

Report for:	Cabinet 15th September 2015	Item Number:	
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Title:	Sale of Land at Keston Road, N17
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Report Authorised by:	Lyn Garner, Director of Regeneration, Planning & Development
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Lead Officer:	Jon McGrath, Assistant Director Property & Capital Projects
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Ward(s) affected: West Green	Report for Key/Non Key Decisions: Key
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1. Describe the issue under consideration

- 1.1 The land at Keston Road offers the opportunity to provide much needed affordable housing in the Borough. There is strong demand for intermediate housing in the Borough and this site provides an opportunity to provide 67 affordable home ownership units. The site currently includes a number of buildings known as the Keston Centre, the Maya Angelou Centre and the Goan Centre.
- 1.2 The Maya Angelou Centre is occupied in part by the West Green Playgroup and a Council service known as the Family Contact Centre, both of which will be relocated. The Goan Centre is occupied by a community group and an offer has been made to relocate them within the completed scheme into a new community building as indicated on the plan attached in Appendix B.
- 1.3 Pocket Living LLP was awarded £21.7m equity funding for 10 years by the Mayor of London as part of his Housing Covenant commitment to help thousands of low income working people into home ownership. This funding is expected to see around 400 Pocket Living LLP homes developed in the first two years alone, committing to the GLA that profits will be reinvested alongside the Mayor's capital over the life of the programme
- 1.4 This report seeks a decision to sell the site to Pocket Living LLP, who is best placed in the market to maximise the amount of affordable housing that can be developed on the site by providing 102 residential units and a new 2 storey community building on the site as part of the development (indication shown in Appendix B). The Council will retain the freehold interest for the land on which the community building will be built.

2. Cabinet Member introduction

- 2.1 The sale of part of the Keston Road site provides an opportunity for Pocket Living LLP to provide a high percentage of affordable housing in the Borough. There is an increasing demand for intermediate housing and this site is well located to provide 67 affordable home ownership units. The current occupiers on the site will be given the opportunity to relocate in a new community building which will provide modern facilities in the same location with minimal disruption.

3. Recommendations

3.1 Members are asked:

- a) To declare the part of the site shown edged red on the plan attached (Appendix A) surplus to requirements. This approval is with delegated authority for the Director of Regeneration, Planning & Development following consultation with the Cabinet Member for Housing and Regeneration to agree the final red line boundaries between the land to be retained and the land to be disposed of.
- b) To note that the Family Contact Centre will be relocated to a suitable alternative Council site close by subject to further consultation with the staff and service users.
- c) To note that the West Green Play Group will be re-provided for within a new community facility to be completed on the retained land. The Goan Community Group have also been offered accommodation in the new facility.
- d) To authorise the disposal of the part of the site shown edged red on the plan attached in Appendix A to Pocket Living LLP for the sum set out in part B of the report for the purposes of building 102 new homes of which 67 (65%) will be affordable home ownership units and on the terms set out in paragraph 5.16 (including the construction of a new community building on the retained Council land at their own cost).

4. Alternative options considered.

Alternative option – The Council does not sell the site

- 4.1 Should the Council not sell the site then it will lose the opportunity to provide new housing and continue to retain a wasting asset.

5. Background information

- 5.1 The site was formerly used by William Foster School as an annexe and is reached from a narrow vehicular access way from Keston Rd, N17, which in turn leads to Philip Lane, N17. The entire site is almost landlocked, save for the vehicular access way, with the Harris (Downhills) Academy to the south, Downhills Park to the west and north with private housing to the east. The site is located in the West Green Ward.

Please see attached Ordnance survey for reference in Appendix A.

5.2 The site is made up of a number of buildings and occupiers:-

- a) **Maya Angelou Centre:-** This is occupied by the following:-

- The Family Contact Centre – this is a Council Service currently supporting the Borough. There are a number of Council sites close by which are currently being considered for relocation and further consultation with the service users and staff will be undertaken as part of the relocation process.
 - The West Green playgroup – as a Council tenant they served a s26 notice on the Council requesting a new Landlord & Tenant Act lease in July 2014. The Council applied to court seeking to restrict the grant of a new lease. However, further action is in abeyance pending the successful outcome of their relocation to the new community centre where they would be offered a new lease at commercial terms.
- b) **Keston Centre**
- c) **The Goan Centre:**

This building is currently unused and occupied by Guardians.

