

URGENT DECISIONS

Tuesday, 12th October, 2021, 9.45 am

Members: Councillors Ruth Gordon

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

3. BROWNFIELD LAND RELEASE FUND GRANT FUNDING AGREEMENT (PAGES 1 - 18)

Felicity Foley, Committees Manager
Tel – 020 8489 2919
Fax – 020 8881 5218
Email – felicity.foley@haringey.gov.uk

Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
River Park House, 225 High Road, Wood Green, N22 8HQ

Monday, 11 October 2021

This page is intentionally left blank

Report for: Cabinet Member Signing (Special Urgency)

Title: Brownfield Land Release Fund Grant Funding Agreement

Report authorised by: David Joyce, Director of Housing Regeneration and Planning

Lead Officer: Robbie Erbmann, Assistant Director of Housing

Ward(s) affected: Tottenham Hale, St Ann's

Report for Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This paper asks the Cabinet Member for House Building, Placemaking and Development to approve entering into an agreement with the Ministry of Housing, Communities and Local Government (MHCLG) to receive grant funding of £3,866,214.00 from the Brownfield Land Release Fund to support the delivery of Council development schemes at Ashley Road Depot and Gourley Triangle.
- 1.2. Ashley Road Depot is a Council-owned site expected to deliver 275 new homes, which is expected to be 60% affordable by habitable room – with all of those homes at council rents. It is also a designated site under the Tottenham Area Action Plan (2017), and forms part of the transformation of the Tottenham Hale Urban Centre.
- 1.3. Gourley Triangle is an important Site Allocation (SS4) within the Council's Tottenham Area Action Plan (2017), which presents an opportunity for mixed use development which will aim to secure the replacement of the existing employment floorspace, alongside new council rented homes.

2. Cabinet Member Introduction

- 2.1 I am pleased to support the acceptance of this grant which will help the Council to deliver high quality placemaking and desperately-needed homes at these two complex sites.
- 2.2 The Ashley Road depot site is currently the largest direct delivery site in the Council's pipeline – with the capacity for 275 homes. It will also bring much needed family housing to the borough, with 65% of the council homes to have 3 or more bedrooms. The architects are also targeting a zero-carbon development – which, if successful, would be the first of its size within the borough.
- 2.3 The Gourley Triangle site is an opportunity to increase employment space and maximise opportunities for local creativity through a 'Creative Enterprise Zone.' It will also set high standards for sustainability and deliver secure, high quality and affordable housing which residents are proud to call home.

3. Recommendations

- 3.1. It is recommended that the Cabinet Member for House Building, Placemaking and Development:
 - 3.1.1. Approves the acceptance by the Director of Finance of the receipt from the MHCLG of £3,866,214.00 in capital funding through the Brownfield Land Release Fund to pay for infrastructure works, including decontamination, utilities works and associated infrastructure provision, at the Ashley Road Depot site and at Gourley Triangle.
 - 3.1.2. Approves that the grant sum is added to the HRA Budget.

4. Reasons for decision

- 4.1. The decision to accept the grant would support the delivery of these two significant housing development schemes. Ashley Road Depot is currently expected to deliver 275 new homes in the Tottenham Hale Ward, completing in 2024. Gourley Triangle will deliver 201 homes and 73,873sqft of commercial space in the St Ann's Ward.

5. Alternative options considered

- 5.1. The Council could decline the grant allocation. This option was rejected because the Council would have to fund the gap of £3,886,214 to be able to deliver these schemes.
- 5.2. The Council could decide not to build homes on these sites. This option was rejected because the Council is committed to delivering a new era of Council house building.

6. Background information

- 6.1. The Council has bid successfully for MHCLG funding to meet the remediation and other infrastructure costs needed to deliver these two schemes at Ashley Road Depot and at Gourley Traingle.
- 6.2. The grant would be paid from the Brownfield Land Release Fund as a single payment on or before 31st October 2021.
- 6.3. The conditions of the funding are an expectation that it will enable the 'release of the land' for housing by end March 2024 or earlier. This is defined as:
 - (a) The execution of an unconditional contract, development agreement or building license with a private sector partner or a freehold or leasehold transfer (whichever is sooner) in respect of Project Land;
 - (b) The transfer of Project Land to a development vehicle owned, or partly owned, by the Grant Recipient; or
 - (c) (if (a) and (b) above have not occurred) The point at which development of Project Land begins on site. Given the Haringey context, this is the definition that we would be expecting to work to.

