

**MINUTES OF THE MEETING OF THE CABINET
HELD ON TUESDAY, 28 JANUARY 2020**

COUNCILLORS

PRESENT Nesil Caliskan (Leader of the Council), Ian Barnes (Deputy Leader), Alev Cazimoglu (Cabinet Member for Health and Social Care), Rick Jewell (Cabinet Member for Children's Services), Nneka Keazor (Cabinet Member for Community Safety and Cohesion), Mary Maguire (Cabinet Member for Finance and Procurement), Gina Needs (Cabinet Member for Social Housing), George Sava MBE (Cabinet Member for Licensing and Regulatory Services) and Mahtab Uddin (Cabinet Member for Public Health)

Associate Cabinet Members (Non-Executive and Non-Voting): Mustafa Cetinkaya (Enfield South East), Ahmet Hasan (Enfield North) and Claire Stewart (Enfield West)

ABSENT Guney Dogan (Cabinet Member for Environment and Sustainability),

OFFICERS: Ian Davis (Chief Executive), Tony Theodoulou (Executive Director People), Sarah Cary (Executive Director Place), Claire Johnson (Head of Governance, Scrutiny and Registration Services), Mark Bradbury (Director of Property & Economy), Doug Wilkinson (Director of Environment & Operational Services), Joanne Drew (Director of Housing and Regeneration), Matt Bowmer (Interim Director of Finance) and Andrea De Lucy (Press and New Media Officer) Jacqui Hurst (Secretary)

**1
APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Guney Dogan (Cabinet Member for Environment and Sustainability) and, Jeremy Chambers (Director of Law and Governance).

**2
DECLARATIONS OF INTEREST**

There were no declarations of interest in respect of any item listed on the agenda.

**3
DEPUTATIONS**

There were no deputations to this Cabinet meeting.

4

CAPITAL PROGRAMME MONITOR PERIOD 8 (NOVEMBER) 2019

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Resources (No.176) informing Members of the position up to the end of November 2019 regarding the Council's Capital Programme (2019/20) to 2023/24) considering the latest information for all capital schemes including the funding arrangements.

NOTED

1. The overall expenditure for the approved programme was projected to be £109m for the General Fund, £97m for HRA and a forecast loan drawdown of £8.5m for Enfield Companies for 2019/20.
2. The estimated capital spending plans for 2019/20 to 2023/24 including the proposed arrangements for funding and that the revenue financing costs for the approved 2019/20 to 2022/24 programme were provided for within current budgets.
3. The additions to the Capital Programme as set out in Table 3, section 6 of the report, and referred to in the decisions below, in relation to: Gentlemen's Row; Schools' Future Programme; Flood Alleviation; Southgate Cemetery; Fire Works; Estate Regeneration at Joyce and Snells; and Development Programme.
4. The additions that would be presented to Council for approval in February as part of the 10-year capital programme as set out in recommendation 2.2 of the report and decision 2 below.
5. The information presented within the report regarding budget reprofiling as set out in Table 2 and section 4 of the report. The items of expenditure affected and the reasons for the reprofiling were highlighted and outlined to Members at the meeting.
6. That section 5 of the report provided an overview of the key outputs from the 2019/20 capital programme. The detailed information outlined in the report was highlighted to Members. In relation to the Montagu Industrial Estate, it was noted that a separate report on this redevelopment was being presented to Members this evening for approval (Report No.177, Minute No.6 below referred). Members were pleased to note that the construction of the new office building for Metaswitch at Genotin Road was progressing on budget and on time with an expected completion in late Autumn 2020 (paragraph 5.4.17 of the report referred). Members noted the forecasts for Energetik as set out in section 5 of the report.

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7. The proposed reduction to the capital programme and the reason for the reduction, as set out in section 7, table 4 of the report in relation to Genotin Road.
8. The information relating to the Housing Revenue Account (HRA) capital programme as set out in section 9 of the report including major and minor works; estate renewals and development.
9. That Appendix A to the report set out the approved capital programme.
10. In response to questions raised regarding the availability and marketing of burial plots at Edmonton Cemetery, Officers present outlined the current situation and undertook to advise Councillor Sawwa directly of the further detailed information he had requested in relation to waiting lists. Members noted the income generation opportunities to the Council in relation to both Edmonton and Southgate cemeteries.

