

<b>Report for:</b>	<b>Cabinet – 20<sup>th</sup> March 2012</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Northumberland Development Project Tottenham – Land Agreement between THFC and the Council</b>		
<b>Report Authorised by:</b>	<b>Lyn Garner - Director Place and Sustainability</b> 		
<b>Lead Officers:</b>	<b>Dinesh Kotecha – Head of Corporate Property Services</b> Tel: 020 8489 2101 e-mail: <a href="mailto:dinesh.kotecha@haringey.gov.uk">dinesh.kotecha@haringey.gov.uk</a>		
<b>Ward(s) affected: Northumberland Park</b>		<b>Report for Key Decision</b>	

## 1. Describe the issue under consideration

- 1.1 This report follows on from the earlier report on this Agenda concerning the proposed London Borough of Haringey (Northumberland Development Project) Compulsory Purchase Order 2012. This report only needs to be considered if a resolution to make a CPO is decided by Cabinet.
- 1.2 This report sets out the proposed Heads of Terms of a Land Agreement between Tottenham Football Club (THFC) and the Council (LBH), which includes the following matters:
  - **Indemnity for Land Transfers from LBH to THFC** - Further indemnity from THFC to the Council associated with the transfer of land and rights to be acquired under the Compulsory Purchase Order (CPO). This may take the form of a supplementary agreement to the CPO indemnity agreement already entered into by the Council.
  - **Disposal of Land and Rights acquired under the CPO** - The terms under which the Council will transfer land and rights that have been acquired under the CPO to THFC to ensure that land is used for the purposes of the scheme.

- **Disposal of Council owned land** - The terms under which the Council will transfer its own land to ensure that land is used for the purposes of the scheme. The Council's land is shown on the plan in Appendix 2 and is known as "Wingate Industrial Estate" and is required for the New Stadium.

1.3 This report seeks Members approval to enter into the Land Agreement on the general terms outlined in Appendix 3 and delegated authority to Officers to negotiate and finalize the Heads of Terms and complete the agreement(s).

## **2. Introduction by Cabinet Member for Finance and Carbon Reduction**

2.1 This report flows from the earlier report on this agenda concerning the making of a CPO resolution to support the redevelopment proposals include a new football stadium for THFC with increased spectator capacity, a food superstore, hotel and residential development as well as associated office and public space.

2.2 Critically, the development proposals present an opportunity for the Council's strategic regeneration goals to be realised in what is acknowledged and recognised as part of the Borough which suffers from endemic socio-economic deprivation and environmental degradation.

2.3 Members are asked to support the recommendations of this report to enable officers to finalise the Heads of Terms for a further indemnity agreement and land agreement with between the Council and THFC for the NDP scheme.

## **3. Recommendations**

3.1 Agree to approve the Council entering into a Land Agreement or such other agreements that are necessary under the Heads of Terms described in Appendix 3.

3.2 Agree to delegate the final terms of the agreements to the Head of Corporate Property Services in consultation with the Director of Place & Sustainability, Chief Finance Officer and Head of Legal Services.

## **4. Other options considered**

4.1 Option A – Do nothing.

4.2 The regeneration of the area and the implementation of the scheme will not be possible.

4.3 Option B – Dispose of the Council's land on the open market

4.4 Selling the land on the open market will not achieve the objective of regenerating the area and will prevent the scheme being implemented. THFC are a special purchaser due to their adjoining land interest and the Council's requirement to see a comprehensive regeneration of the area. They are funding the land acquisitions and compensation payments under the CPO at market value under the terms of an indemnity agreement in accordance with statutory compensation rules. THFC will enter into a further indemnity agreement and land agreement to give the Council the re-assurance it needs on any land transfers being used for a New Stadium and associated enabling development.