- 6.4. The Council must provide three reports per year to the MHCLG via the One Property Estate partnership against six milestones:
- Date of tender issue for infrastructure works
 - Date of commencement of infrastructure works
 - Date of completion of infrastructure works
 - Date of land release (appropriation and start of works on site)
 - Date of start of ground work for foundations of new homes
 - Date of practical completion of the last new home
- 6.5. If the terms of the Agreement are not met, then grant would have to be paid back in part or in full to MHCLG within 30 days of notification.

7. Contribution to strategic outcomes

- 7.1. Accepting this grant will help to enable the Council to deliver new Council homes, including supported housing. This supports the 2019-2023 Borough Plan, which has as its first priority a safe, stable and affordable home for everyone, whatever their circumstances. Outcome 1 of that housing priority in the Borough Plan states *“we will work together to deliver the new homes Haringey needs, especially new affordable homes”*, with specific objectives to *“deliver 1,000 new Council homes at Council rents by 2022”* and to *“secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough”*.
- 7.2. Gourley Triangle will deliver a cohesive and sustainable employment-led development which will allow the area to flourish as a creative working district, whilst delivering much needed council homes and improving the public realm for the benefit of residents, businesses and surrounding communities.
- 7.3. The following masterplan principles for development at the Gourley Triangle were approved at Cabinet in July 2021:
- Promoting Gourley Triangle at Work
 - Embracing Placemaking and Improved Connectivity
 - Climate and Sustainability at its Heart
 - A Community Wealth Building Approach
 - Delivery of Council Rented Homes

8. Statutory Officers comments (Chief Finance Officer (including procurement), Head of Legal and Governance (Monitoring Officer), Equalities)

Finance

- 8.1. Ashley Road Depot and Gourley Triangle schemes are both contained in the HRA business and financial plan.
- 8.2. Both schemes will benefit from grant funding, thus acceptance and receipt of this grant will go a long way in facilitating these schemes.

Procurement

- 8.3. Procurement comments are not applicable for grants, property and land transactions as they sit outside of the Procurement Contract Regulations.

Legal

- 8.4. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.
- 8.5. In accordance with Contract Standing Order 17.1 receipt of grants from an external body valued at £500,000 or more may only be approved by Cabinet.
- 8.6. The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendations in the report.

Equality

- 8.7. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.8. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.9. This decision will enable the Council to enter into an Agreement with the MHCLG to receive grant funding of £3,866,214. This will be used to support the delivery of its development schemes at Ashley Road Depot and Gourley Triangle. There are no specific equalities implications arising from this specific decision. It is noted that receipt of funding will support the Council in its delivery of its Housing strategic objectives, including to supply more council homes at council rents, which is likely to have an overall positive equalities impact for those with protected characteristics.

9. Use of Appendices

Appendix 1: Brownfield Land Release Fund Grant Funding Agreement

10. Local Government (Access to Information) Act 1985

None.



THIS FUNDING AGREEMENT is made on 16 September 2021

BETWEEN:-

- (1) The Secretary of State for Housing, Communities and Local Government whose head office is at Fry Building, 2 Marsham Street, London SW1P 4DF (the “**Department**”); and
- (2) London Borough of Haringey, whose principal address is at River Park House, 225 High Road, London N22 8HQ (the “**Grant Recipient**”).

RECITALS:-

- (A) This grant is made on the basis of the Grant Recipient’s Bid(s), a copy of which is attached to this Funding Agreement at Annex A.
- (B) The Department has agreed to make a financial contribution to the Grant Recipient for the purposes of supporting the Project as described in the Bid.
- (C) The parties have agreed that the Grant shall be provided and managed in accordance with the terms and conditions of this Funding Agreement as set out below.
- (D) The Department acts through the One Public Estate teams within the Cabinet Office and Local Government Association in respect of this Grant as set out below, but remains ultimately responsible for the Grant, including in relation to its payment, management, administration and termination.