Alternative Options Considered: NOTED, that no alternative options had been considered.

DECISION: The Cabinet agreed to recommend to Council that:

1. The additions to the Capital Programme as set out in Table 3, section 7 of the report be approved.
2. To note that the following additions would be presented to Council for approval as part of the 10-year capital programme:
 - i. £7.128m growth in Education services grant allocation for the year due to recognition of basic need funding from central government.
 - ii. £0.241m additional grant from the GLA and Environment Agency to support Flood Alleviation projects.
 - iii. £0.057m Gentleman's Row redecoration works.
 - iv. £0.210m additional vaulted chambers Southgate Cemetery
 - v. £0.450m Edmonton cemetery
 - vi. £352.329m HRA
3. To note the revised five-year approved programme totalling £1,321m as set out in Appendix A of the report.
4. To agree the proposed reductions of £2.925m set out in table 4, section 8 of the report.

Reason: To update the programme for additions and deletions since the quarter two monitoring report to Cabinet in November 2019 and to inform Members of the current forecast outturn for 2019/20 and the outputs from the capital investment.

(Key decision – reference number 5078)

5

CORPORATE CONDITION PROGRAMME 2020/21

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Place (No.175) presenting the 2020/21 Corporate Condition Programme.

NOTED

1. That the Corporate Condition Programme (CCP) addressed major repair works to the corporate property portfolio; it did not include schools or housing maintenance. The CCP works were prioritised on condition survey information, as detailed in the report.
2. That approval was being sought to increase the allocation from £1.5m to £2.5m from 2020/21 to address the current estimated total backlog for capital condition works on corporate properties of £18m.
3. That the £2.5m capital budget for this programme would be wholly funded from borrowing, as detailed in the financial implications of the report.
4. The responsibilities to be met by the Council as corporate landlord, as set out in the report, in relation to its corporate buildings.
5. That Appendix A to the report set out the proposed list of CCP projects for the 2020/21 allocation of £2.5m. Examples of specific work being carried out as part of this programme were outlined to Members.
6. In response to a question raised regarding the current backlog of maintenance work, it was explained that the increase in the budget was required in order to address the issues highlighted through audit and condition surveys of the properties concerned.

Alternative Options Considered: Do nothing – not sustainable given the current estimated total backlog for capital condition works on corporate properties was £18m.

DECISION: The Cabinet agreed to

1. Approve the allocation of £2.5m for the 2020/21 Corporate Condition Programme (CCP), in line with the Council Capital Strategy 2020/21.
2. Delegate authority to the Cabinet Member for Finance and Procurement to approve variations within the Corporate Condition Programme (CCP) allocation for 2020/21.

Reason: The increase of the CCP annual allocation to £2.5m would allow the outstanding backlog maintenance of £18m to be gradually decreased. The backlog maintenance sum had built up over several years. Capital investment

in condition was required for buildings, their structure, engineering services and hard landscaped surroundings necessary to retain them, or help restore them, to an acceptable condition. These measures were required to enable their continued function, preserve value, integrity, and to meet the continued expectations of the occupier.

(Key decision – reference number 5004)

6

REDEVELOPMENT OF THE MONTAGU INDUSTRIAL ESTATE

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Executive Director – Place (No.177) regarding the redevelopment of the Montagu Industrial Estate.

NOTED

1. That Appendix 1 contained exempt information and was attached to the part two agenda (Minute No.13 below referred).
2. That in September 2016, the previous Cabinet had approved the redevelopment of the Montagu Industrial Estate, as set out in paragraph 1.2 of the report. The Cabinet had also approved the use of the Council's property at the Estate as an equity stake in a joint venture to be set up with a specialist developer, as detailed in paragraph 1.3 of the report. The Joint Venture development partner was Henry Boot Developments. The Joint Venture structure provided that the Council puts in its land and acquires the additional land ownerships and Henry Boot fund the redevelopment, as explained in the report.
3. That this report requested authority to continue with the redevelopment of the Estate with the Joint Venture investing £94m (with the Council contribution being £47m) into Edmonton Green and Enfield's industrial heartland. The scheme would deliver an employment hub that encouraged economic growth and significant local employment of an anticipated increase of approximately 630 jobs in the area. The redevelopment would also increase income for the Council, reversing the current decline in income associated with the outdated property. There was a need for modern buildings that met legislative requirements and were energy efficient. The proposals supported the Council's climate change priorities.
4. That planning permission had been granted for Phase 1 of the redevelopment with a start on site expected in Spring 2020, as set out in the report.
5. That the report requested an increase in capital expenditure and demonstrated the financial case for the overall scheme.

