



**Haringey** Council

<b>Report for:</b>	<b>Cabinet – 7<sup>th</sup> February 2012</b>	<b>Item Number:</b>	
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<b>Title:</b>	<b>Future use of 639 High Road, Tottenham N17</b>
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<b>Report Authorised by:</b>	<b>Lyn Garner - Director of Place and Sustainability</b>
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<b>Lead Officers:</b>	<b>Anne Lippitt – Programme Director for Tottenham Dinesh Kotecha – Head of Corporate Property</b>
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<b>Ward(s) affected: Bruce Grove; White Hart Lane; Northumberland Park; Tottenham Hale; Tottenham Green; Seven Sisters; St. Ann's; West Green</b>	<b>Report for Key Decision</b>
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**1. Describe the issue under consideration**

1.1 This report describes proposals for working in partnership with the Greater London Authority (GLA) and local communities to create a centre for enterprise and employment at 639 High Road. This will contribute to the regeneration of the Tottenham area, encourage and support entrepreneurship and secure wider community engagement.

1.2 The objectives for creating such an asset are;

- To provide quickly a focal point for the regeneration of Tottenham and a centre for enterprise, employment and community activity.
- To provide a link between the long-term physical regeneration of Tottenham, and the immediate need to take action on social problems such as youth unemployment.
- To show tangible actions post the riots, and an opportunity to launch the specifics of the Mayor's Regeneration Fund wider programme, which will be longer term in nature.
- To bring the vacant, fire damaged former Council office building back into beneficial use as soon as possible for the regeneration project being worked up in partnership with the GLA.

1.3 This report seeks Members approval to the transfer and re-use of council premises at 639 High Road, Tottenham N17 for this purpose. A plan showing the building is attached to this report (Appendix 1).

## **2. Introduction by Cllr Strickland, Cabinet Member for Economic Development and Social Inclusion**

Our conversations and public consultation since the riots tell us that people want safe, secure and confident communities with thriving businesses and more jobs. The re-use of 639 High Road is one of the key strategic sites within the High Road which was affected by the riots, and the proposal is to reuse it as a centre for enterprise and employment, working closely with local communities. This will contribute to Tottenham becoming a thriving place where people choose to live, work and stay throughout their lifetimes.

## **3. Recommendations**

3.1 To note the current position of 639 High Road, Tottenham in that it is fire damaged and vacant following the riots.

3.2 To agree to declare 639 High Road surplus to Council requirements.

3.3 To note proposals to work in partnership with the GLA to create 639 High Road as a dynamic enterprise, employment and community resource, with public space providing accommodation for new and existing businesses and support mechanisms for aspiring individuals and social enterprises.

3.4 To agree the disposal of the freehold of the property to the GLA outlined on the terms set out in (exempt) section 5.15 of this report, and to delegate the final terms of the disposal, including the price and any overage, to the Head of Corporate Property Services in consultation with the Director of Place & Sustainability, Programme Director for Tottenham, and Head of Legal Services.

## **4. Other options considered**

4.1 Option A – Retaining the building as Council Offices.

4.2 An assessment of future space needs has been carried out as part of the review of the Office Accommodation Strategy and this confirms that due to projected surplus capacity within the Council's offices portfolio, 639 High Road will not be required and can be declared surplus.

4.3 Option B - Retaining the building and developing it as an employment/enterprise centre

4.4 There is no capital funding available for the significant reinstatement and development works that would be required and the procurement and delivery of even basic reinstatement works are estimated to take six months from the time a decision was made.

- 4.5 Option C – Disposing of the building on the open market to maximize the receipt.
- 4.6 An options appraisal and soft market testing was carried out by the Council's Surveyors, BNP Paribas for 639 High Road, in November 2011, taking into account the existing damaged condition of the building. This considered the following main alternative uses to balance financial and non-financial objectives for the Council in disposing these premises:
- Offices (this is the currently permitted use)
  - Residential
  - Retail
  - Restaurants/bars
  - Education
  - Student Accommodation
  - Hotel
- 4.7 The conclusion of the report was that whilst a fully private residential development, with no affordable housing, will produce the highest receipt for the Council, the main disadvantage is that it would not create the active frontage at ground floor. Also, a fully private residential development would not meet the GLA's or the Council's regeneration aspirations for the area or this building and would be subject to obtaining planning and listed building consents.

## 5. Background Information

- 5.1 Working with partners and following recent discussions with the GLA and Sir Stuart Lipton, Team Tottenham is pursuing the immediate development of Business Units for new start up businesses, and existing small to medium sized businesses with appropriate supporting activities at 639 High Road, Tottenham which is currently vacant and fire damaged.
- 5.2 Following evacuation of 639 High Road in August 2011 work has been carried out to assess the damage and discussions are currently on going with the insurance loss adjuster.

