

## London Borough of Enfield

### Cabinet

Meeting Date 14th October 2020

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**Subject:** Upton and Raynham Redevelopment

**Cabinet Member:** Councillor Nesil Caliskan

**Key Decision:** KD 5217

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### Purpose of Report

- 1 This report follows on from the Maximising Council Direct Development Delivery cabinet report (KD 4998) dated 12 February 2020 and seeks authority to approve the expenditure of a development budget of £40.35m, in addition to the previously approved £2.5m for acquisitions. Approval of this decision will allow progress on the delivery of the Upton and Raynham redevelopment scheme, as part of the Council's Building Council Homes for Londoners programme.
- 2 Assembly of the site is progressing, and negotiations are underway. The Council currently has arrangements in place with Riverside Housing Association on 13-47 Beck House where it uses the accommodation (11 units) for temporary housing. This will continue to be provision for emergency housing needs until redevelopment commences.
- 3 If the Council acquires 13-47 Beck House, it has the flexibility to use the existing accommodation for temporary housing in the short term. If the wider development becomes unviable and the demolition and newbuild is not achievable within timescales, the investment decision to acquire this property still offers savings over the Council leasing from a Housing Association, as is the current arrangement with Beck House.
- 4 The design proposals for Upton and Raynham are at Concept Design stage (RIBA Stage 2). The design and planning proposals will be prepared in consultation with the community. It is anticipated that an application will be submitted by next year at the latest with the selection and appointment of a contractor to build out an approved scheme. Therefore, this report also seeks to delegate authority to the Director of Housing and Regeneration, in consultation with the Executive Director for Resources to make investment decisions regarding the award of contracts necessary to progress the scheme.

## **Proposal(s)**

- 5 Approve the allocation of £40.35m from the HRA to fund the development of 150 residential units for the Upton & Raynham scheme as per paragraphs 3-7 of Appendix 3. The 12<sup>th</sup> February 2020 Cabinet report approved an overall budget envelope for the development programme. Each proposed scheme will require a report to approve the budget and scheme. A total budget of £43.5m from the HRA capital programme was identified in the 30-year Business Plan (KD 4969) which Cabinet agreed on 28th January 2020, to fund the development, land purchases and private treaty negotiations associated with the scheme.
- 6 Note that the 150 residential units and 2 commercial units that the scheme will provide represents a reduction from the 174 units that the £43.5m allocation, within the HRA Business Plan, was originally intended to provide.
- 7 This report also seeks to delegate authority to the Director of Housing and Regeneration in consultation with the Executive Director for Resources, for the award of construction work contracts for the demolition and redevelopment of the site, project management and procurement arrangements including operational resourcing, design teams, and appointments for all pre and post contract construction services and the potential submission of a revised planning application.

## **Relevance to the Council's Plan**

- 8 The scheme delivers on the priorities of the 2018-2022 Corporate Plan, "Creating a lifetime of opportunities in Enfield", by providing Good homes in well-connected neighbourhoods. Located in the Edmonton area it is a scheme that will serve to improve the housing offer and the quality of the environment.
- 9 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 (KD4841) 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. The scheme currently proposes the delivery of 90 homes of London Affordable Rent and 60 units for private sale. This will significantly increase the supply of both affordable homes and private sale homes in the borough. The homes will be delivered to the highest possible standard and so providing quality housing options for residents.
- 10 Infrastructure investment is a key component of the scheme. The development will create a new highway layout that will be clear, defined,

and with safer pedestrian and cycle route connections from Joyce and Snell and Fore Street in the West through to Meridian Water in the East. This will encourage these modes of transport, strengthening the east west route between Meridian Water and Fore Street and connect the development into the local neighbourhood.

- 11 Currently 2 commercial units are proposed within the development, this will contribute to the creation of an enterprising environment. Further economic development will be assisted through the connection of the site to Fore Street and the commercial units to the local neighbourhood.
- 12 Fast and effective digital infrastructure will also be incorporated into the development and support can be given to the new commercial residents, and residents that operate businesses from their homes, to access the right skills and networks.

## **Background**

- 13 On the 16th December 2015 Enfield Council Cabinet authorised the initiation of the wider Upton and Raynham redevelopment scheme (KD 4119). Cabinet of the same date also resolved to use Compulsory Purchase powers, under section 226 1(a) of the Town and Country Planning Act 1990 (as amended), should the Council fail to acquire property interests within the boundary of the proposed development land, by negotiation; on the assumption that a Compulsory Purchase Order is confirmed.
- 14 Cabinet also delegated authority to the Director of Regeneration and Environment, (now the Executive Director of Place), to continue negotiations with owners of property interests within the Order Land and acquire such property interests by agreement.
- 15 Cabinet agreed on 12th February 2020 authority to proceed with land assembly as part of the Council's Maximising Development Delivery strategy (KD 4998). That authority was given to proceed in advance of detailed scheme proposals being brought forward.
- 16 The proposed Upton and Raynham Development site stretches across Upton Road and Raynham Road, immediately south of the A406 North Circular and located in the area known as 'Angel Edmonton' in the ward of Upper Edmonton. The site is located within the 'Hinterland' area of Enfield Council's former Housing Zone, and in close proximity to the Meridian Water Masterplan Area, therefore fitting into the Council's wider strategic housing and regeneration objectives.

