

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2621

### Title: Joyce Avenue and Snell's Park estates

#### Executive summary:

In November 2018, the Mayor secured £486m from the government's Land Assembly, Small Sites and Accelerated Construction Funds to help unlock and accelerate delivery of 8,000 housing completions in London by 2030. This funding was approved by Mayoral Decision (MD) 2396, which provided a standing delegation to the Executive Director of Housing and Land to approve allocation of said funding, in accordance with the terms associated with the programmes and in pursuit of the Mayor's housing ambitions.

This decision requests approval of a £50m grant to the London Borough of Enfield to address the viability gap affecting the proposed development, and help fund leaseholder buybacks, at the Joyce Avenue and Snell's Park estates. The funding is expected to help deliver up to 530 homes across phases zero to three on the estates; and unlock delivery of circa 2,000 homes in total, of which at least 50 per cent will be affordable. The funding will also deliver a new civic hub, consisting of a nursery, a library, a community centre and flexible community space; and two large parks, establishing a green spine through the estates.

#### Decision:

That the Executive Director of Housing and Land, in accordance with the delegation provided by MD2396, approves a £50m grant to the London Borough of Enfield to address the viability gap affecting the proposed development, and help fund leaseholder buybacks, at the Joyce Avenue and Snell's Park estates.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Tim Steer

**Position:** Executive Director, Housing and Land

**Signature:**



**Date:**

13 March 2023

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. MD2396 (Land Assembly, Small Sites and Accelerated Construction Funds), signed in November 2018, approved receipt of funds from government totalling £486m (part of the Homes for Londoners Land Fund). This funding was to help unlock and accelerate housing delivery in London through land assembly, infrastructure investment and provision of gap funding, in order to support the delivery of 8,000 housing completions in London by 2030.
- 1.2. MD2396 delegated authority to the Executive Director of Housing and Land, in consultation with the Deputy Mayor for Housing and Residential Development, to approve, via a Director Decision, the allocation of new funding in accordance with the terms associated with the programme and in pursuit of the Mayor's housing ambitions.
- 1.3. This decision seeks approval to allocate a £50m grant from the Homes for Londoners Land Fund to the London Borough of Enfield (LBE), to help address the viability gap affecting the proposed development and fund leaseholder buybacks at the Joyce Avenue and Snell's Park estates. The funding will unlock the site and help provide up to 530 homes in total across the initial phases zero to three (blocks A, D, N, K and T – shown at Appendix 1), which includes 475 affordable homes.
- 1.4. Due diligence has now been completed in respect of the proposed intervention, the details of which are set out below and in Part 2 of this Director's Decision.

#### The site

- 1.5. The Joyce Avenue and Snell's Park estates were built between the late 1950s and the 1960s, and provide housing for a diverse community and an older demographic. Most residents have lived on the estates for many years and are proud of their neighbourhood. However, there has been a gradual rise in antisocial behaviour, sex work and other crime such as drug dealing. The layout of the existing estates has many unseen areas, with the blocks offering little or no security on stairwells. The ageing estates and their design have contributed to the rise in crime; the outdoor spaces are underused and offer very little safe doorstep play for children on the estates. The outdated design also means that the Joyce Avenue and Snell's Park sides of the combined estate are poorly connected and have limited points of access between each area.

#### Condition of existing stock

- 1.6. The external envelopes of most blocks are made of durable materials, giving a superficial impression of the buildings being in relatively good condition. However, there are several significant defects internally (defective plumbing systems and service risers, asbestos) and externally (the building envelope, security), along with other factors that would make refurbishment very expensive.
- 1.7. The council's cost consultants advised that refurbishment would be more expensive than demolition and re-provision, with the resulting costs having to be met initially though the council's own resources. Without the addition of new homes, the council would not have any additional sources of income from which to capitalise the costs.
- 1.8. To undertake a comprehensive refurbishment that would extend the life of the housing stock by 30 years would require decanting tenants and leaseholders from each block while works take place. Further works would also be required to improve the roads, footpaths, and refuse, landscaping and parking arrangements, thereby extending the life of the stock by 30 years; this would add to expense. The existing underground services, such as drainage and utility supplies, would have to be assessed to indicate their remaining lifespan.

- 1.9. Leaseholders would be liable for their share of the costs. This would involve major bills that could be completely unaffordable for many households and put lessees under financial duress. Since leaseholders make up nearly half of the households across both estates, a comprehensive refurbishment of the ageing buildings would likely represent a considerable cost to leaseholders.
- 1.10. As this is one of Enfield's most urban areas, with excellent transport links and local amenities, there is a clear opportunity to redesign the estates at increased density, with a greater variety of homes at different price points.