## 5.0 Background Information

- 5.1 The Council entered into an indemnity agreement with the Club in June 2011 under the delegated authority of the Leader of the Council. As the first in the process, the terms of that indemnity agreement concerned the preparation and making of a Compulsory Purchase Order (CPO) and the costs associated with that exercise. The Council agreed at that time that the transfer of any land to the Club would be subject to a further indemnity and land transfer agreement (referred to as a “Land Agreement” in this report), being entered into. This was to ensure that the Council had the re-assurance and commitment it needed from the Club to staying and building the scheme in Tottenham before it would progress further work to implement the scheme.

## 5.2 Heads of Terms for the Land Agreement

This report sets out the proposed Heads of Terms for a Land Agreement between Tottenham Football Club (THFC) and the Council which includes the following matters:

- **Indemnity for Land Transfers from LBH to THFC** - Further indemnity from THFC to the Council associated with the transfer of land and rights to be acquired under the Compulsory Purchase Order (CPO). This may take the form of a supplementary agreement to the CPO indemnity agreement already entered into by the Council.
- **Disposal of Land and Rights acquired under the CPO** - The terms under which the Council will transfer land and rights that have been acquired under the CPO to THFC to ensure that land is used for the purposes of the scheme. The land and rights are included within the redline boundary shown on plan in Appendix 1. The land coloured green is either controlled or owned by THFC. The land coloured pink is to be acquired for the scheme.
- **Disposal of Council owned land** - The terms under which the Council will transfer it's own land to ensure that land is used for the purposes of the scheme. The Council's land is shown on the plan in Appendix 2 and is known as “Wingate Industrial Estate” and is required for the New Stadium.

## 5.3 24/25 Wingate Industrial Estate Site (Council owned land)

- 5.4 In respect of the land already in the Council's ownership, Cabinet agreed on 24<sup>th</sup> February 2009 to dispose of the freehold of the Council's land known as 24/25 Wingate Industrial Estate, Tottenham to THFC for a new stadium. The Land is leased for a term of 99 years from December 1969 to a company controlled by THFC. Although THFC own the lease, they cannot develop the site without the Council's consent as freeholder.
- 5.5 This land is identified in the site plan attached to this report in Appendix 2 and also shown coloured orange on the ownership plan in Appendix 1, which shows the context of the Council's site in relation to other land owned or controlled by THFC (coloured green). The disposal of that land was to be based on a price determined by an independent valuation by the District Valuer (or other Valuer) appointed by the Council.
- 5.6 Since Cabinet's 24<sup>th</sup> February 2009 decision, THFC's strategy was to relocate to the Olympic Stadium site in Stratford, East London, and the Council withheld the disposal of the land as it was not in accordance with Cabinet's decision that the land must be used for the new stadium.

- 5.7 THFC are now committed to remaining in Tottenham, the disposal of the land can proceed on the terms recommended in the Heads of Terms outlined in Appendix 3, which ensure that the land will only be used for a new stadium.
- 5.8 Under the Heads of Terms, following acquisition of all outstanding third party land necessary for the NDP scheme (either by private treaty or compulsory acquisition) the Council will sell the land it owns at the former Wingate site to THFC at best consideration, to be determined by an Independent Valuer appointed by LBH taking into account the existing valuation LBH has obtained for the land.
- 5.9 The transfers of the land to THFC will also contain a restriction that the land is to be used for the purposes of the New Stadium as outlined in the approved planning applications and no other purpose.

## **6.0 Comments of Chief Financial Officer and Financial Implications**

- 6.1 This report deals with Land Issues that only become relevant if Cabinet has decided to make a CPO.
- 6.2 Before any Land Transfer can proceed the Council needs to be assured that an indemnity or appropriate documentation is in place to ensure all Council costs are repaid before any land transfer takes place and that the land can only be used for the approved scheme.
- 6.3 Any disposal of pre-CPO owned Council land (i.e. 24/25 Wingate Industrial Site) is subject to an independent valuation by a Valuer appointed by the Council showing that the Council is obtaining best consideration for its land and that the land is used only for the purposes of the approved scheme.

