



## **PUBLICATION OF DECISION LIST NUMBER 51/20-21**

### **MUNICIPAL YEAR 2020/21**

Date Published: 19 March 2021

This document lists the Decisions that have been taken by the Council, which require publication in accordance with the Local Government Act 2000. The list covers Key, Non-Key, Council and Urgent Decisions. The list specifies those decisions, which are eligible for call-in and the date by which they must be called-in.

A valid request for call-in is one which is submitted (on the form provided) to the Governance and Scrutiny Team in writing within 5 working days of the date of publication of the decision by at least 7 Members of the Council.

Additional copies of the call-in request form are available from the Governance and Scrutiny Team.

If you have any queries or wish to obtain further report information or information on a decision, please refer to:

– Claire Johnson (ext.1154)

*Phone 020 8132 then extension number indicated*

**INDEX OF PUBLISHED DECISIONS – 19 March 2021**

<b>List Ref</b>	<b>Decision Made by</b>	<b>Date Decision came/ comes into effect</b>	<b>Part 1 or 2</b>	<b>Subject/Title of Report</b>	<b>Category of Decision</b>	<b>Affected Wards</b>	<b>Eligible for Call-In &amp; Date Decision must be called in by (If Applicable)</b>	<b>Page No.</b>
1/51/20-21	Director of Housing and Regeneration	Monday 29 March 2021	Part 1	Exeter Road Scrubland Phase 1	Key Decision 5286	Enfield Highway	Yes Friday 26 March 2021	1-2
2/51/20-21	Leader of the Council	18 March 2021	Part 1	Energetik – HNIP March 2021	Key Decision 5307/U23 2	All	No – Rule 16 Urgent Decision	3-4
<b>DECISIONS</b>								
For additional copies or further details please contact Claire Johnson (020 8132 1154), Governance and Scrutiny Team.								

**LIST REFERENCE: 1/51/20-21**

<b>SUBJECT TITLE OF THE REPORT:</b>							
EXETER ROAD SCRUBLAND PHASE 1							
<b>Part 1 or 2 (relevant exempt Paragraph)</b>	<b>Wards affected by decision</b>	<b>Decision taken by</b>	<b>Date Decision comes into effect</b>	<b>Interest declared in respect of the Decision</b>	<b>Category of decision (i.e. Key, Non-Key, Council, Urgent)</b>	<b>Contact Details</b>	<b>Eligible for Call-in &amp; Date to be called in by</b>
Part 1	Enfield Highway	Director of Housing and Regeneration	Monday 29 March 2021	None	Key Decision 5286	Nnenna Urum - Eke Head of Development <a href="mailto:nnenna.urumeke@enfield.gov.uk">nnenna.urumeke@enfield.gov.uk</a>	Yes Friday 26 March 2021
<b>DECISION</b>							
<p><b>AGREED</b> subject to not being called in:</p> <ol style="list-style-type: none"> <li>1. To approve the estimated expenditure of £15m against the allocated HRA budget to fund the development of up to 50 residential units for Phase 1 of the Exeter Road scheme) to be applied as follows:               <ol style="list-style-type: none"> <li>a. Design and consultancy team for the full professional services; including cost consultancy, clerk of works and project management throughout the duration of the scheme at an estimated value of £1.5m. Note that the proposal is to appoint a Lead Architect and to appoint an Employer's Agent and cost consultants. Also note that additional design and consultancy services will be sub-contracted via these main consultants as required. The design team is proposed to be procured via the LHC framework and the Employer's agent is proposed to be procured via the CCS framework or other framework agreement in consultation with the procurement team. These awards are subject to further approval.</li> <li>b. On-cost, including planning application, internal project management at 1.4% of scheme costs and contingency, equating to approximately £1.5m.</li> <li>c. Construction at an estimated value of £12m through to post occupation, including the defects liability period.</li> </ol> </li> <li>2. To approve the strategy to procure the Phase 1 contractor via a JCT Single Stage Design and Build contract through a Public Contracts Regulations 2015 compliant framework agreement in consultation with the procurement team, for an estimated contract value of £12m for an 18-month contract period.</li> <li>3. To approval to progress the resident consultation set out in paragraph 26 of the main report, which is required to submit the planning application for the scheme and ongoing consultation as the scheme progresses.</li> </ol>							
<b>ALTERNATIVE OPTIONS CONSIDERED</b>							
<p><b>Direct Delivery</b></p> <p>The site is developed through a 1 stage Design and Build contract through a competitive procurement and funded through grant and borrowing.</p> <p>The proposal is to establish a Public contracts regulations 2015 compliant route to the market in consultation with the procurement team</p>							

The Council will need to sufficiently resource the development activities. This include resources within its development management, legal, and procurement services.