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6. That a further report would be presented to Cabinet in due course to seek specific authorisation for the making of a Compulsory Purchase Order (CPO) to enable the redevelopment.
7. Members endorsed the proposals and welcomed the investment in this part of the Borough which would support the strategic industrial land in the area and result in job creation and, increased rental income opportunities for the Council. A lack of such investment would result in a continued decline in rental income and a negative impact on the Council's business rate revenue.
8. The negative impact that the decline of the Estate had had on the local area and welcomed the business and job opportunities that the investment would support.
9. In response to questions raised, Members were advised of the active support that would be provided to any displaced businesses affected by the redevelopment. In addition, reassurances were given that the procurement process would include an obligation to comply with the terms and conditions of the UNITE construction charter; promote the use of local businesses through the Build Enfield Portal and ensure that the aims of the Council's Modern Slavery Charter were adhered to with no exploitation of individuals being tolerated.
10. Members were reassured that the members on the Joint Venture Partnership (Cllrs Tolga Aramaz and Ergin Erbil) and the Upper Edmonton Ward Councillors (Cllrs Kate Anolue, Huseyin Akpinar and Mahtab Uddin) were aware of the proposals. Local businesses and the community were supportive.

Alternative Options Considered: NOTED, the detailed alternative options that had been considered as set out in section 8 of the report including: sell now; do nothing; council redevelops estate without joint venture; redevelop the site with our partner and then sell.

DECISION: The Cabinet agreed to

1. Approve proceeding with the redevelopment of the Montagu Industrial Estate, in Joint Venture with Henry Boot Developments, as described in the report.
2. Delegate authority to the Director of Property and Economy to undertake any associated procurement (expected to be limited), and in consultation with the Director of Law and Governance authority to agree any ancillary agreements and non-material amendments required to support the Joint Venture.
3. Note that a subsequent Cabinet report would follow to authorise the making of a Compulsory Purchase Order (CPO) to support the redevelopment.

4. Approve the Business plan and Master Plan as detailed in the confidential Appendix 1 to the report, as detailed in Minute No.13 below.
5. Recommend to Council the approval for an additional £33.36 million added to the approved capital programme, to be used for land acquisition and enabling costs for all phases of development, including applicable compensation for affected interests.
6. Approve the funding of “off-site” purchases of commercial property to relocate businesses within the red line boundary where it was commercially viable to do so within the constraints of the budget.
7. Note that following the further Cabinet report seeking authority to authorise the making of a CPO, delegated authority would be sought for the Executive Director – Place, in consultation with the Director of Law and Governance, the power to affect the making, confirming and implementation of the CPO and to take all necessary steps to give effect to the CPO in respect of the Order Land.

Reason: NOTED, the detailed reasons for the recommendations as set out in section 9 of the report.

(Key decision – reference number 4876)

7

BUSINESS CASE FOR CAPITAL FUNDING FOR HIGHWAYS, STREET SCENE AND PARKS INFRASTRUCTURE 2020/21

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – Place (No.178) setting out the business case for capital funding for Highways, Street Scene and Parks Infrastructure 2020/21 to 2029/30.

NOTED

1. That approval was being sought for the business case and a sustained level of funding up to 2029/30; and, the capital budgets for 2020/21 as detailed in the report and outlined in the decisions below. The areas of expenditure included highways and street scene; match funding for flood risk managements projects; bridge renewal projects; play areas and other infrastructure in parks; and alley gating. Members noted the detailed information provided within the report in support of the proposals.
2. That the allocations indicated within the report would be included within the Council’s 10-year Capital Strategy and Capital Programme 2020/21 to 2029/30.

3. That the proposals supported the Council's priorities. Members noted the positive impact of alley-gating projects in tackling crime. The investment in the Borough's parks was welcomed and would be communicated to the Friends of Parks Groups supported by the Associate Cabinet Members.

Alternative Options Considered: NOTED, that it was recognised that the level of funding required exceeded the level of funding available taking into account the many other pressures and priorities for the Council. Alternative levels of funding would allow programmes to be progressed at different rates with corresponding implications on the maintenance backlog. Like all authorities, Enfield therefore deploys a combination of asset management techniques to deal with this scenario, including reactive and programmed treatments and, in the worst case scenario, closure/decommissioning.