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

- 7.1 The final Heads of Terms need to be agreed by the Head of Legal Services and further provisions may be inserted to protect the interests of the Council.

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

An Equalities Impact Assessment for the Compulsory Purchase Order has been considered and is referred to in the report on that decision. There are no specific equalities and community cohesion issues concerning this report.

## **9. Policy Implication**

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

## **10. Use of Appendices**

- Appendix 1: Site ownership plan.
- Appendix 2: 24/25 Wingate Industrial Site Plan
- Appendix 3: Heads of Terms for Land Agreement.

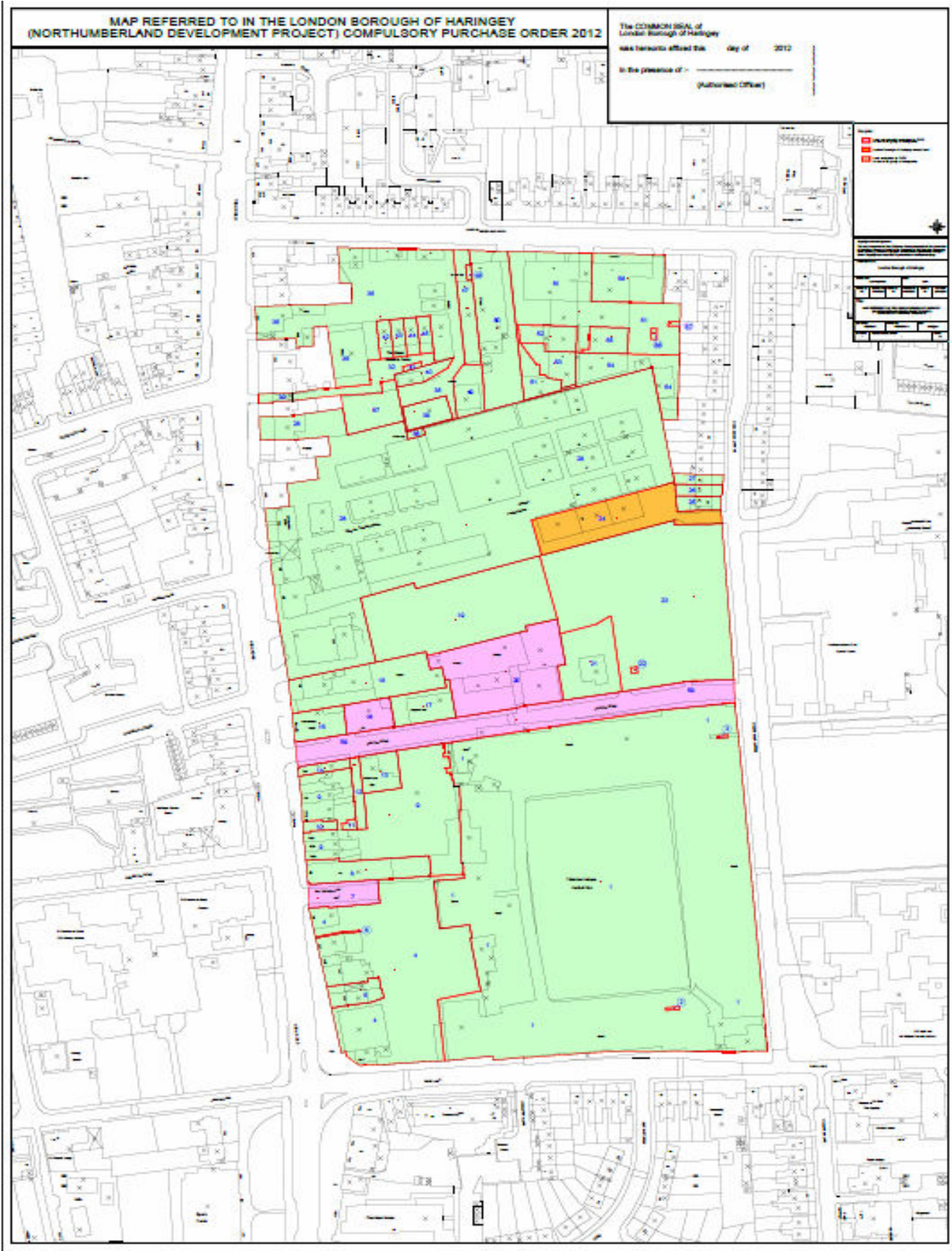
## **11. Local Government (Access to Information) Act 1985**

