

London Borough of Enfield

General Purposes Committee

Meeting Date – 22nd April 2021

Subject: Meridian Water Risk Register Update

Report of: Peter George, Programme Director – Meridian Water

Key Decision: N/A

Purpose of Report

1. The purpose of this report is to provide an update on the Meridian Water Risk Register.

Proposal(s)

2. That the report is noted.

Reason for Proposal(s)

3. Meridian Water is a major regeneration project of national significance and profile. The total development value of the project is estimated at £6 billion and the Council's investment into the project over the project's lifetime is expected to be £1 billion. The project has the strategic objective of delivering 10,000 homes and 6,000 jobs in addition to transport and social infrastructure. The project delivers on a number of objectives within the Council Plan.
4. Given the strategic importance of Meridian Water, the scale, financial investment and risks to the Council it is important that the Meridian Water programme has ongoing member oversight at scrutiny meetings. The risk register for the programme highlights where issues and challenges are and what mitigating action is being taken.
5. This report looks at changes to the risk register since the last Scrutiny meeting.

Relevance to the Council Plan

Good homes in well-connected neighbourhoods

6. Meridian Water is responsible for delivering 10,000 homes in addition to a major infrastructure works including improved rail, roads and bridges.

Sustain strong and healthy communities

7. A top priority is for local people to be the principal beneficiaries of the growth of the project. The project will deliver a health centre in phase 1 and improve health and wellbeing outcomes for local people.

Build our local economy to create a thriving place

8. In 2020 the Meridian Water employment strategy was approved setting out a plan to deliver 6,000 jobs in addition to training opportunities and financial benefits to local companies.

Background

9. At the previous Scrutiny Meeting the Committee was updated on MW Risk Register, this report discusses the changes to the risk register and the implications of those changes
 - The High Risks
 - New Risks
 - Closed Risks
 - Changes to risks since last meeting (December 2020)

Main Considerations

10. High Risks – Of the 67 risks identified for Meridian Water, 6 of them are high. These risks relate to Meridian Water financials as a function of escalating build costs and changes to the affordable housing grant regime by the GLA, Covid-19 impacts, Infrastructure and land-owner matters. These risks have reduced to 6 from 13 in the previous quarter.
11. New Risks- 6 new risks were added in the last quarter – two of them being high financial risks - Benchmark values in the planning applications being lower than those in the Financial Model and changes to Grant funding.
12. Closed Risks – 6 risks have been closed in the last quarter. These risks have been closed either because they have fallen away such as those associated with Developer procurement and 4TPH or have materialised and have been treated.
13. Changed Risks – There are 7 risks with an increased score and mirror the schedule high risks
14. Since the last review 44 risks have stayed constant, 16 decreased and 7 increased. The same number of risks 6 have been closed as new ones added.
15. Meridian Water is fundamental to the Council's strategy for increasing the supply of new homes in the Borough and therefore how to achieve housing targets and meet housing demand. The Meridian Water team are focussing on ways to accelerate housing to respond to this pressure.

16. Since the last meeting, there have been changes to the Affordable Housing Grant Regime at the GLA which could have negative impacts on the level of affordable housing that can be delivered within a viable scheme. Build costs are escalating and Benchmark land values in Planning Applications may also be lower than in the financial model thus requiring revised planning consents – this has now been achieved. This has implications for reducing Meridian Water debt. A review is currently in hand to understand the implications for the programme and put in place mitigation.
17. New risks highlight timetable delays to the Skills Academy, delays from LBE on conditions precedent for Meridian One, PRS relocation and M4 programme delays. These are being managed and are currently considered to be Medium risk.
18. Increased risks relate to funding as previously highlighted, utilities capacity and PRS relocation, landowner issues (Aytans) and Covid-19 impacts on MW wards.
19. Closed risks relate to Developer procurement and the signing of the Development Agreement. These have now fallen away.

Safeguarding Implications

20. N/A

Public Health Implications

21. N/A

Equalities Impact of the Proposal

22. An equalities and diversity action plan for the project has been prepared.

Environmental and Climate Change Considerations

23. This is covered by the Meridian Water Environmental Sustainability Strategy.

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

24. N/A

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

25. N/A

Financial Implications

26. N/A

Legal Implications

27. N/A

Workforce Implications

28. N/A

Property Implications

29. N/A

Other Implications

30. N/A

Options Considered

31. N/A

Conclusions

32. Despite the pressures created by COVID great progress continues to be made to deliver new homes, jobs, training opportunities, parks and facilities. We are making significant efforts to ensure all risks associated with Meridian Water are identified and managed.

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Date of report: 13th April 2021

Appendices

Appendix 1 –Meridian Water Risk Register (Part 2 Confidential)