#### The opportunity

- 1.11. The opportunity area of the proposed redevelopment for Joyce Avenue and Snell's Park totals circa 27.5 acres and consists of 795 existing dwellings. Enfield Council has developed a masterplan to deliver circa 2,000 homes, including an additional 1,100 net new homes on the estates through a whole estate regeneration.
- 1.12. The scheme will cater for all Enfield residents through a mixture of affordable homes at social rents; affordable home ownership; private sale; and build-to-rent at market and discount market rents for Enfield key workers. Additionally, the redevelopment will offer homes for Enfield's ageing population, with opportunities to downsize for existing residents on the estates.
- 1.13. Local residents have continually expressed a desire for transformation of the estates – to design out crime and antisocial behaviour, and enhance the look and feel for residents, including children.

#### Phasing

- 1.14. The redevelopment of the Joyce Avenue and Snell's Park estates has been designed across ten phases. Tenants and resident leaseholders who want to stay on the estates will be supported to do so. Regarding the first four phases of the scheme (phases zero to three), the council has committed to: funding the design and build by acting as master developer; securing planning; and procuring a contractor to build the homes. This means that council housing tenants will be rehoused in new accommodation and are not expected to move off the estate, unless they choose to do so.

#### The ballot

- 1.15. Following consultation, a ballot was held to give residents the final say over the future of their estate. The ballot was independently administered by Civica (formerly Electoral Reform Services), between Wednesday 17 November 2021 and Friday 10 December 2021.
- 1.16. More than three-quarters (78.5 per cent) of the people taking part in the ballot voted in favour of Enfield Council's proposals. This represents a strong mandate for the proposed scheme, with a turnout rate of 85.5 per cent signifying a strong resident ballot result in London.

#### Ownership

- 1.17. The entire red-line boundary of the Joyce Avenue and Snell's Park estates is within the ownership of the council.

## **2. Objectives and expected outcomes**

#### Masterplan

- 2.1. The funding will help deliver up to 530 homes across phases zero to three (blocks A, D, N, K and T, shown at Appendix 1) on the estates; and unlock delivery of circa 2,000 homes, of which at least 50 per cent are expected to be affordable. Unless otherwise agreed by the GLA, at its sole discretion, a maximum decrease of 10 per cent in the number of directly delivered homes will be allowed. This is to enable dwelling numbers to be refined following the outcome of current considerations around the government consultation on installing second-staircases in tall residential buildings. Any such

decrease will only be allowed provided that at least 50 per cent of the revised number of dwellings delivered across the entire Joyce Avenue and Snell's Park estates continue to be affordable. The 530 directly delivered homes, and the non-residential outputs delivered by the funding, are expected to comprise:

- 475 affordable homes
- 55 private homes
- 524 square metres (sqm) of commercial floorspace
- 81 sqm of community floorspace
- centralised substation to serve wider development
- new open space and public realm.

2.2. The indirect housing and non-residential outputs unlocked by the funding, consisting of phases four to ten, will fall outside of the government's Land Assembly, Small Sites and Accelerated Construction Funds timescales for housing completions in London. These outputs consist of:

- up to 129,663 sqm (gross internal area (GIA)) of residential floorspace
- up to 2,432 sqm (GIA) of flexible commercial floorspace (Use Class E: commercial, business and service)
- up to 2,619 sqm (GIA) of civic/community floorspace (Use Class F1: learning and non-residential institutions, and Use Class F2: local community uses)
- up to 250 sqm (GIA) of nursery/early-years education space (Use Class E)
- up to 853 sqm (GIA) of workspace (Use Class E)
- new walkway to the existing rail bridge, which will connect to Bridport Road.

#### Public consultation

2.3. Enfield Council has developed the masterplan in consultation with the local community, and with future generations in mind. The estate is severely lacking the necessary social infrastructure, with only one small community facility available (which has a maximum capacity of 120 people). The principles for the project have been formed based on residents' feedback to ensure that, at the heart of the regeneration, there is a community supporting Enfield homes for Enfield people. The scheme benefits from:

- sustainable and energy-efficient homes, replacing the current poor-quality accommodation and helping residents to address fuel poverty
- over 50 per cent genuinely affordable homes, including low-cost home ownership for existing and new residents looking to buy their home
- improved security and a commitment to tackle antisocial behaviour
- improved green spaces and better play facilities around the estate
- digital inclusion and smart homes for existing residents to tackle digital poverty, which became more acute during the pandemic; this supports people to live independently in their homes for longer
- improved community facilities, such as a new, multi-use library building

- ensuring the housing needs of council tenants and leaseholders are met (around 75 per cent of whom need one-bed or two-bed housing), whilst providing more council-owned family homes to reduce overcrowding
- a mixed and sustainable community, through the building of more three-bed and four-bed homes (which will account for up to 45 per cent of new social rent homes) for families on the housing registers; and around 60 family-sized intermediate homes for key workers.