### Future use of 639 High Road, Tottenham N17

- 5.3 This part of the High Road as a consequence of the summer riots saw the Job Centre Plus and Council offices closed, and the Carpet Right Building demolished. The loss of these buildings as destinations has had a perceived impact on the activity in the area and the trade of local businesses, compounded by significant loss further along the High Street, including the site of the Post Office.
- 5.4 Bringing 639 High Road back into use with partners and occupiers that will help to increase daytime activity along the road is a priority for the Council. This should help to improve footfall and therefore the trade of the businesses that have suffered as a result of the loss or closure of key buildings in the area that have in the past driven footfall in this part of the High Road.
- 5.5 The brief worked up with the GLA is for the building to be used as a centre for enterprise, employment and community activities.

- 5.6 The physical nature of the building is such that it lends itself for use as a centre for small businesses, as this would (as long as there were no general industrial activities proposed) be considered to fall within the existing B1 Use Class and as such would not require planning consent. However as the building is a statutory Listed Building any alterations to the building will require Listed Building Consent.
- 5.7 The layout of the space within the building is such that individual units within the building could be operated on a flexible basis with the potential for the ground floor to be used as a community café (or similar use) supporting business units above. This would require planning consent for a change of use of the ground floor area from B1 (Offices) to A3 (Café). In addition public spaces for permanent exhibition and information resources would enable this venue to be the focal point for community engagement, social networking and mentoring support in relation to emerging regenerative developments within Tottenham.
- 5.8 Such a model could also provide an opportunity for the Council to occupy a small part of the building on a flexible basis in order to retain some civic presence on the High Road. In particular some of the Council's economic development service that currently supports unemployed people operating out of the NRC in Northumberland Park would benefit from a High Road location and would have synergies with a new business centre and other proposed uses.
- 5.9 This would help to work towards meeting a number of wider regeneration objectives for Tottenham namely; providing flexible space to local small businesses allowing businesses to grow, develop and respond to changing circumstances, while giving young people the opportunity to develop businesses taking advantage of the additional training and support that such centres can provide.

#### **Transfer of 639 High Road to the GLA**

5.10 – 5.12 (Exempt)

- 5.13 Should the recommendation to dispose of 639 High Road to the GLA be accepted, a full consultation on the operational business model for the building will follow in due course.
- 5.14 As the GLA would be in a unique position to be able to deliver regeneration benefits by acquiring and developing 639 High Road, Tottenham, it can be considered a special purchaser. This justifies a sale to the GLA by private treaty in preference to selling the site on the open market and it is proposed that the sale price is determined by an independent valuation based on existing use and condition and vacant possession.

#### **Terms for Disposal**

5.15 (Exempt)

## **6. Comments of Chief Financial Officer and Financial Implications**

### **Chief Financial Officer's Comments**

- 6.1 The proposal is to dispose of the building freehold to the GLA and proceed with the creation of a centre for enterprise, employment and community activity now rather than with a more valuable use (such as residential use) at a later stage when market conditions may have improved.
- 6.2 (Exempt)
- 6.3 The differential in the capital receipt will need to be accommodated within the overall resourcing of the capital programme.
- 6.4 -6.5 (Exempt)
- 6.6 At present no Council budget is allocated to bring 639 High Road back into use. It is likely that insurance would meet some of this cost, although this is likely to relate solely to reinstatement works and would not cover remodelling or project management expenditure, which is estimated to be around £1.5m.
- 6.7 If the Council was to decide to remodel the building itself, it would need to identify further capital funding which would most likely further impact on the existing capital programme. If the building is sold to the GLA the cost and risk of delivery of the project and managing the building fall to the GLA, including the revenue risk for future operation.
- 6.8 Additionally the Office Accommodation Strategy is required to generate over £1.5m of revenue savings by 2013/14 and 639 High Road was expected to deliver around £150,000 of this saving. This should be achievable if the building transfers to the GLA. However, this could be reduced if the Council is required to pay rent to lease back part of the building.
- 6.9 A funding package from the GLA to support Regeneration in Tottenham has been announced further details of which are reported elsewhere on this agenda.

## **7. Head of Legal Services Comments and Legal implications**

- 7.1 The recommendation is for Council to dispose the freehold of the building to the GLA.
- 7.2 The Council must obtain the best consideration that can reasonably be obtained otherwise it must obtain the consent of the Secretary of State. The disposal to GLA will contain restrictions as to the use of the building and this would have a detrimental effect on the open market value. However, best consideration can still be obtain if the price to be paid is open market value based on the restricted value of the building determined by an independent valuation;
- 7.3 A disposal of the property as proposed in paragraph 5.15 of this report does not fall within the Public Procurement Regulations so there is no procurement issue;
- 7.4 In order to protect any future share of disposal value an overage clause will need to be inserted in the Transfer document.

## **8. Equalities and Community Cohesion Comments**

All engagement and consultation activities will be as inclusive as possible. As a part of the regeneration strategy for the area will be meeting with specific equalities groups and their views considered in developing this project. An Equalities Impact Assessment will be developed as part of the Regeneration Strategy for the area. The GLA will need to consider any equality impact issues as a part of their development process for the project at 639 High Road.