The Goan Community Group does not have a tenancy or license for the Centre, having been in occupation since 2000; they have claimed adverse possession of their land and a right of way over the site. The Council has been keen to retain the Goan Centre on the site and to support the service they provide. Their current accommodation is in very poor condition and they would benefit from access to a modern purpose built facility.

The Council and Pocket Living have engaged with the Goan Community Centre and in order to make a fair and just approach to their present position a lease has been offered to the Goan Community Group as part of the proposed new community building. The lease would be based on the new community lease (agreed at Cabinet) which would be for 5 years on FRI terms (outside the Landlord and Tenant Acts) which would acknowledge their interest in the site (which they currently do not have) and secure and regularise their current position. The lease would be renewable subject to the Goan Centre fulfilling the Council's objectives.

None of the buildings on the site are listed, nor within a conservation area.

Housing, Planning and Tenure

5.3 Priority 5 of the Council's Corporate Plan for 2015-18 is to 'Create homes and communities where people choose to live and are able to thrive'; under this overall aim there is a specific objective to 'Achieve a step change in the number of new homes being built', with a particular commitment to supporting low- and middle-income residents to get on the housing ladder.

5.4 The Council's draft Housing Strategy – currently subject to public consultation – expands on these commitments. It describes the unmet demand for low-cost homes for ownership in the borough, and prioritises their development in in the east of the Borough in order to balance the existing distribution of tenures. It also articulates the Council's desire to promote innovative types of affordable housing. Pocket Living and its particular product are consistent with these aims, and its proposals for this particular site are appropriate.

5.5 The proposal does not seek to provide any social or affordable rented properties, however it does exceed the Council's affordable housing target of 50%. Therefore the proposed new affordable homes will make a significant contribution to the affordable housing supply for the borough.

5.6 The Local Plan: Strategic Policies document was adopted by Council in March 2013, which sets out the strategic vision and objectives that the Council will seek to achieve through its planning decisions in the period 2011-2026. In order to deliver the objectives of the Plan to deliver new homes, jobs, economic growth and improve our social infrastructure, significant sites will need to be developed across the borough.

5.7 This document includes the Site Allocations DPD, which introduces the key development sites which will accommodate the majority of development in the borough over the next 11 years. The Keston Centre site (ref: sa61 of the Site Locations DPD) has been identified as one of those sites as supporting re-development.

5.8 Pocket Living LLP are proposing to re-develop the Keston Road site to provide a new 2 storey community facility with a gross internal area of 360m², along with 102 residential units in total, which is made up of:-

- 67 "Intermediate" Pocket 1 bed affordable flats for outright sale(i.e. 20% below market value)
- 13 no.2 bed flats for private sale,
- 22 no. houses for private sale.
- Pocket's development will be providing 67 units (65% of the proposed development) affordable intermediate pocket homes which are being made available to low income residents located in Haringey. These are being sold at a 20% discount which is classified as affordable in Planning terms.
- There is a strong demand for Intermediate Housing in the Borough and the new development will support and benefit the socio, economic and environmental well being of the area in providing this type of accommodation. This will be through supporting those who fall into the gap of being ineligible for social housing and are unable to afford home ownership.

5.9 It should be noted that the Council will retain the freehold of the new 2 storey community facility which, Pocket Living LLP will build on the part of the site to be retained by the Council. The facility will include one floor available to lease to the West Green Playgroup and one floor available and offered to the Goan Centre.

Pocket Living LLP

5.10. Pocket Living LLP is a housing developer who specialise in building affordable housing. They have completed developments in Hackney, Hammersmith & Fulham, Westminster, Hounslow, Ealing and Camden. Pocket Living LLP's model is based on

provision of housing to a growing number of people who are falling into the widening gap between social housing (ineligible) and home ownership (unaffordable). Consequently, Pocket Living LLP seek to develop “pocket” homes for this “intermediate market”, as these buyers earn too much to qualify for social housing but also cannot afford to buy on the open market.

