

Meridian Water Scrutiny Report Response: Points of Accuracy

The Meridian Water Scrutiny report contains a number of factual inaccuracies and some of the assertions made are not based upon evidence, this document therefore corrects the errors and provides clarity where statements are misleading.

Forward:

A change in GLA policy has enabled the Council to take a new path, as the master developer for Meridian Water

It was not to do with GLA policy but rather a decision on the part of the administration.

And while work has started on phase 1 of Meridian Water, currently, because of London wide policy, specifically on Strategic Industrial Land, a limit of 5,000 homes and 1,500 new jobs has been set.

The ELAAP states that this is the number of homes and jobs that will have been delivered by the end of the 12 year ELAAP period which does not cover the 25 year duration of the project.

Executive Summary:

Private investors (including those from overseas) have been identified as beneficiaries of the scheme and as a result, a good proportion of the planned housing and jobs will be out of reach of many local people

Private investors (whether UK or overseas) are not identified by the Council as beneficiaries of the scheme.

Uncertainties surrounding the development, will impact upon the Council's finances and are a risk to its financial resilience

The Meridian Water financial model approved by Cabinet demonstrates that the project delivers a positive return on investment for the Council – so the overall impact will be positive.

Sensitivity testing on important scenarios, that could jeopardise the outcome of the project do not yet appear to have been undertaken within available financial models.

Sensitivity testing designed and approved by the Finance Team has been carried out and presented to Cabinet.

London Affordable Rent (LAR) levels, combined with the housing benefit cap excluding certain households from renting a home at Meridian Water, are out of reach for most households.

Our analysis indicates that LAR levels are below housing benefit caps for all unit sizes therefore will be affordable to those eligible for social housing.

There is evidential risk that the redevelopment may result in fewer jobs for local people

The Employment Strategy clearly targets an increase in jobs with local people the principal target.

Planning Panels were not held for Phases 1 or 2 of the development, whilst plans for Phase 2 were agreed without public engagement

We carried out public consultation in relation to both the Phase 1 and Phase 2 planning applications. Events were held in a nearby community centre and were well attended by local people and councillors.

Introduction :

End 1.3 - phase 2, which is for a further 2,300 homes is currently out for tender

This is not correct. Meridian Two, which will provide 270 homes at 100% affordable, has been out to tender and we are finalising contractual terms. The rest of Phase 2 will be tendered in sub-phases over the next few years

Section 2 :

2.1.1. A lack of up-to-date evidence means that Enfield's housing needs have not been clearly identified and documented. For example, the Strategic Housing Market Assessment has not been updated for five years....

The Strategic Housing Market Assessment is currently being finalised and is being used to inform masterplanning at Meridian Water.

2.1.2. There remains some serious knowledge gaps, for example we do not know:

- The number and size of affordable homes needed in Enfield to meet current demand (i.e. the backlog).
- The predicted number and type of additional affordable homes needed to meet new demand over the next 5-15 years.
- The household income distribution of key groups (e.g. the household income of those currently in the private rented sector or those living near Meridian Water).

- The ability for households, particularly those in the private rented sector, to meet the deposit requirements for the various ownership options.

This is all addressed within the Strategic Housing Market Assessment.

2.1.10. Other evidence from published ward profiles shows that (Appendix A2.3):

- Upper Edmonton and Edmonton Green wards are among the 10% most deprived wards in England whilst Haselbury and Lower Edmonton among the 20% most deprived.
- Over 25% of households in these wards have an annual income of £15,000. The target house prices at Meridian Water are 30 times this figure.

London Affordable Rented homes and London Living Rented homes will be affordable for those on low incomes. There will be over 3,000 of these homes at Meridian Water.

- Over 65% of the residents in these four wards of working age have an education level of NVQ3 or below. As things stand most of the jobs at Meridian Water will be pitched well above this level making them out of reach for many Enfield residents

There will be a range of job levels offered at Meridian Water. However, the Council does want Meridian Water to provide jobs that pay higher salaries to support people out of deprivation. Training programmes will be offered on site to provide local people with new skills, as well as off-site working with schools and colleges.

2.1.12. Population projections: Population projections for Enfield are unclear and appear to be inconsistent. Estimates for the next 10-20 years need to be fully understood in order to properly plan housing delivery, school places needed, medical needs, GP demands and so on

Planning for schools, GPs etc in Meridian Water should be based on the population growth anticipated at Meridian Water and Edmonton – the scheme cannot accommodate health and education requirements due to population growth across the Borough, that must be provided locally within each Ward.

2.1.19. Multiple property purchases: Existing contractual provisions permit property investors to purchase up to two properties on council-owned land in Meridian Water. This will limit the number of homes available for local residents and help drive up house prices

The limit of 2 purchases per person will reduce the amount of buy to let landlords purchasing at Meridian Water not increase it, hence it will increase the amount of homes available for local owner occupier residents.

2.2.5. Increased PWLB interest rate: The Public Works Loan Board interest rate was increased by 1% in October 2019. Any such increases will have a serious detrimental impact on the level of the Council's debt payments

There are other sources of funding available to the Council at interest rates which are cheaper than PWLB. The Finance Team are producing a funding strategy taking this into account. This is not a Meridian Water specific issue, although the interest rates assumed in the Meridian Water financial model prudently exceed the current PWLB rates to ensure the risk is minimised

2.2.7. Meanwhile use: Revenue is not a given and carries significant risks

Long term meanwhile leases are being granted therefore the risks are reducing.