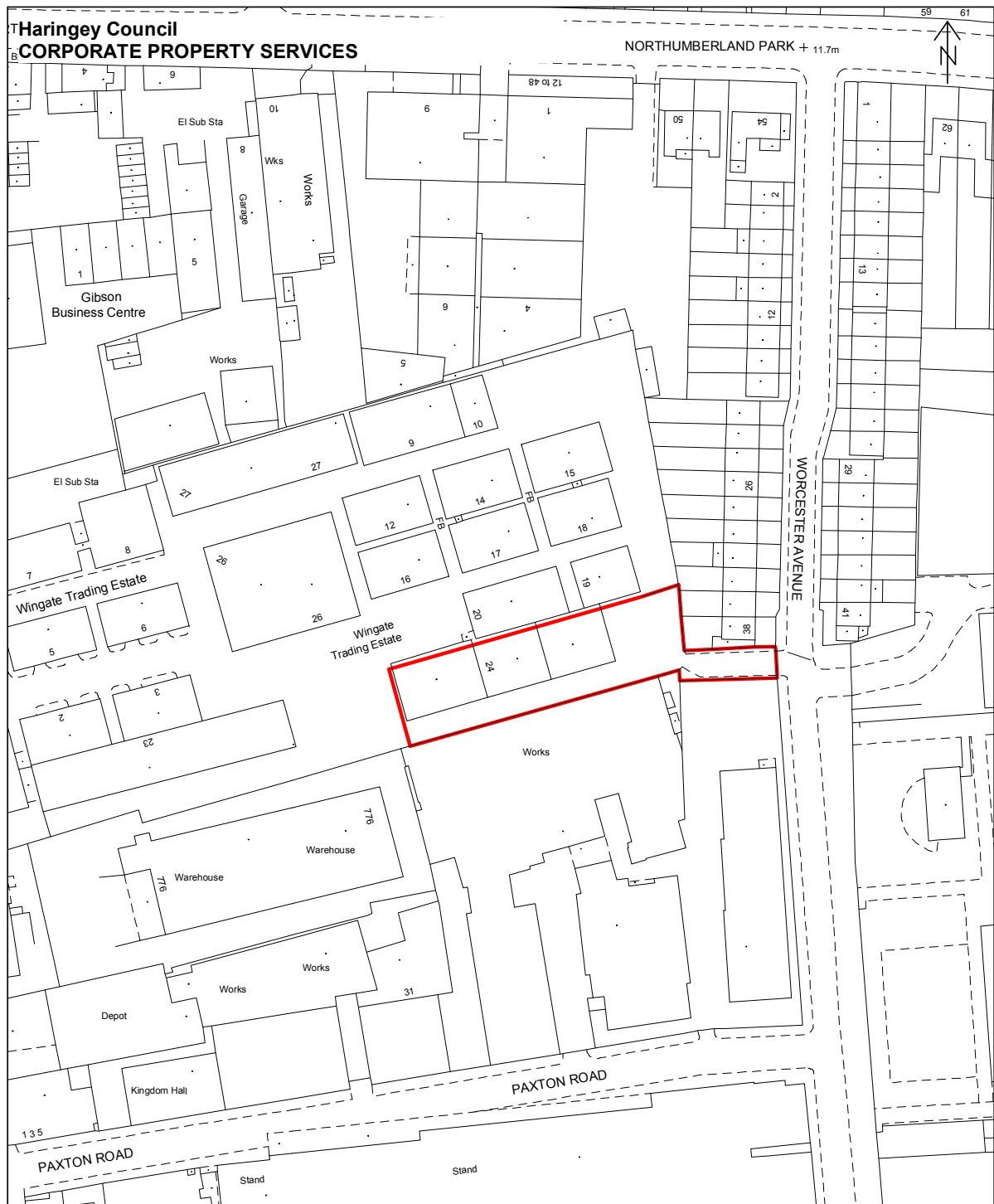
### **Background Papers**

**Cabinet Report - 24<sup>th</sup> February 2009: Northumberland Development Project**

**Cabinet Report - 16<sup>th</sup> November 2010 : Northumberland Development Project –  
(In principle CPO resolution)**

## SITE OWNERSHIP PLAN.





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**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

Without Prejudice and subject to contract

**NORTHUMBERLAND DEVELOPMENT PROJECT****LAND AGREEMENT****(INCLUDING STAGE II CPO INDEMNITY AGREEMENT)****HEADS OF TERMS****1. PARTIES**

- 1.1 London Borough of Haringey ("LBH")
- 1.2 Tottenham Hotspur Limited and Tottenham Hotspur Football and Athletic Co Limited (together with all relevant landowning companies) (together "THFC")

**2 CPO PROCESS**

- 2.1 LBH's role is that of acquiring authority and it will be leading on the promotion of a Compulsory Purchase Order ("the CPO") for the approved Northumberland Development Project ("the NDP Scheme"). In addition the LBH owns land within the NDP Scheme boundary.
- 2.2 THFC is the Developer that will be implementing the NDP Scheme and operating the Stadium.
- 2.3 On 16 November 2010 LBH made an 'in principle' resolution to use its compulsory purchase powers to enable the delivery of the NDP Scheme
- 2.4 In order to assist THFC to implement the NDP Scheme, LBH has sought a further Cabinet resolution to "make" a CPO in respect of all identified third party land required for the NDP Scheme.
- 2.5 THFC shall continue to seek to negotiate and acquire all necessary land and rights by agreement during the preparation and making of the CPO, and until such time as LBH consider it reasonable for the land and rights to be acquired compulsorily.