IT IS AGREED as follows:-

1. DEFINITIONS

In this Funding Agreement:

“**Bid**” means the bid(s) by the Grant Recipient for financial assistance attached at Annex A.

“**Brownfield Land**” means land which is or was occupied by a permanent structure including the curtilage of the developed land (although it should not be assumed that the whole curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last

occupied by agricultural or forestry buildings: land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where remains of the permanent structure or fixed surface structure have blended into the landscape.

Eligible Expenditure” means payments by the Grant Recipient during the Funding Period as defined in clause 5.

Fixed Assets” means property, plant and equipment owned by the Grant Recipient.

Funding Agreement” means this agreement, Schedule and Annexes.

Funding Period” means the period set out in the Schedule.

Grant” means the sum to be paid to the Grant Recipient in accordance with clause 3.

Land Release” means:

- (a) The execution of an unconditional contract, development agreement or building license with a private sector partner or a freehold or leasehold transfer (whichever is sooner) in respect of Project Land;
- (a) The transfer of Project Land to a development vehicle owned, or partly owned, by the Grant Recipient; or
- (b) (if (a) and (b) above have not occurred) The point at which development of Project Land begins on site ; or
- (c) (in the case of Self and Custom Build) the exchange of contracts on the first plot of Project Land;

on or before the Project Longstop Date.

One Public Estate” means the One Public Estate programme – a partnership between the Department, Cabinet Office and the Local Government Association – which manages the Brownfield Land Release Fund on behalf of the Department.

Project” means the project as described in the Bid.

Project Longstop Date” means 31 March 2024.

Project Targets” means the objectives, activities or targets described in the Bid.

“Project Land” means land or buildings which are improved as a planned step in the implementation of the Project;

“Self and Custom Build” means, the building or completion by: individuals; associations of individuals; or persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals. It does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person”.

“Terms and Conditions” mean the terms and conditions of the Grant, as set out in this Funding Agreement. For the avoidance of doubt, this includes the Special Conditions set out in the Schedule to this Funding Agreement.

2. INTERPRETATION

In this Funding Agreement:

- a) references to an Annex, Schedule, clause or sub-clause shall mean an Annex, Schedule, clause or sub-clause of this Funding Agreement so numbered;
- b) headings in this Funding Agreement shall not affect its interpretation;
- c) reference to ‘this Funding Agreement’ includes any variations made from time to time pursuant to these Terms and Conditions; and
- d) reference to any statute or legislation shall include any statutory extension or modification, amendment or re-enactment of such statutes and include all instruments, orders, bye-laws and regulations for the time being made, issued or given thereunder or deriving validity therefrom, and all other legislation of the European Union that is directly applicable to the United Kingdom, including but not limited to retained direct EU legislation as defined within section 20(1) European Union Withdrawal Act 2018.

3. GRANT

- 3.1 Payment of the Grant is subject to the Grant Recipient complying with these Terms and Conditions and to such further conditions and requirements that the Secretary of State may from time to time specify in writing.
- 3.2 The Secretary of State agrees to pay the Grant to the Grant Recipient as a contribution towards Eligible Expenditure incurred by the Grant Recipient in the delivery of the Project.

- 3.3 The Grant shall not be used for any other purpose without the prior written consent of the Department.
- 3.4 The Grant must be spent or committed within the Funding Period.
- 3.5 Details of the programme, powers under which the Grant is paid and Treasury consent (if needed) are listed in the Schedule.

4. PAYMENT OF GRANT

- 4.1 Subject to clause 9, the Department shall pay the Grant to the Grant Recipient in accordance with the payment arrangements listed in the Schedule.
- 4.2 The Grant Recipient shall promptly repay to the Department any money incorrectly paid to it either as a result of administrative error or otherwise.