The council's commitments: council tenants and resident leaseholders and freeholders

2.4. The following commitments have been made to council tenants:

- Right to remain and secure tenancy: all current secure tenants will have the right to remain on the estate; will be offered a new home that meets their housing need; and will retain a secure lifetime tenancy.
- Rents: secure council tenants will continue to be charged at council social rent levels.
- Compensation: residents will be entitled to a statutory home loss payment (currently £7,100). They will also receive a disturbance allowance of £2,500 to cover other costs associated with moving – such as redirecting mail and connecting appliances.
- Homes to reflect need: the council will be carrying out Housing Needs Assessments to determine what home tenants receive. This will consider medical needs and household occupation.
- Downsizers receive needs plus one: tenants required to downsize will receive an additional bedroom above their housing need.
- Only move once: in almost all cases, residents will move directly into their new home. This means they will only have to move once as part of the estate-regeneration process.

2.5. The following commitments have been made to resident leaseholders and freeholders:

- Homes independently valued: the council will pay for an independent valuation, carried out by the Royal Institution of Chartered Surveyors, to ensure the market value is accurate.
- Home loss compensation: the council will give leaseholders and freeholders 10 per cent above the independent valuation of their existing home as compensation.
- Disturbance compensation: the council will cover all reasonable costs associated with moving home, whether on or off the estate. This includes solicitors' fees, moving costs and charges associated with reconnecting appliances.
- Only move once: in almost all cases, residents will move directly into their new home. This means they will only have to move once as part of the estate-regeneration process.
- Right to remain: all resident leaseholders and freeholders will have the right to remain on the estate, and will be offered a new home.
- New homes: leaseholders and freeholders who choose to stay on the estate will receive a home with the same number of bedrooms as their current property.

### **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, functions of the GLA, exercisable by the Mayor, are subject to a public-sector equality duty and must have 'due regard' to the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a relevant protected characteristic and those who do not.

3.2. Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.

3.3. The demographic makeup of the Joyce Avenue and Snell's Park estates is extremely diverse. The ethnicity and religious makeup is as follows:

<b>Ethnicity</b>	<b>Total per cent</b>
Turkish	16.11
White UK	14.44
Black African	12.78
Black Caribbean	10
Somalian	8.33
Kurdish	8.33
White Other	6.67
Turkish Cypriot	4.44
Black Other	3.89
Greek Cypriot	2.78
Bangladeshi	2.22
Other	10.01
<b>Religion</b>	<b>Total per cent</b>
Christian	39.29
Muslim	33.93
Atheist	9.82
No religion specified	9.82
Other	7.14

3.4. Based on the Office of National Statistics' ward-level data for Upper Edmonton, the life expectancies for a boy and a girl born today on the Joyce Avenue and Snell's Park estates, compared with the borough average, are minus 4.4 years and minus 6.1 years respectively. Moreover, the life expectancies for a healthy male and a healthy female currently living on the Joyce Avenue and Snell's Park estates, compared with the borough average, are minus 6.2 years and minus seven years respectively.

3.5. In the context of the estate-rebuilding programme, GLA investment will replace poor-quality housing and improve the quality of community buildings. This will maximise the availability and quality of community assets, and allow new space and amenities for religious, cultural and other community activities.

3.6. The council, through the estate-rebuilding programme, has:

- consulted with a range of groups in order to understand perspectives, including those with a combination of protected characteristics
- created environments that are both accessible and appropriate for all those with protected characteristics to use and enjoy.

3.7. An initial Equality Impact Assessment (EqIA) was completed before the council started to develop its estate-regeneration proposals, and in advance of the ballot being carried out. The EqIA identified

positive and negative impacts for all members of the community; and a potentially disproportionate impact on some people sharing protected characteristics – such as older people, single-parent households, and households containing someone with a disability.