DECISION: The Cabinet agreed to

1. Approve the business case for a sustained level of capital funding on an annual basis as shown in the report for:
 - Match funding for flood risk management projects
 - Bridge renewal projects
 - Play areas and other infrastructure (paths and fences) in Parks
 - Alley-gating
2. Approve the 2020/21 capital budgets below and for their inclusion in the Capital report to Council:
 - £6.45million for highways and street scene
 - £250k for match funding for flood risk management projects
 - £200k for bridge renewal projects
 - £200k for play areas and paths in Parks
 - £80k for alley-gating
3. Delegate authority to the Cabinet Member for Environment and Sustainability to approve programmes and schemes within the approved capital allocations for 2020/21 and future years.

Reason: Confirmation of the capital budgets identified within the report would allow the Council to continue with its programme of maintaining the condition of assets in a serviceable condition through a range of asset management techniques, thereby supporting the Council's ability to comply with legal obligations and codes of practice.

(Key decision – reference number 5044)

8

HOUSING REVENUE ACCOUNT 30 YEAR BUSINESS PLAN 2020

Councillor Nesil Caliskan (Leader of the Council) introduced the report of the Executive Director – Place (No.174) setting out a revised HRA 30-year Business Plan.

NOTED

1. That the Business Plan aligned to the Housing and Growth Strategy which had been approved by the Cabinet at its meeting on 22 January 2020. It addressed the investment required to improve the quality, and to ensure the safety of, existing council homes as well as the delivery of new homes and regenerated places.
2. This was a 30-year plan which required annual investment. Members noted the approvals being sought as summarised in section 1.3 of the report and reflected in the decisions below. The business plan incorporated the opportunity to fund an extensive programme of new development and regeneration totalling up to 3,500 new affordable council homes over the 10 years from 2020-2030 and to deliver service transformation to improve the quality of services.
3. The information detailed in section 6 of the report regarding the delivery of new Council homes and regeneration, including the Joyce and Snells regeneration project. The ambitious programme was likely to incorporate a mix of affordable housing tenures, including Social Rent, London Affordable Rent, London Living Rent and Shared Ownership.
4. The financial implications detailed in section 10 of the report. In October 2018 the Government had announced the removal of the HRA debt cap which had given Council Housing the ability to increase borrowing to develop more affordable homes. All borrowing requirements would remain within the Council's financial metrics and in line with the General Fund prudential indicators and treasury management strategy.
5. The intention to dispose of properties (when they became vacant) which had high maintenance costs, did not meet resident needs or which best supported the wider regeneration programme of delivering new homes, as set out in paragraph 6.3 of the report. These disposals would generate income.
6. The benefits to residents of the investment in existing housing stock and the works that would be included improving standards. The investment would also support the Council's climate change priorities. Consultation would continue with residents and through Customer Voice and the Housing Advisory Board.
7. That the Business Plan was ambitious and its aims and objectives were reiterated and discussed by Members. The development proposals would include a variety of projects as detailed in the report. Developments would provide a range and variety of housing solutions for example, larger family homes that may not otherwise be provided by the market, an inter-generational housing model and a pilot scheme embedding energy efficiency standards.

Alternative Options Considered: The Council could seek to change the emphasis of investment for example a greater focus on existing stock investment rather than new build but this would have a negative effect on the business plan and would reduce the Council's ability to meet the overcrowding needs of existing tenants as well as residents on the Housing Needs Register.