- 5.11. Pocket Living LLP was awarded £21.7m equity funding for 10 years by the Mayor of London as part of his Housing Covenant commitment to help thousands of working people into home ownership. This funding is expected to see around 400 Pocket Living LLP homes developed in the first two years , committing to the GLA that profits will be reinvested alongside the Mayor’s capital over the life of the programme.
- 5.12. The Pocket Living LLP model is to principally develop one bed flats which are sold outright to buyers, priced at least 20% lower than the local market value. Pocket Living LLP buyers will own 100% of the equity and the value of their home. To be eligible, buyers must earn less than the maximum household earnings limit (currently in the region of £71,000 per annum although Pocket owners average £39,000 per annum) set each year by the Mayor of London.
- 5.13. A restrictive covenant protects Pocket’s affordability for the local city maker audience from the first sale onwards. Should a Pocket owner wish to sell their home after the initial 12 month no-sale period, they have to sell to someone who fits the same income and living criteria and it is this which keeps their property at a discount to the market in perpetuity. So unlike shared equity, Pocket homes will stay in the affordable market permanently.
- 5.14. Pocket homes are designed to fit with moderate incomes. They are located near public transport and have ample cycle storage. They are very well insulated, and are built to Code Level 4 guidelines, often with shared heating and hot water systems and PV panels.
- 5.15. There are over 3,500 residents in Haringey earning under £60,000 p.a. who have signed up for one bed properties through the First Steps website. Haringey has a growing young audience (20-39) and the West Green ward has seen the largest increase in the 25-29 age group. Half of Haringey’s residents declare themselves to be single and a third of them are one person households. An increase in house prices in the borough of 29% in the year to Jan 2015 has driven the majority of these households into rental accommodation with Haringey having one of the highest proportion of renters in the capital and home ownership sitting at 38.9% compared to 48.3% for London as a whole.
- 5.16. Pocket Living LLP have offered a sum set put in part B of this report (subject to contract) for the site subject to the relocation of the existing occupants with a number of conditions, that include the following:-
 - Pocket Living LLP proposes to develop the site in phases so as to have minimal impact on both the West Green Playgroup and the Goan Community Centre. Construction will be planned so that a Community building will be built, allowing for the relocation of the aforesaid groups.
 - Receipt of a satisfactory implementable planning consent for the site to develop 67 no. 1 bed flats (leasehold), 13 no. 2 bed flats (leasehold) and 22 no. 3 bed houses(freehold).

- Pocket Living LLP to provide a 2 storey community building with a gross internal area of 360m² at their own cost on the land to be retained by the Council. Once construction of the new community building is complete, the Goan Community Group and the West Green Play Group will occupy a floor each.

Access to the site

- 5.17. The access and egress of the development site requires a small parcel of land adjacent to the site to be included in the sale. The area shown in Appendix C is approximately 15m² in area and forms part of Downhills Park and it is proposed that this will be replaced by 15m² of the western side of the Keston site which will be incorporated into Downhills Park and shown coloured Green on the plan attached in Appendix A.

Best Consideration

- 5.18. A valuation has been undertaken by Lambert Smith Hampton on behalf of the Council supporting the purchase price set out in part B of the report and based upon the Pocket Living proposal. In addition Pocket is offering to build a community building on the site at its own cost. The deal therefore offers best consideration to the Council for the sale of the site to Pocket Living.
- 5.19. The Pocket living proposal brings a strong offer to the Borough for intermediate housing. This supports the Council's Housing Strategy and brings a socio economic benefit to the Borough as well as a 65% affordable development substantially higher than the Council requirement. In addition a community building is being proposed which will bring additional opportunities for the existing tenants on site and local residents.