## **9. Policy Implications**

Disposal of 639 High Road is consistent with corporate asset policy as set out in the Asset Management Plan.

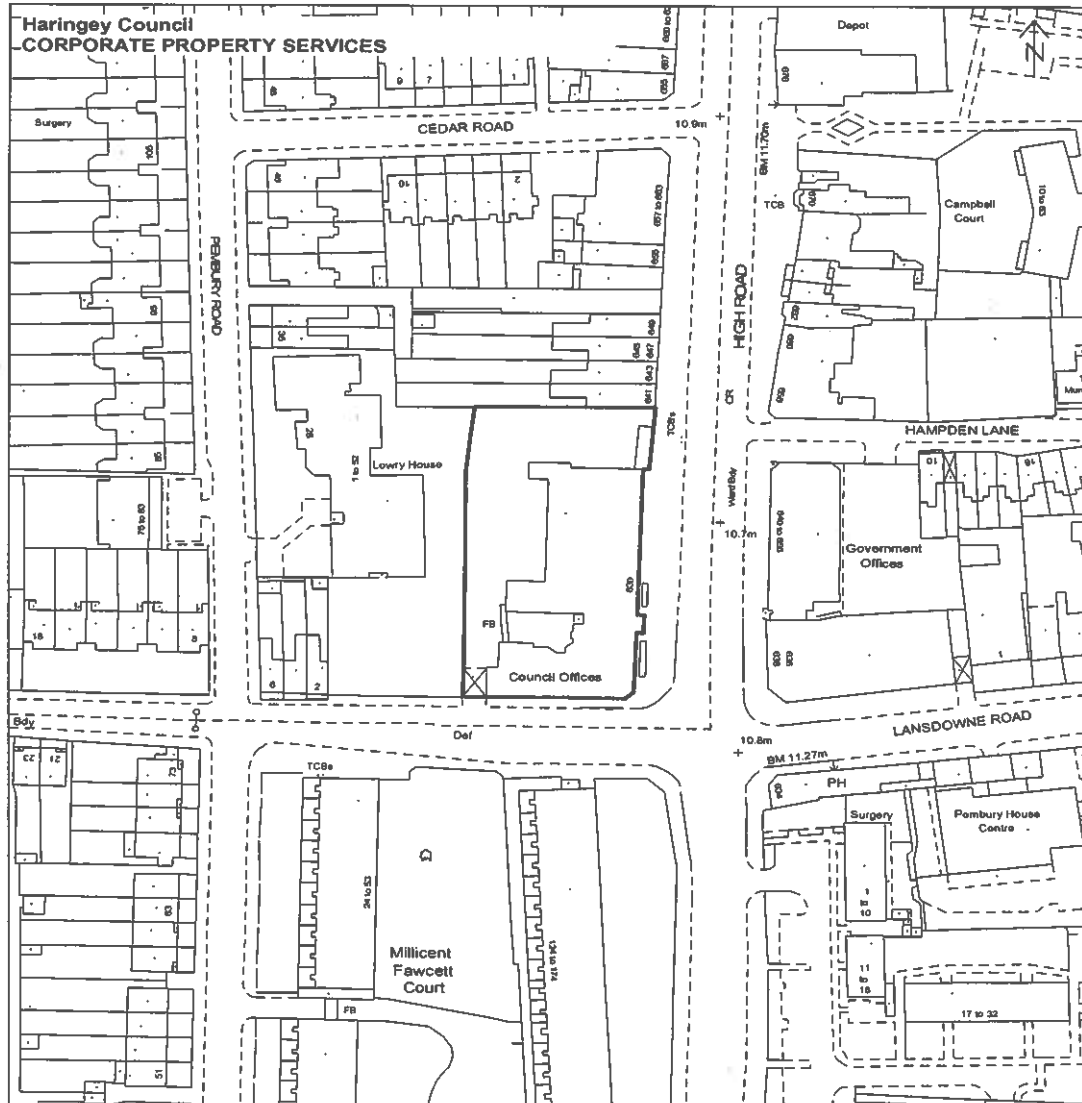
## **10. Use of Appendices Appendix 1: Site Plan for 639 High Road N17.**

## **11. Local Government (Access to Information) Act 1985**

### **Background Papers**

Tottenham Regeneration Programme – Progress update, next steps and governance.  
Cabinet Report 20.12.11.

# APPENDIX 1



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639 High Road  
Tottenham  
LONDON  
N17 8AA

CPM no. 1133

Overlay : Corporate - Admin Buildings

Plan produced by Janice Dabinett on 22/06/2011

Deed packet no. : 3592 4767  
LR title no. : Freehold NGL243689 NGL234157 (part)

Site Area (in hectares) : 0.2678 ha

Scale 1:1250

Drawing No. BVES A4 2066b