2.2.9. Uncertain house prices: The impact of the downturn in the current economic situation may impact on house prices and revenue streams expected from the development

The financial model takes a prudent approach to house price inflation and reflects the fact that the market is cyclical and is sometimes in recession, sometimes in boom. Whilst the current situation may be indicating house price inflation will be low or neutral, the longer-term expectations remain as they always were.

2.2.10. Overseas investors: Despite the Council's declared comments, as things stand, the development appears to be also dependent on sales to overseas investors

Sales of individual properties to overseas investors is not acceptable at Meridian Water and was one of the main reasons why the current administration decided not to appoint a single developer for the whole of Meridian Water.

2.2.11. Mixed communities: The development requires a clear separation of affordable and private units to maximise revenue compromising the objectives of creating mixed communities

The development does not require and will not allow a clear separation of affordable and private homes. The scheme will be designed to create mixed and diverse, tenure blind communities.

2.2.12. Public land sell-off: The development will lead to further sell-off of public land which is already in short supply and as a public asset needs to be secured for future generations. Research shows increased need for local authorities to sell assets to balance books and Enfield is not immune to this

None of the Meridian Water land was owned by the Council until the Council begun buying land to unlock new homes and jobs. The land will be leased to partners, we will not be selling off all the freeholds.

2.2.13. Construction timescales: There is a risk to the timing for delivery of particular tenure types by the Council and its partners due to market saturation

The masterplan, phasing plan and financial model have all taken prudent market absorption rates into account when establishing the timescales for delivery. Mixing tenures between market sales, market rents and affordable units is designed to alleviate conflict whilst allowing continued delivery.

2.2.19. Meridian Water Station Costs: Only verbal confirmation have been received that all is within budget and schedule

The Meridian Water station was delivered by the Council on time and on budget in June 2019.

2.2.23High reliance on these contributions may be perceived as influencing planning decisions related to undesirable developments across the borough in order to maximise CIL

The Community Infrastructure Levy (CIL) collected across the Borough is no longer just invested in Meridian Water. The Meridian Water financial model is not reliant on CIL contributions.

2.3.6. Council documents indicate that the initial target market for the homes will predominantly be investors.....

None of the individual market sale homes will be targeted at investors.

2.3.13. The Workstream thinks the level of affordable housing at Meridian Water on public land should closely reflect the ambition of local residents

The level of London Affordable Rented homes being delivered at Meridian Water is well in excess of the number of people in Edmonton on the social housing waiting list.

2.3.17. Intermediate rents, at 80% open market rents, are unaffordable to a vast majority of Enfield residents including key workers (see Appendix A2.5). The estimated number of households that could benefit from this level of rent has not yet been quantified

Intermediate rents at 80% of open market rents are not being offered at Meridian Water.

2.4.3The Workstream felt this was of particular concern given plans for other existing private landowners to build homes at the site, whereby the Council would have less control over the housing mix and tenure of these homes

The Council will have control through the planning system requiring 3rd party landowners to adhere to planning policy.

2.4.5. Loneliness: The Workstream are aware of the increasing concerns about the negative impacts of loneliness on health and social care, which have been further heightened by experiences of lockdown. In this context, the Workstream questioned whether it was appropriate or desirable for the scheme to be dominated by 1 bed units

Meridian Water is targeting 30% 1-bed homes leaving 70% of the units being larger. Furthermore 1-bed homes are generally occupied by two people. Community cohesion and addressing loneliness is a top priority; residential blocks can achieve these aims by including shared amenity facilities. For example, the Build to Rent and co-living blocks delivered in the early stages of Meridian Water will all include shared amenities.

2.4.8. The Workstream has raised questions about the population density currently proposed and remains concerned. Meridian Water will be 3-5 times more densely populated than neighbouring wards or indeed other town areas of Enfield (see table 2)

The neighbouring wards although urban in nature in some areas, achieve low public transport accessibility ratings and lower levels of accessible quality green space. The ambition for Meridian Water is a higher density environment with significant improvements in transport, accessible and quality greenspaces and strong socio-economic infrastructure foundations for opportunities and growth.

2.4.17. LBE Open Space and Sports Assessment update (2011) suggests 2.37 Ha/1000 residents as a target for parklands and open space (19). However, in order to meet this requirement Meridian Water would need 62.5 Ha of parkland and public open space, but as things stand just around around 8 Ha is being proposed, which is well short

30% of Meridian Water will be provided as green open space which is considered best practice for a major development in London.

2.4.23. Enfield Council has conceded to the Mayor's request for SIL designation and adopted the Edmonton Leaside Area Action Plan (ELAAP) on 29 January 2020 by limiting the number of homes on the development to 5,000, contrary to the stated aims of 10,000 new homes

The ELAAP, which originated under previous administration, only covers the first 12 years of development, during which time 5,000 homes are expected to be delivered, the balance will be delivered over the remainder of the Meridian Water programme.