DECISION: The Cabinet agreed

1. The revised HRA Business Plan and supporting Investment Framework comprising the financial metrics on which the Council would ensure sustainability as it develops further proposals including updated borrowing requirement from £315m to £656m over the next 10 years.
2. Delivery of the 10-year capital programme as shown in Appendix A of the report and to agree that arising from this programme the Executive Director – Place and Director of Housing and Regeneration would be authorised the award of the contracts included in the five-year capital programme.
3. An income target of £1m per annum to dispose of properties at void stage which had high maintenance costs, which did not meet resident needs or which best support the wider regeneration programme of delivering new homes.
4. To note the 10-year HRA Capital Programme budget would come forward as part of the Council's 10-year Capital Programme recommended to Council in February 2020.
5. To note the assumed rent policy as set out in paragraph 7 of the report which provided for a rent increase in April 2020 of 2.7%. Cabinet approval would be sought in the Rent Setting report in February 2020 which would then be subject to recommendation to Council.
6. Delegate to the Director of Housing and Regeneration in consultation with the Cabinet Member for Social Housing decisions in regard to the recovery of costs from leaseholders, for building safety measures in line with guidance and that Government should be lobbied to meet any costs associated with leaseholder contributions that fall to the HRA and that were not recharged.
7. To continue to support the work of the GLA in seeking to enhance Council's capacity to expand further the delivery of Council homes in the 2022 Building Council Homes for Londoners programme. To note that the Business Plan did not pre-empt and provide for funding for future Building Safety requirements arising from new legislation and any enhancements arising from the Social Housing White paper including a potential Decent Homes 2 standard and that Government should be lobbied to provide funding for these costs.

8. To introduce from 1 April 2021 de-pooled and re-apportioned services charges after consultation with residents and the Cabinet Member for Social Housing.

Reason: The announcement from Government to remove the HRA debt cap enabled councils to deliver more affordable homes and the opportunity to review the condition of its existing stock and fire safety compliance. The report outlined its review of the HRA business plan and borrowing requirements and approval of projects and programmes that would help deliver the priorities in the emerging Housing Strategy.

(Key decision – reference number 4969)

9

WHOLLY OWNED TRADING COMPANIES - ANNUAL ACCOUNTS

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Director of Law and Governance (No.172) summarising the content of the filed annual accounts for the Council's wholly-owned trading companies.

NOTED

1. That Report No.173 also referred as detailed in Minute No.13 below.
2. That the report summarised the content of the filed annual accounts for the Council's wholly-owned trading companies: Housing Gateway Ltd. (HGL); Enfield Innovations Ltd. (IWE); Independence and Wellbeing Ltd. (IWE) and Energetik.
3. That the financial statements were in line with expectations given the variant company business models and points in the company life, as detailed in the report.
4. The recommendations regarding appointment of external auditors as set out in the report and detailed in the decisions below.
5. The decision which had been approved at the Cabinet meeting held on 22 January 2020 regarding the future of Independence and Wellbeing Enfield.

Alternative Options Considered: NOTED, that there was no alternative in respect of the annual accounts, as set out in section 4 of the report. The alternative options considered with regard to the auditor appointments were detailed in section 4 of the report.

DECISION: The Cabinet agreed to

1. Note the contents of the published audited accounts for the Council's four wholly owned trading companies.

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2. Approve under shareholder reserve powers the recommendation of the EIL Board to appoint Geo, Little, Sebire and Co. as the company's auditor for the accounting period ending 31 March 2020.
3. Delegate authority to the Portfolio Holder for Finance and Procurement to appoint under shareholder reserve powers the auditors for Housing Gateway and Energetik following a procurement process to be conducted by each company.

Reason: To ensure effective oversight and challenge where appropriate for Council-owned companies and ensure they continue to contribute to the achievement of the Council's strategic objectives.

(Key decision – reference number 5013)

10

CABINET AGENDA PLANNING - FUTURE ITEMS

NOTED, the provisional list of items scheduled for future Cabinet meetings.

11

DATE OF NEXT MEETING

NOTED, that the next meeting of the Cabinet was scheduled to take place on Wednesday 12 February 2020.

12

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the items of business listed on part two of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

13

REDEVELOPMENT OF THE MONTAGU INDUSTRIAL ESTATE

NOTED, the confidential appendix to Report No.177, Minute No.6 above refers.

14

WHOLLY OWNED TRADING COMPANIES - ANNUAL ACCOUNTS

Councillor Mary Maguire (Cabinet Member for Finance and Procurement) introduced the report of the Director of Law and Governance (No.173).

NOTED that Report No.172 also referred as detailed in Minute No.9 above.

Alternative Options Considered: NOTED, that there were no alternative options in respect of the annual accounts.

DECISION: The Cabinet agreed to note the contents of the audited profit and loss accounts for Housing Gateway Ltd, Enfield Innovations Ltd. and Energetik.

Reason: To ensure effective oversight and challenge where appropriate for Council-owned companies and ensure they continue to contribute to the achievement of the Council's strategic objectives.

(Key decision – reference number 5013)