## **Current progress**

- 17 A design (drawings attached as Appendix 2) for the site has been progressed up to RIBA Stage 2, with the current scheme proposing 150 residential units comprising one, two and three bed flats, maisonettes and some mews houses; and between 2 to 4 commercial units.

## 18 Pictures & Illustrations of Current Proposal



- 19 The development will improve an area from the eastern point of Beck House to the boundary of the Angel Community Centre. Scott House and the Angel Community Centre will remain as they are.
- 20 The scheme is being designed to ensure pollution from the A406 is reduced, and light and views into the homes are maximised, making

comfortable living spaces. It will include improved green spaces and a pedestrianised street with high quality play spaces for children.

- 21 The development will improve the neighbourhood, create a vibrant community, and reduce the potential for antisocial behaviour with increased natural surveillance and more efficiently designed space.
- 22 Further work is ongoing to complete RIBA Stage 3 designs for a planning application that will be submitted by next year at the latest.
- 23 A works contract needs to be in place and a start on site must be achieved by no later than March 2022 in order to secure major funding from the GLA without which the scheme is unviable.

### Scott House

- 24 The proposal will create a safer and better sense of place, including a more legible entrance to the block. The cost of the works is accounted for in the Upton and Raynham construction budget.
- 25 Scott House has already had external envelope and heating works in the last five years, as such the level of investment needed to address its remaining infrastructure investment need and building safety can be met within its existing HRA's Capital Projects budget.
- 26 Existing Scott House tenants will also be given an opportunity through a local lettings plan, to bid on a prioritised band for the new homes, which will be let at London Affordable Rent. The private homes will also be marketed exclusively to tenants and leaseholders for 3 months from 9 months prior to completion.

### Main Considerations for the Council

- 27 The estimated total scheme costs are outlined in Appendix 3.
- 28 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 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.
- 29 The Maximising the Council's Direct Development Delivery report (KD 4998) 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;
  - Explore all green options
- 30 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.
- 31 Already agreed as part of the HRA 30-year Business Plan the delivery of Upton and Raynham is a major scheme that delivers the objectives of The Housing and Growth Strategy 2020-2030 and Council's development delivery strategy milestones.
- 32 The redevelopment will remove Enfield Council's liability for an unused, rundown dilapidated building (Beck House), addressing vandalism and anti-social behaviour associated with the property, and garages, and provide new homes and amenity green space for local residents.

### **Safeguarding Implications**

- 33 The section of Beck House currently owned by Riverside RP has been used to provide housing to single homeless people and childless couples with low to medium support needs. The accommodation served a role to help the residents towards independent living. Whilst negotiating purchase of their interest in Beck House; discussions were held about how many remaining residents will be rehoused and where.
- 34 Raynham Primary School is located adjacent to the development site and inevitably a number of children from the new development will be looking to be placed in the school. Extensive consultation will take place with the school to discuss implications, capacity and needs to be able to accommodate the additional pupils.
- 35 The current site is semi derelict and does have issues of anti-social behaviour. Through redevelopment of the site safer routes to school will be investigated and the site will benefit from additional vigilance due to the increased housing.

### **Public Health Implications**

- 36 The development will have a positive impact on the general public's health and wellbeing. The building will be designed to reduce traffic noise and air pollution from permeating into the development. The visual quality of the neighbourhood will be improved with the demolition of the dilapidated Beck House; along with the anti-social behaviour associated with dereliction and vacant properties. Increased natural surveillance from a more populated space will further reduce anti-social behaviour and crime. Residents will feel safer and more secure leading to greater wellbeing.
- 37 The development will assist in narrowing the gap between those with the best and those with the poorest physical and mental health and wellbeing by providing good quality homes within a tenure blind development with London Affordable Rents; aiding the financial security of those with lower incomes and enabling them to live in a safer more secure and enjoyable environment.
- 38 A mixed tenure, but tenure blind development with reduced crime, good natural surveillance and quality public spaces will all contribute to strengthen community resilience to support improved health and wellbeing through better social connection.
- 39 The development will create clear, defined and safer pedestrian and cycle routes/connection from Joyce and Snell and Fore Street in the West through to Meridian Water in the East; encouraging these modes of transport.

### **Equalities Impact of the Proposal**

- 40 The schemes proposed within this report 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.

### **Environmental and Climate Change Considerations**

- 41 The proposal will inevitably increase energy consumption of the site as, apart from Scott House the site is near vacant. However, the development will have to comply with the London Plan and so demonstrate that proposed climate change mitigation measures comply with London Plan energy policies, including the energy hierarchy. It also ensures energy remains an integral part of the development's design and evolution.
- 42 The development will have to demonstrate how the zero-carbon target for residential developments will be met, with at least a 35% on-site reduction beyond Part L 2013 and proposals for making up the shortfall to achieve zero carbon, where required.
- 43 An assessment of energy provision on the site has been undertaken as part of the scheme feasibility, with consideration being given to

connection of the development to Enfield's Community Heat Network Energetik.