The Council has the greatest level of control of the delivery objectives through the construction contract and Employer's Requirements (ERs).

**Do nothing**

The Council would miss out on the opportunity to utilise significant levels of GLA grant to develop additional affordable housing at a reasonable cost to the Council. The Council will also miss out on maximising the use of the land within their ownership for development.

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**Let the private market develop the site:**

This would lead to fewer units of affordable housing and the site may not be developed, but simply be land banked.

**REASONS FOR RECOMMENDATIONS**

The 12th February 2020 Cabinet report approved an overall budget envelope for the development programme. Exeter Road Phases 1 – 3 was allocated £31.5m to delivery of 150 affordable units, 50 of these units will be delivered in Phase 1.

The proposal is to develop the unused Scrub land for phase 1 to create 50 new homes plus improvements to landscapes. Phases 2 and 3 will provide up to 90 new affordable homes by extending the two low rise blocks on the estate including bringing two abandoned parking podiums back into use. The total number of units will be between 100-140 across the three phases.

The development, which is being part funded by the GLA's Building Council Homes for Londoners programme, will provide much needed affordable family housing and wheelchair accessible units. It will also provide shared ownership units as a route to homeownership and environmental improvements to the estate.

The number of units has reduced from 150 to around 140 units as the scheme progressed through the design and planning process. Also, the allocated budget was based on a build cost per unit of £250k but due to build cost inflation and the high portion of family housing projected, the build cost per unit has risen to £300k taking the total scheme budget to £42m. As approved under the Better Council homes cabinet report KD5219.

To meet GLA's Building Council Homes for Londoners programme funding deadline, we propose to undertake a single stage design and build procurement through a framework.

**BACKGROUND**

Please note that a copy of the Part 1 report is available on the Council's democracy pages.

**LIST REFERENCE: 2/51/20-21**

<b>SUBJECT TITLE OF THE REPORT:</b>							
ENERGETIK – HNIP MARCH 2021							
<b>Part 1 or 2 (relevant exempt Paragraph)</b>	<b>Wards affected by decision</b>	<b>Decision taken by</b>	<b>Date Decision comes into effect</b>	<b>Interest declared in respect of the Decision</b>	<b>Category of decision (i.e. Key, Non-Key, Council, Urgent)</b>	<b>Contact Details</b>	<b>Eligible for Call-in &amp; Date to be called in by</b>
Part 1	All	Leader of the Council	Thursday 18 March 2021	None	Key Decision 5307/U232	Will Wraxall Shareholder & Commercial Partnerships Manager Will.Wraxall@enfield.gov.uk 0208 379 1265	No – Rule 16
<b>DECISION</b>							
<p><b>AGREED</b> subject to not being called in:</p> <ol style="list-style-type: none"> <li>To delegate authority to the Executive Director of Resources to enter into a HNIP Grant agreement for £12 million and a related HNIP loan agreement for £11.859 million and draw down the associated funding from BEIS, the funds to be held in the Council's bank accounts pending a decision by Council on the related expansion proposal by Energetik, and returned to BEIS in full should that expansion be rejected by Council.</li> <li>To note the ongoing due diligence review of the grant and loan agreements and their implications for Energetik and for the Council. And that the timescale for the condition subsequent is the end of July 2021.</li> </ol> <p>These recommendations allow for HNIP funding to be secured in accordance with the requirements of the Dept for Business, Energy and Industrial Strategy (BEIS) while the Council considers the proposed Energetik expansion. This decision does not allow any use of the funds drawn down.</p>							
<b>ALTERNATIVE OPTIONS CONSIDERED</b>							
Not to enter into this agreement would lose £12m of grant and £11.859m of low-cost loans to support expansion of Energetik. This would be substantially greater loss than the minimal assessed cost should this decision be made, but the expansion fail to proceed.							
<b>REASONS FOR RECOMMENDATIONS</b>							
<p>Energetik's existing network serves isolated sections of the borough via a large Energy Centre at Meridian Water, and smaller satellite schemes in different parts of the borough. This both limits the capacity of Energetik to serve residents of the borough as a whole and to reduce the borough's carbon emissions, as well as leaving a relatively narrow critical success path for company profits and financial return to the Council as shareholder.</p> <p>The Heat Networks Investment Project is a government funding and financing package to support district heating schemes of the highest quality deliver both carbon savings and consumer benefits while also attracting further investment. HNIP grant and loan support will enable Energetik to connect existing satellite schemes in Southgate and Arnos grove with the low-carbon heat network located in Edmonton. This improves the carbon savings achieved through Energetik for those satellite schemes.</p>							

An expanded pipe network also has the potential to attract further customers along the route of the pipework, which would provide a higher financial return in the form of retained profits across the 40-year business plan and spread the risks of the company across more developments and connections, increasing the chances of company success.

