

Report for:	Leader's Decision – 15 June 2015	Item Number:	
Title:	Northumberland Development Project Tottenham – Wingate Land Covenant Issues		
Report Authorised by:	Lyn Garner - Director Place and Sustainability		
Lead Officers:	Jon McGrath – Assistant Director Property & Capital Project e-mail: jon.mcgrath@haringey.gov.uk		
Ward(s) affected: Northumberland Park		Report for Key Decision	

1. Describe the issue under consideration

- 1.1 This report seeks Leader approval to remove the restrictive covenant on the land known as the Albion Works, Paxton Road and part of the former Wingate Industrial Estate which Cabinet on 20 March 2012 agreed to impose on the disposal of that land to THFC which, in effect, only authorises use of the land for Tottenham Hotspur FC's (THFC) Stadium redevelopment proposals.

2. Introduction by Cabinet Member for Housing and Regeneration

- 2.1 The socio-economic, cultural and community benefits of the new football stadium and associated development in Tottenham will not only bring much needed regeneration to the eastern part of the Borough but also promote the redevelopment of other sites. This, in turn, will lead to a net socio-economic and environmental benefit to London as a whole.
- 2.2 The Leader is asked to support the recommendations of this report to enable the NDP scheme to progress.

3. Recommendations

Agree to the removal of the restrictive covenant (not to use the property other than as part of the new THFC stadium) contained in clause 11.3 of the Transfer of the land known as Albion Works, Paxton Road and dated 12 December 2014.

4. Other options considered

- 4.1 Option A – Approve the removal of the restrictive covenant.
- 4.2 THFC have requested the removal of the restrictive covenant on the land at the former Wingate Industrial Estate. Doing this will enable them to obtain the necessary competitive funding terms required to complete the New stadium regeneration scheme.
- 4.3 Option B – Do nothing.
- 4.4 Leaving the restrictive covenant in place will mean THFC will have to obtain funding on less attractive terms as the restrictive covenant may affect viability of the scheme.

5. Background Information

- 5.1 Wingate Industrial Estate is located to the North of Tottenham Hotspur's stadium off Tottenham High Road.
- 5.2 Cabinet agreed on 24th February 2009 to dispose of the freehold of the then Council's land known as 24/25 Wingate Industrial Estate, Tottenham (AKA Albion Works, Paxton Road) to a THFC company called Stardare Limited.
- 5.3 Cabinet approval on 20th March 2012 for disposal of 24/25 Wingate Industrial Estate contained a condition: "that the transfer of the land to THFC shall contained a restriction that the land is to be used for the purposes outlined in the application and stated in the CPO".
- 5.4 The restrictive covenant was originally included in that land agreement due to concerns that THFC might relocate to the Olympics Site in Stratford or other locations outside of the Borough. Since then THFC have confirmed their commitment to remain within Tottenham and have started major site works and intend to remain in the Borough.
- 5.5 The final piece of land required for the New Stadium regeneration scheme, Archway Sheet Metals, was acquired by THFC via a private deal following on from a High Court decision to dismiss Archway's legal challenge to the Compulsory Purchase Order on 20th February 2015.
- 5.6 The transfer of the Council's freehold interest in 24/25 Wingate Industrial Estate took place on 12 December 2014 and in accordance with the Cabinet decision, the transfer of the land to Stardare Limited contained a restriction that the land was to be used as part of the New THFC Stadium as outlined in the approved planning permission and no other purpose. THFC are now seeking to remove this restriction following discussions with their potential funders regarding difficulty in obtaining competitive funding terms.
- 5.7 The terms under which the freehold interest of the land was held, subject to a long

lease based on a ground rent, had such an impact on the value that consideration to the restriction to the land being sold purely for stadium use was not an influence. It is therefore considered that the removal of the clause would have little impact on the valuation. The DVS did not consider that there was any need for the London Borough of Haringey to apply any conditions, other than those normally applied in such a transaction, to the sale of the freehold.

- 5.8 Although it is not consider that THFC would be unable to finance the new Stadium scheme with a restrictive covenant in place, it is an accepted concern that, if the THFC were to go into liquidation, it is likely that the value of land to the funder would be reduced. It is therefore logical that the cost of funding may need to be increased to reflect this risk.

6. THFC's position regarding the Wingate Restrictive Covenant

- 6.1 THFC have made a formal request for the covenant contained in the Transfer of 12 December 2014 removed.
- 6.2 The Heads of Terms attached to the Cabinet resolution (20th March 2012) intentionally referred to: "The transfers of land to THFC shall contain a restriction that the land is to be used for the purposes outlined in the approved planning applications".
- 6.3 THFC claim bank lending on the new stadium will not accept any form of restrictive covenant and therefore need to purchase without any restrictive covenant.
- 6.4 THFC claim refusing to remove the Restrictive Covenant makes the procurement of funding impossible and therefore they say they are unable to progress finance discussions with banks.

7. Comments of Chief Financial Officer and Financial Implications

- 7.1 Disposal of Council owned land (i.e. 24/25 Wingate Industrial Site) was subject to an independent valuation on 20th August 2014 by DVS appointed by the Council showing that the Council was obtaining best consideration for its land and that the land would be used for the purposes of an approved scheme. The land was disposed of to THFC at a price of £350,000.
- 7.2 The removal of the restrictive covenant has no financial implications as it is merely improving funding terms for the scheme.