- 3.8. The EqIA sets out: how these issues will be addressed in the redevelopment plans; and the mitigation strategies the council intends to implement to further reduce any adverse equality impacts. The positive equality impacts of the estate renewal as a whole – such as the creation of employment opportunities for vulnerable groups, reduced crime levels (and reduced levels of fear and intimidation for vulnerable groups), and higher-quality access to affordable housing – are expected to outweigh any adverse equality impacts associated with the proposal.

#### 4. Other considerations

##### Key risks and issues

- 4.1. The key risks and issues identified for this project are set out below.

No	Risk	Impact	Likelihood	Mitigation
1	<p><b>Planning:</b> planning delays mean the density proposed cannot be achieved.</p> <p>There is a current government consultation on its preferred policy option to introduce height thresholds (either 30 metres plus, or 18 metres plus) at which developers must install second staircases in tall residential buildings.</p>	High	Medium	<p>The council's regeneration team has undertaken capacity studies for the site in consultation with local authority planners. LBE is required to make the best use of its assets to deliver affordable housing; and the site's urban setting allows for higher densities to be achieved. The development is focused on high-quality homes that achieve modern space standards, and well-designed public and private open space. Minutes taken from the meeting of Enfield's design review panel show wide support for the masterplan.</p> <p>The outcome of the government consultation will be managed by the council; and instructions will be given to its design and technical professional team, to ensure any necessary scheme redesigns demonstrate the highest standard of fire safety.</p>
2	<p><b>Financial viability:</b> the borrowing requirements for the scheme cannot be met from existing council resources, and thus the approved financial case cannot be delivered.</p> <p>Additional requests for funding are sought of the GLA.</p>	High	High/medium	<p>Lifting the Housing Revenue Account (HRA) borrowing cap gives the council flexibility to vary the amount of investment it puts into the scheme.</p> <p>The HRA business plan will be continuously reviewed to assess the variables and strategies available to mitigate this risk.</p> <p>The general fund budget, and the council's medium-term financial plan, can be revised to ensure rental income is sufficient to repay debt.</p> <p>Phases four and beyond allow the council to review the desired delivery strategy, to further share the overall project's financial risks by pursuing joint venture opportunities.</p>

3	<b>Programme delays:</b> the project suffers from delays, increased costs or resource issues.	High	High/ medium	<p>The council is taking on additional risk by leading on development in exchange for an increase in affordable housing; savings on a development partner's profit; and more direct control over the delivery and timetable for the site.</p> <p>The council has developed a resourcing plan, and will recruit the staff required prior to the development commencing. The phase-by-phase approach effectively breaks the project down into several smaller, more manageable sub-projects.</p> <p>Phases zero to three will be procured on a design-and-build basis, whereby contracts are placed at a fixed price with a construction company.</p>
4	<b>Compulsory purchase/vacant possession:</b> compulsory purchase costs rise through the life of the project.  The cost of the leaseholder buybacks exceeds the budgeted amount.	High	Medium	<p>Leaseholder buyback costs are expected to rise in line with property inflation in the local market.</p> <p>Any uplift in the property market should also benefit rents in the long term. Where capital values do rise, this tends to reduce affordability, and more households may turn to renting as an alternative. Where it occurs, rent inflation benefits the council's estate-regeneration model. For leaseholders and freeholders buying back on the new development, the increased equity realised by the returning leaseholders on the sale of their existing properties would be returned to the project through higher initial sales tranches.</p> <p>The council models the effect of buyback inflation as part of the future stress testing of the financial model.</p> <p>The GLA committing its funding early allows the council to accelerate its approach to leaseholders.</p>

4.2. Development of the Joyce Avenue and Snell's Park estates will fulfil the council's ambition to ensure development in the borough meets current needs; and further enables future generations to have their needs met, and contribute to shared prosperity for all. The estate regeneration is underpinned by several of the council's core documents, including but not limited to:

- its economic development strategy
- its corporate plan
- its housing growth strategy for 2020-30.

Links to Mayoral strategies and priorities

4.3. The Homes for Londoners Land Fund is designed to help unlock and accelerate housing delivery in London through land assembly, infrastructure investment and provision of gap funding, in order to support the delivery of 8,000 housing completions in London by 2030. The request for £50m of



grant to fund leaseholder buybacks enables achievement of the programme's strategic objectives, as it:

- enables the delivery of increased housing starts and completions through acquisition, assembly and de-risking of land
- increases the pace of build-out on public-sector land
- addresses the market failure by which private costs of strategic infrastructure are higher than the private benefits to developers – meaning that financial performance is insufficient to incentivise development, despite demand for the development scheme.