- 2.6 THFC shall assist LBH in preparing the Statement of Reasons for the CPO and such other evidence as is necessary to support the CPO case.
- 2.7 Following the further Cabinet resolution LBH shall expeditiously:
  - Comply with all statutory requirements relating to the making of the CPO including publication of site and newspaper notices and notifying "qualifying persons";
  - Formally "make" the CPO;
  - Issue the draft Order, Plan, Schedule of Interests, and Statement of Reasons to the Secretary of State;
  - Serve statutory notices and Statement of Reasons on affected parties.
- 2.8 LBH will liaise with THFC and the Planning Inspectorate to schedule any required public inquiry.



- 2.9 LBH will seek confirmation of the CPO at and following any public inquiry.
- 2.10 LBH will work with THFC to prepare such evidence as is necessary for any public inquiry.
- 2.11 THFC shall assist LBH in the preparation for the public inquiry and shall provide such evidence and appear at the inquiry in such capacity as may be agreed between the parties as necessary to maximize the prospect of the CPO being confirmed by the Secretary of State.
- 2.12 Following the confirmation of the CPO LBH will expeditiously publish the notice of confirmation in accordance with statutory requirements.
- 2.13 In the event that any third party challenges to the confirmation of the CPO by way of statutory challenge LBH will work with THFC and, subject to Counsel's advice, diligently defend such legal proceedings.
- 2.14 Once LBH have formally made the CPO, THFC shall not withdraw or abandon their involvement in the CPO process and shall see the process through to completion.

