	673	0	523	150	192	216,250,000	56,500,000	0	159,750,000	66,914,850	92,835,150
Joyce and Snell's Estate Regeneration - Re-provision	394	394	0	0	0	137,900,000	0	0	137,900,000	24,408,300	113,491,700
Direct Delivery Sites - Council owned rooftops											
Dowland House - Garages	20	0	20	0	0	5,000,000	0	1,500,000	3,500,000	1,239,000	2,261,000
Exeter Road - Garages	25	0	25	0	0	6,250,000	0	1,875,000	4,375,000	1,548,750	2,826,250
803-859 Great Cambridge Road	33	0	33	0	0	8,250,000	0	2,475,000	5,775,000	2,044,350	3,730,650
Dowland House	45	0	45	0	0	11,250,000	0	3,375,000	7,875,000	2,787,750	5,087,250
Exeter Road - Rooftops	50	0	50	0	0	12,500,000	0	3,750,000	8,750,000	3,097,500	5,652,500
Caradac Evans Close, New Southgate	17	0	17	0	0	4,250,000	0	1,275,000	2,975,000	1,053,150	1,921,850
Exeter Road - Scrubland	50	0	50	0	0	12,500,000	0	3,750,000	8,750,000	3,097,500	5,652,500
Direct Delivery Total	1,774	394	1,136	244	304	566,864,000	85,646,400	25,918,800	455,298,800	150,894,270	252,100,530
Street Property Acquisitions											
Street Property - Market to Affordable Housing	80	0	80	0	0	20,000,000	0	6,000,000	14,000,000	4,956,000	9,044,000
Street Property Acquisitions Total	80	0	80	0	0	20,000,000	0	6,000,000	14,000,000	4,956,000	9,044,000
Strategic Acquisitions & Future Supply											
Electric Quarter (off shelf purchase)	75	0	47	28	0	26,732,000	3,134,000	2,352,416	21,245,584	9,354,450	11,891,134
Alma Regeneration Scheme Phases 2a and 4	66	0	21	45	0	16,500,000	3,360,000	0	13,140,000	11,655,450	1,484,550
Alma Regeneration Scheme- Additional AR S106	60	0	60	0	0	15,000,000	6,000,000	0	9,000,000	3,717,000	5,283,000
New Avenue - additional units	20	0	20	0	0	15,276,000	11,550,000	0	3,726,000	1,239,000	2,487,000
Ladderswood - New Planning Proposal (stp and stc)	189	0	113	76	0	47,250,000	13,428,000	0	33,822,000	24,487,950	9,334,050
Willoughby Lane (Meridian Water Phase 1)	230	0	230	0	0	55,160,000	16,800,000	0	38,360,000	14,248,500	24,111,500
Future Supply	1,006	360	346	300	0	226,880,800	43,000,000	0	183,880,800	112,766,700	71,114,100
Strategic Acquisitions & Future Supply Total	1,646	360	837	449	0	402,798,800	97,272,000	2,352,416	303,174,384	177,469,050	125,705,334
10 Year Development Programme Total	3,500	754	2,053	693	304	989,662,800	182,918,400	34,271,216	772,473,184	333,319,320	386,849,864

Appendix 2 – Risk Matrix

Item	Stages in development process	Associated risk	Risk Level	Impact on Business Plan and Cashflow	Mitigation
Land risk	Purchase of site/Title and or/Third Party Interests	Site may have unforeseen problems (land assembly, title, leaseholders, third party interests, contamination, archaeological remains etc). The cost of acquiring land – which can often be inflated when there is competition from several developers or purchasers/owners of interest.	High	15-20% of additional cost	Contingency to cover unexpected costs, use of Council Land Appropriation and Compulsory Purchase Powers.
Low level of Funding/Grant risk	Feasibility	Reduction of grant rate and no grant agreed/secured	Medium	impact on debt financing	Schemes are likely to be unviable if grant can't be secured - explore different funding streams i.e. RTB receipts
Purchase and negotiation of section 106 sites	Feasibility/Procurement	over valuation and purchase of section 106 obligated units	Medium	impact on debt financing	We would pay the OMV - if this value wasn't within our hurdle rates, we wouldn't go ahead with purchase
Differential inflation rates	Feasibility/PC	The differential between cost and revenue inflation will vary over time and cannot be wholly predictable.	Medium	impact on debt financing	Model increase in interest rates - this will affect the delivery of 3,500 units and if rates were to increase this number would have to reduce

Item	Stages in development process	Associated risk	Risk Level	Impact on Business Plan and Cashflow	Mitigation
Planning risk	Prior to discussion with local authority; Secure planning permission; meeting detailed planning conditions	Planning permission may not be granted for requested scheme. Time taken to secure permission may be longer than expected and conditions may be problematic which may require additional cost.	High	15-20% of additional cost	If planning problems cause delays, then other schemes may need to be substituted in. Feasibility cost risk
Construction and delivery risk/Development risk	Build	Construction costs may be higher than expected. Delays also add costs.	Medium/High	additional 5% for construction risk.	High risk - have to be very clear with the financial appraisals and costs of the projects that are taken forward, higher build cost will reduce the number of units we will be able to deliver
Sales risk	Marketing	income volatility and housing market may turn down. Units may not sell for expected price or take longer to sell than expected.	Medium/High	2-10% income reduction and additional holding cost	Brexit is high risk and could impact many parts of development including, interest rates, build costs sale prices. properties could be held and let until market conditions improve.

Appendix 2 (2 of 2 pages)

PL 19/173 C Part 1..

Appendix 3 Plan showing Upton & Raynham/Beck House Redevelopment Site