- 44 Greater energy efficiency created through compliance with the London Plan energy requirements and connection to the Energetik Heat Network will in turn lead to a relative reduction in carbon emissions and energy bills for residents.
- 45 An energy/carbon emissions reduction assessment will be completed for the scheme by the appointed engineer as part of the planning submission.
- 46 Environmental impacts of site maintenance/management regimes will be considered as proposals are finalised. This will include bin storage and waste collection routes, surface water drainage systems and public realm cleansing. Any potential environmental impacts and mitigation measures will be highlighted in the planning submission.
- 47 The impact of climate change will be considered as part of the energy strategy and will include over heating calculations that will take account of future climate change impacts. Future climate change impacts will also be considered as part of the Sustainable Urban Drainage Strategy.

**Risks that may arise if the proposed decision and related work is not undertaken**

- 46 These risks are set out in Appendix 3.

**Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

- 47 These risks are set out in Appendix 3.

**Financial Implications**

- 48 The financial implications are set out in Appendix 3

**Legal Implications**

- 49 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.
- 50 Public law principles will also apply to the decisions made by the Council in relation to the project, including the Council's duty to take account of its fiduciary duty 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 the project 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 in relation to the project at Upton and Raynham.

- 51 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; (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it and (iii) to foster good relationships between persons who share a relevant protected characteristic and persons who do not share it. Any equality impact assessment prepared in respect of the Upton and Raynham project should be revisited as the scheme develops.
- 52 In relation to any procurement of goods, works or services entailed in carrying out the proposals in this Report, the Council must comply with its Constitution (including the Contract Procedure Rules) and, where applicable, the Public Contracts Regulations 2015. The Council must also be mindful of its obligation to comply with the Public Services (Social Value) Act 2012 (where applicable) and of the duty to obtain best value, under s3 Local Government Act 1999.
- 53 Any contracts resulting from the proposals within this Report must be in a form approved by Legal Services on behalf of the Director of Law and Governance. Where the value of any contract is £1 million or over, the contractor must be required to provide “sufficient security” as defined in the Council’s Contract Procedure Rules (for example a parent company guarantee or performance bond).
- 54 The Council must be mindful of, and comply with, any conditions attached to the GLA funding.
- 55 When dealing with secure tenants the Council must comply with the provisions of the Housing Act 1985 including in relation to the service of demolition notices and rehousing.

### **Workforce Implications**

- 56 This report commits the Housing & Regeneration team to achieve clear milestones within the next 18 months in order to secure GLA funding and subsequent robust cost control to ensure that the project delivers within budget and is financially viable.
- 57 It is likely that this will require the recruitment of additional skilled resource to the team in either a permanent or fixed term capacity, which will have cost implications for the service and add to the total headcount of the Council.

- 58 Longer term this project may also require the establishment of a marketing and sales team which will either be bought in or directly employed. There will be additional costs as result of the procurement or employment of this team. It is unlikely that the actions outlined in the report will result in current employees being put at risk of redundancy.

### **Property Implications**

- 59 Strategic Property Services supports the construction and delivery of the additional housing units and the regeneration proposals outlined in this report.
- 60 Land assembly of third-party interests was approved by Cabinet in a previous report on 13<sup>th</sup> February 2020.
- 61 Disposal of market for sale homes element of the development will be in accordance with the property procedure rules and will be at best consideration. The remaining homes will be retained by the Council as a part of the housing stock and for rent.
- 62 The use of a Design and Build construction contract should enable the transfer of significant levels of risk to the contractor in terms of pricing and design. However, to retain control of the build quality, the Employers Requirements should be sufficiently prescriptive ensuring that, where not, that outputs are robustly defined. This has been achieved by developing the design to RIBA Stage 4a and by ensuring the original LBE design team is appointed by the Contractor.
- 63 All new or revised asset data arising out of the proposed works will be input onto the Asset Management Data System including revised site plans, floor plans, asset information and maintenance regimes.

### **Options Considered**

- 64 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 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 include 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).
- 65 Development Agreement

- a) The site is disposed of 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.

#### 66 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 be subject to 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 the 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.

#### 67 Disposal

- a) The site is marketed and disposed of (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.

## Conclusions

- 68 This investment decision will transform an area that is currently blighted with anti-social behaviour and an unappealing public realm while delivering much needed affordable homes.
- 69 Given the funding and timescale constraints, the size and nature of the site, and the need to accelerate delivery of affordable housing, the best option is for the Council to directly deliver the scheme. 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.

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## Appendices

Appendix 1: Upton & Raynham Site Plan  
Appendix 2: Upton & Raynham Stage 2 Design Proposals  
Appendix 3: Scheme Costs Plan – Part 2 Exempt Information

## Background Papers

**The following documents have been relied on in the preparation of this report:**

KD4119 – Upton & Raynham Initiation report  
KD4830 – Better Council Homes Workplan and Budgets 2019/20

KD4841 – Housing and Growth Strategy  
KD4969 – HRA 30-year Business Plan 2020  
KD4998 – Maximising the Council's Direct Development Deliver