- 4.4. The London Plan 2021 provides an integrated policy framework across housing, social, economic, cultural, environmental and transport policies. The Plan is underpinned by the concept of Good Growth – growth that is socially and economically inclusive, and environmentally sustainable. The London Plan is informed by six Good Growth objectives: GG1, building strong and inclusive communities; GG2, making the best use of land; GG3, creating a healthy city; GG4, delivering the homes Londoners need; GG5, growing a good economy; and GG6, increasing efficiency and resilience.
- 4.5. The Mayor's London Housing Strategy (LHS) sets out policies and proposals determining how to deliver Good Growth priority GG4, delivering the homes Londoners need. The LHS sets out the policy rationale for the GLA to take a more interventionist approach in London's land market, with the aims of building more social rented and other genuinely affordable homes; and accelerating the speed of building, including on public land. This intervention is focused on delivering up to 530 homes across phases zero to three on the estate; and unlocking public land for housing delivery supporting the delivery of circa 2,000 homes in total.
- 4.6. In addressing Good Growth priority GG5, the funding will indirectly support delivery of 34,983 sqm of retail space; 20,301 sqm of civic space; and 11,432 sqm of employment space, all of which is severely lacking from the current estate.
- 4.7. The substantial improvement in permeability across the site, and the transformative impact in terms of placemaking, align with the concept of Good Growth set out in the London Plan.

#### Consultation and conflicts of interest

- 4.8. GLA officers have consulted extensively with senior officers at the LBE throughout the development of this proposal. It is not considered necessary or appropriate to consult with any other persons or bodies, including those specified in section 32 (1) of the Greater London Authority Act 1999 (GLA Act), for the purposes of this report. There are no conflicts of interest to note from any of those involved in the drafting or clearance of this decision form.

## **5. Financial comments**

- 5.1 The decision is seeking approval for grant funding of £50m to the LBE. The grant will be funded from the Mayor's Land Fund, which was secured from the government's Land Assembly, Small Sites and Accelerated Construction Funds. The grant is required to fund leaseholder buybacks, which will support the delivery of circa 2,000 homes, on the Joyce Avenue and Snell's Park estates in the LBE, as part of the site's redevelopment.
- 5.2 The grant payments are expected to commence during 2023-24, and the payments will be quarterly in arrears. The LBE will provide the GLA with quarterly reports on the project's progress. The risks and mitigation strategy associated with this project are included in section 4, above.
- 5.3 Further information on the terms of the funding agreements is set out in part 2 of the Decision.

## 6. Legal comments

- 6.1. Under section 30(1) of the GLA Act, the GLA has the power to provide grant funding for the project explained above, provided that doing so will further one or more of the GLA's principal purposes of: promoting economic development and wealth creation; promoting social development; and promoting the improvement of the environment in Greater London. The project will enable the delivery of new housing, including affordable housing. It is open to the GLA to take the view that funding it will promote both social and economic development, and is therefore within its power contained in section 30(1) of the GLA Act.
- 6.2. In exercising the power in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in section 30(4-6A); and to the Public Sector Equality Duty outlined in section 149 of the Equality Act 2010. Reference should be made to section 3, above, in this respect.
- 6.3. In addition to the above, where the GLA is proposing to use the power conferred in section 30(1) of the GLA Act, it must consider consulting in accordance with section 32 of the GLA Act (see section 4.8, above).
- 6.4. Officers must ensure that a suitable funding agreement is entered into with the council to formalise the provision of the grant before committing to the same.
- 6.5. Further legal comments are set out in Part 2.

## 7. Planned delivery approach and next steps

- 7.1. The table below sets out the next steps and timescales.

Activity or milestone	Completing
Legal completion of the grant agreement	May 2023
First GLA-funded leaseholder buyback (first claim for grant funding)	May 2023
Start on site (enabling and demolition works)	March 2024
Planning permission granted (signed decision notice and s106).	June 2024

## Appendices

Appendix 1 - Red line boundary

### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

### Part 1 – Deferral

**Is the publication of Part 1 of this approval to be deferred? NO**

### Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – YES**

### ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

#### Drafting officer:

Amy Cook has drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Assistant Director/Head of Service:

Rachael Hickman has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

#### Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

#### Corporate Investment Board

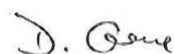
A summary of this decision was reviewed by the Corporate Investment Board on 27 February 2023.

✓

### EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature:**



**Date:**

13 March 2023