8. Assistant Director for Corporate Governance Comments and Legal implications

- 8.1 The restriction prevents the land from being used for any purpose other than as part of the new THFC stadium which was authorised by the planning permission. Removal of that restriction would allow the land to be used for any purpose.

9. Equalities and Community Cohesion Comments

There are no specific equalities and community cohesion issues concerning this report.

10. Policy Implication

Disposal of Council land is consistent with corporate asset policy as set out in the Asset

Management Plan.

11. Use of Appendices

Appendix 1: Site ownership Plans of 24/25 Wingate Industrial Estate

12. Local Government (Access to Information) Act 1985

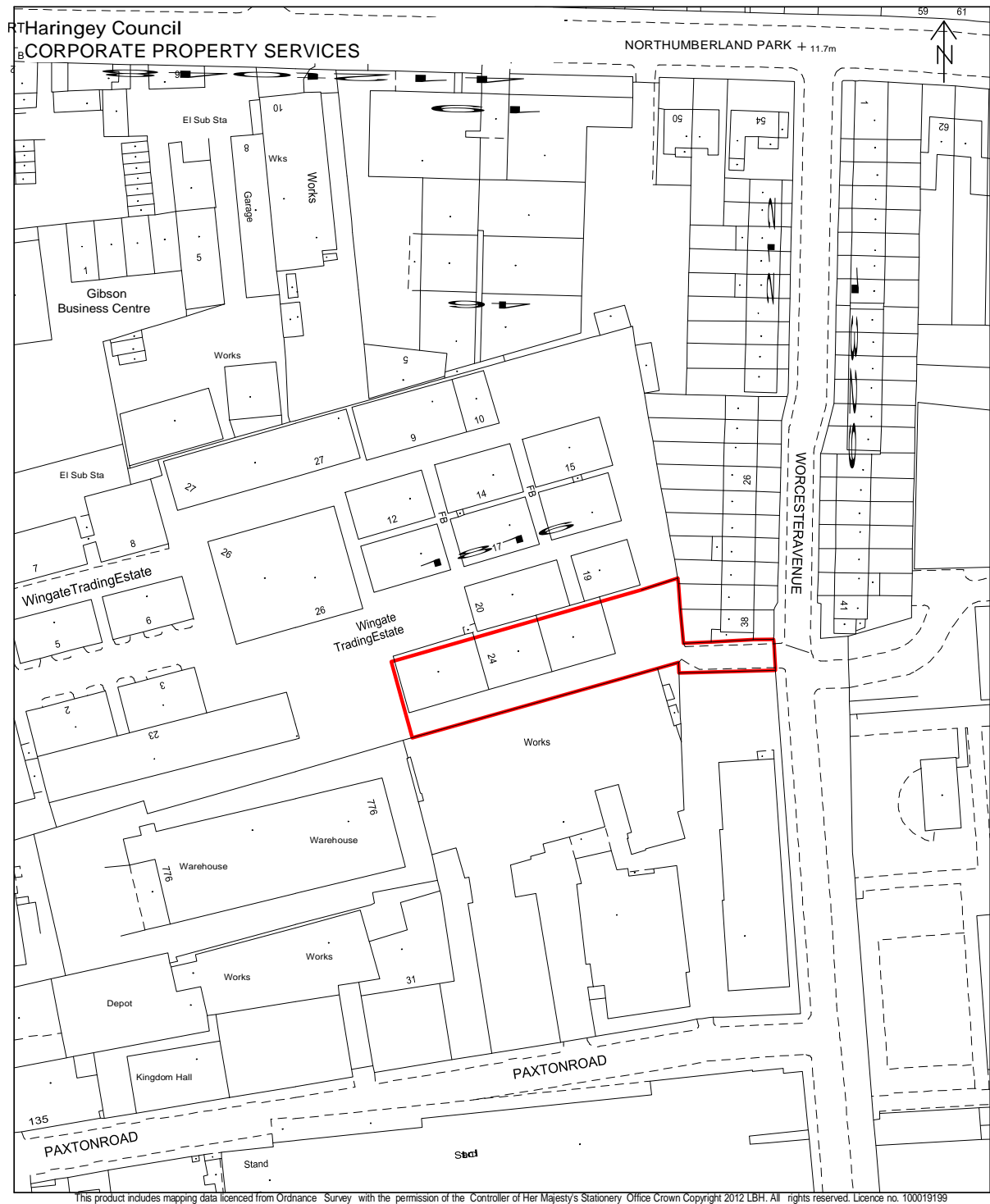
Background Papers

Cabinet Report - 24th February 2009: Northumberland Development Project

Cabinet Report - 16th November 2010: Northumberland Development Project –
(In principle CPO resolution)

Cabinet Report – 20th March 2012: Northumberland Development Project Tottenham –
Land Agreement between THFC and the Council

Cabinet Report – 12th February 2013: New Football Stadium and Associated
Development at Tottenham – Land Appropriation and Agreement.



Land at N17 Studios
 (part of Units 24 & 25 former Wingate
 Trading Estate)
 High Road
 Tottenham
 LONDON
 N17
 CPM No.

Overlay: Corporate - Commercial

Plan produced by Janice Dabinett on 06/03/2012

Deed Doc. No: (Freehold) 16avw, 622

LR title no.: Freehold MX152644, NGL18559

Site Area (hectares): 0.1395 ha

Scale 1:1250

Drawing No. BVES A4 1268c