6. Comments of the Section 151 Officer and financial implications

- 6.10. The receipt from this disposal will be a fully usable general fund capital receipt which can be used to support the Council's capital programme.
- 6.11. The 15/16 Capital programme included in the Council's MTFs included an assumption of a receipt set out in part B of the report from this site, assumed to be achievable in 15/16. The value of the receipt set out in part B of the report is therefore more than forecast, but is likely to be achieved in 17/18, as it is subject to planning approval for the Pocket Living scheme.
- 6.12. In addition, the Council will receive (at no cost to the Council) the freehold of a new Community Centre asset as outlined in the report, comprising a 2 storey 360m² building. The estimated rental value expected from this site is still to be determined, but is likely to be in the region of £20k per annum. No rental income is currently generated from the current tenants of the Maya Angelou Centre or the Goan Centre, although there is temporary income of £11k per annum from Guardians, whilst also providing some security for the existing building. There is therefore likely to be a revenue benefit of approximately £10k per annum from the provision of the new Community Centre, assuming that building running costs are also covered off in the new leases to be agreed. The commercial portfolio revenue budget target should be adjusted to incorporate this expectation as appropriate once the freehold is transferred.
- 6.13. There is a small capital budget of £200k approved in the current year's capital programme to support the re-location costs of the existing family centre to provide vacant possession of this site.

7. Comments of the Assistant Director of Corporate Governance and legal implications

- 7.10. The Council has the power to dispose of the site under section 123 of the Local Government Act 1972 but must obtain best consideration otherwise it must obtain the consent of the secretary of state.
- 7.11. Part of the land to be disposed of forms part of Downhills Park. Under section 123(2A), the Council may not dispose of any land forming part of an open space unless before disposing of the land it has caused a notice of its intention to do so to be advertised for two consecutive weeks in a newspaper circulating in the area in which the land is situated and consider any objections to the proposal which may be made to it.
- 7.12. There are two tenancies on the site which will have to be terminated and the site vacated before the site can be disposed. It is proposed that these tenants be moved to the new community centre once completed. New business tenancies will therefore have to be granted. Legal advice must be obtained as to the best way to terminate these tenancies.

8. Equalities and Community Cohesion Comments

- 8.10. The Council is subject to the Public Sector Equalities Duty ("PSED") set out in section 149 of the Equalities Act 2010 which obliges the Council in performing its functions "to have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it"
- 8.11. The protected characteristics under the legislation are age, sex, ethnic origin, sexual orientation, disability, religion or belief, pregnancy or maternity and gender reassignment, marriage and civil partnership.
- 8.12. An EQIA is currently being drafted and will take on board consultation feedback planned with the staff and service users of the Family Contact Centre as well as the Goan Centre and West Green Playgroup.

9. Head of Procurement Comments

- 9.10. The Corporate Procurement Unit notes the recommendations in this report and that there is no input from procurement required.

10. Policy Implication

- 10.10. The recommendations in this report are related to a number of Council wide corporate policies and priorities and will help deliver the Council's priorities as set out in the Corporate Plan 2015-2018: building a stronger Haringey together and in the draft Housing Strategy. In particular, the low cost home ownership homes in this proposed development will support delivery of the Council's target for affordable housing in the Borough.

11. Reasons for Decision

11.10. It is recommended that the land is sold to Pocket Living LLP who is able to deliver a scheme to maximise the amount of recognised affordable units on the site to support the Councils priorities set out in the Corporate Plan.