The grant funding potential has only recently been confirmed; the announcement was delayed by government priorities around BREXIT and the pandemic. Full due diligence on the grant, loan and required match funding cannot be undertaken in the government's timescales for funding allocation. To secure the potential HNIP package while due diligence and appropriate governance is completed, the grant agreement proposed to be signed in this report contains a condition subsequent, requiring that full corporate and executive approval is obtained by the end of July 2021.

For clarity, this report does not authorise the use of any funds drawn down from BEIS. It does not authorise the funds to be passed to Energetik, nor does it authorise any action by the company. These matters will be brought for decision to Council and are currently scheduled for consideration in May 2021. This report permits the Executive Director of Resources to comply with BEIS timeframes for draw down of awarded funding, following which the funds will be held in the Council's bank accounts until a full governance process has been observed to reach a decision on the expansion proposal. Should the expansion not be approved to progress, the HNIP funds will be returned in full, as permitted by the agreement negotiated with BEIS by officers. This arrangement negotiated with BEIS enables the Council to access substantial low-cost external funding, while permitting time for expansion proposals to be properly analysed and fully considered with appropriate governance.

#### **BACKGROUND**

Please note that a copy of the Part 1 report is available on the Council's democracy pages.

**SECTION 2:** Notice of forthcoming Key Decisions for which it has not been possible to provide notice

This section lists the Key Decisions that are proposed to be taken by the Council, which require publication in accordance with the Local Government Act 2000. The decisions listed are those for which it has not been possible to provide 28 days' notice and need to comply with the Council's urgency procedure. There are two routes that can be followed in this instance to enable a decision to be taken.

1. **Rule 15 – General Exceptions**

This procedure is used in cases when:

- it is not possible to provide the required 28 days' notice of a key decision; but
- it is possible to provide a minimum of 5 working days' notice prior to the decision being taken;

2. **Rule 16 – Special Urgency**

This procedure should only be used in exceptional circumstances where it is not possible to:

- provide the required 28 days' notice prior of a key decision; and
- provide a minimum of 5 working days' notice prior to the decision needing to be taken;

**These decisions will not be eligible for call-in.**

If you have any queries or wish to obtain further report information or information on a decision please refer to: Claire Johnson 020 8379 4239

## DETAILS OF RULE 16 DECISION

Part 1/2* and reason	Date Decision Planned	Decision of	Proposed Key Decision	Ward/s affected by the decision	Contact Name and Number
Part 1	18 March 2021	Leader	<p>To delegate authority to the Director of Legal and Governance in consultation with the Executive Director of Resources to enter into a HNIP grant agreement for £12 million and a related HNIP loan agreement for £12 million and draw down the associated funding from BEIS.</p> <p>To note the ongoing due diligence review of the grant and loan agreements and their implications for Energetik and for the Council. And that the timescale for the condition subsequent is the end of July 2021.</p>	All	<p>Will Wraxall</p> <p>020 8379 1265</p>

### Reasons for Urgency:

The Council submitted an application to HNIP for a funding round in October 2020, requesting £17m grant and £6m low cost loans, to ascertain whether HNIP funding could be obtained. While the Council lobbied for a rapid decision on the application, a final award decision was not received from BEIS until 17<sup>th</sup> February 2021. This award offer was for facilities of £11.859m loan and £12m grant funding. The full Terms of the offer, including applicable conditions, was not received until the end of the month. The terms and conditions included entering into grant and loan agreements by 31 March 2021.

Officers advised BEIS that proper approval of the project would not be possible under this timescale given the governance requirements of the Council's Constitution and the need for the Council to undertake full due diligence, including re-modelling of finances to account for the discrepancy between the application and offer funding split. The Council could therefore not accept the offer unless an extension were granted for appropriate governance.

A compromise position was negotiated whereby the conditions relating to project and match funding approval would be granted an extension to 31<sup>st</sup> July 2021; however, the HNIP funding is still be required to be drawn down by the Council prior to 31<sup>st</sup> March 2021. Clauses were agreed within the Terms executed for draw down which allow the Council to repay the funding in full before 31<sup>st</sup> July 2021, should approval not be granted.

This decision does not seek approval to utilise any of the funding; this will be taken to a future Council meeting. The scope of this decision is

restricted to necessary actions required to secure availability of the funding and hold it within the Council's accounts until a full decision over its use can be considered. If use of the funding should be rejected by Council, the negotiated Terms allow for its full repayment to government at minimal cost.

**Background Papers:**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name and Telephone No. of Document Holder</b>	<b>Location/e-mail address</b>
	None		