### **3 LAND TRANSFER AND ACQUISITIONS**

- 3.1 Following the confirmation of the CPO (and the expiry of the challenge period), LBH will expeditiously take such steps to acquire the outstanding third party interests (and access rights) in accordance with a timetable to be agreed with THFC.
- 3.2 LBH will involve THFC in connection with all compensation negotiations with affected parties and shall consult with THFC and obtain THFC's approval (such approval not to be unreasonably withheld) prior to making any offers of compensation, agreeing any compensation settlements and making any compensation payments (including advance payments).
- 3.3 LBH will transfer all third party rights and interests acquired under the CPO to THFC at best consideration in accordance with the section 233 Town and Country Planning Act 1990 Local Government Act 1972 s.123 taking into account THFC's funding of the acquisitions and for the avoidance of doubt THFC shall not be obliged to pay more in respect of any interest or right than the amount of compensation payable by LBH to the third party owner in respect of that interest or right.
- 3.4 The transfers of land to THFC shall contain a restriction that the land is to be used for the purposes outlined in the approved applications and stated in the CPO.
- 3.5 THFC shall pay all costs for the acquisitions and transfers, and if any costs are outstanding LBH shall be under no obligation to complete the transfer of the land or right.
- 3.6 THFC shall occupy and manage any land which is acquired under the CPO, under licence, and be responsible for all outgoings including, security and insurance of the land and buildings, until the completion of the transfers, which shall be as soon as practicable.

### **4 STAGE II CPO INDEMNITY**

- 4.1 THFC to indemnify LBH against all reasonable costs ("the CPO Costs") so far as not covered by the Stage I CPO Indemnity Agreement associated with:
  - The making of the CPO and compliance with statutory procedures;
  - The promotion of the CPO at any public inquiry;

- Opposing any legal proceedings seeking to challenge the CPO; and
  - the costs of acquisition/compensation payable for purchase of the remaining land/rights together with all costs associated with the compensation negotiations
  - the costs of withdrawing or abandoning the CPO for whatever reason
  - the costs of restarting or varying the CPO process if the LBH's legal advice is that this should be done in order to avoid a significant risk and obtain a successful outcome.
  - the costs for all land transfers, occupations, licensing and disposals
  - the reasonable and agreed costs of public consultation, communication, PR, website, material and
  - Professional Services and advice on the CPO
- 4.2 Within 28 days of a written demand from LBH THFC shall pay to a bank account opened by LBH the amount of CPO costs that LBH estimate will be incurred, have been incurred, paid or are due for payment or will shortly be due for payment by LBH.
- 4.3 Any written demand submitted by LBH shall be supported by reasonable evidence that the CPO Costs will be incurred, have been incurred, paid or become due for payment or will become due for payment
- 4.4 Upon an agreed date following confirmation of the CPO and the expiry of the challenge period THFC shall provide a parent company guarantee, bond or cash equivalent payment to LBH based on a compensation valuation report and for the avoidance of doubt the agreed date shall not be later than the date agreed between the parties for the acquisition of the interests and rights under the CPO

## **5 24/25 WINGATE INDUSTRIAL ESTATE SITE**

- 5.1 Following acquisition of all outstanding third party land necessary for the NDP scheme (either by private treaty or compulsory acquisition) LBH will sell the land it owns at the former Wingate Studios (shown coloured orange on the attached plan in Appendix 1) to THFC at best consideration, to be determined by an Independent Valuer appointed by LBH taking into account the existing valuation LBH has obtained for the land.
- 5.2 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.
- 5.3 LBH will formally appropriate all land within its ownership for planning purposes prior to sale to THFC.
- 5.4 THFC shall pay the LBH's valuation and legal costs.

## **6. GENERAL**

- 6.1 Such other terms and conditions that LBH's head of legal services considers appropriate to implement the CPO resolution and transfer land and rights acquired under the CPO to THFC.