12. Use of Appendices

Appendix A – Plan of the Keston Road site

Appendix B – Plan indicating the proposed Community Building location

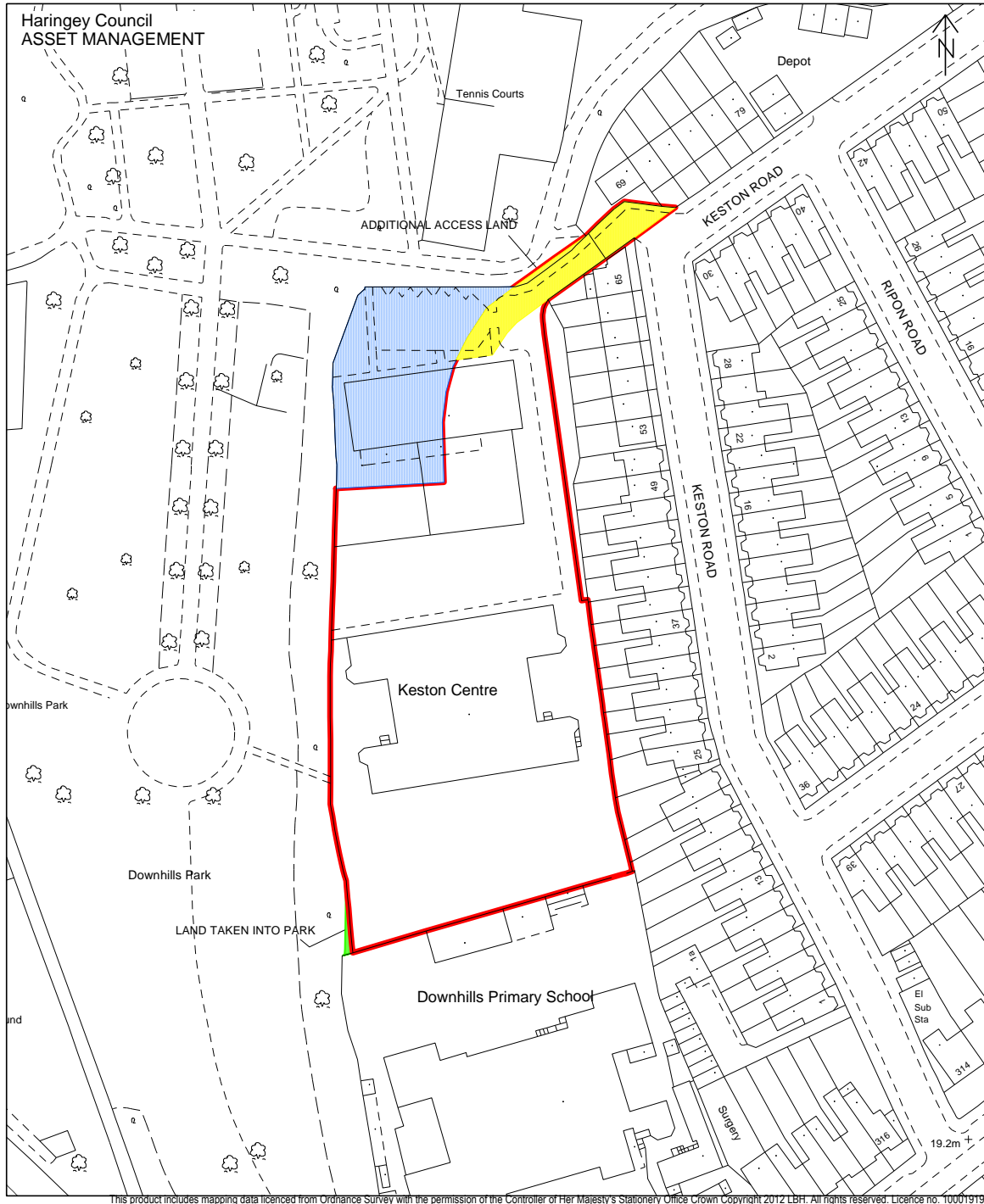
Appendix C – Plan of land to improve access to the site

13. Local Government (Access to Information) Act 1985

13.10. This report contains exempt and non exempt information. Exempt information is contained within Part B and **is not for publication**. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972)

S. (3) Information relating to financial or business affairs of any particular person (including the authority holding that information).

Appendix A – Plan of the Keston Road site



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Keston Centre
Keston Road
Tottenham
LONDON
N17 6PW

Red verging - Extent of site
 Black hatched - Additional access land
 Green shading - Land taken into Downhills Park
 Blue shading - Retained land

Deed packet : 4a, unregistered land

LR title no. : Freehold AGL201929 (part), unregistered

CPM No. 1133

Site Area (hectares) : 0.7275 ha (78307 sq ft)

Overlay : HSS - misc.

Scale 1:1250

Plan produced by Janice Dabinett on 04/09/2015

Drawing No. BVES A4 1190m

Appendix B – Plan indicating the proposed Community Building Location



Appendix C – Plan of Land to improve access to the site