5. ELIGIBLE EXPENDITURE

- 5.1 Subject to clause 5.2, Eligible Expenditure consists of payments by the Grant Recipient during the Funding Period for the purposes of delivering the Project. Eligible Expenditure is net of VAT recoverable by the Grant Recipient from HM Revenue & Customs, and gross of irrecoverable VAT.
- 5.2 The following costs are not Eligible Expenditure:-
 - a) payments for activities of a political or exclusively religious nature;
 - b) payments that support activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action;
 - c) payments for goods or services that the Grant Recipient has a statutory duty to provide;
 - d) payments reimbursed or to be reimbursed by other public or private sector grants;
 - e) contributions in kind (a contribution in goods or services as opposed to money);
 - f) depreciation, amortisation or impairment of Fixed Assets owned by the Grant Recipient;
 - g) interest payments (including service charge payments for finance leases);
 - h) gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual;

- i) entertaining payments (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- j) statutory fines, criminal fines or penalties;
- k) liabilities incurred before the issue of this Funding Agreement unless agreed in writing by the Department;
- l) revenue costs (e.g. staffing costs)

6. PROGRESS REPORTING

- 6.1 The Grant Recipient must be in regular communication with One Public Estate regarding progress of the Project as set out in the Schedule.
- 6.2 If the Grant Recipient is experiencing any financial, administrative, managerial etc. difficulties that may hinder or prevent the completion of the Project, the Grant Recipient must inform One Public Estate as soon as possible.

7. CHANGES TO THE PROJECT

- 7.1 Any changes to the Project must be agreed in writing by way of Variation Request (Annex B) with the Department before implementation.

8. GRANT RECIPIENT OBLIGATIONS

- 8.1 The Grant Recipient must comply with the reporting requirements set out in the Schedule.

9. EVENTS OF DEFAULT AND RIGHTS RESERVED FOR BREACH OF THE FUNDING AGREEMENT

- 9.1 If the Grant Recipient fails to comply with any of these Terms and Conditions, or if any of the events mentioned in clause 9.3 occur, the Department may reduce, suspend, or terminate payments of Grant, or require any part or all of the Grant to be repaid.
- 9.2 Where any part or all of the Grant is required to be repaid in accordance with clause 9.1 above, the Grant Recipient must repay this amount within 30 days of receiving the demand for repayment.
- 9.3 An Event of Default is the occurrence of any of the following:-
 - a) the Grant Recipient fails, in the Department's sole opinion, to make satisfactory progress with the Project; and in particular with meeting the Project Target Longstop Date;

- b) there is a change in control or ownership of the Grant Recipient or the Grant Recipient ceases to operate or changes the nature of its operations to an extent which the Department considers to be significant or prejudicial to the satisfactory continuance of the Project;
 - c) any information provided in the Bid or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Department considers to be significant;
 - d) the Grant Recipient takes inadequate measures to investigate and resolve any reported irregularity;
 - e) it appears to the Department that the Grant Recipient no longer requires financial assistance in order to carry out the Project;
- 9.4 In the event that it becomes necessary to take steps to enforce the Terms and Conditions of this Funding Agreement, the Department will write to the chief executive (or equivalent) of the Grant Recipient giving particulars of its concerns about the Project or of any breach of the Terms and Conditions.
- 9.5 The Grant Recipient must act within 21 days to address the Department's concern or rectify the breach, and may consult or agree an action plan to resolve the problem with the Department.
- 9.6 If the Department is not satisfied with steps taken by the Grant Recipient pursuant to clause 9.5 above, it may withhold or suspend any further payment of the Grant (including by way of clause 9.4 above), or recover Grant already paid.

10. DISPUTES

- 10.1 All disputes and complaints shall, in the first instance be referred to One Public Estate who will inform the Grant Recipient's manager for the Project and the Grant Recipient's principal contact in the Department who shall use all reasonable endeavours to negotiate in good faith, and settle the dispute or complaint amicably.

Attachments:

Schedule

Annex A Bid

Annex B Variation Request

Authorised to sign for and on behalf of the Secretary of State for Communities and Local Government

Signature 

Name in Capitals AMANDA HURFORD

Date 10 September 2021

The Grant Recipient accepts the Grant and agrees to comply with the Terms and Conditions contained in this Funding Agreement:

Authorised to sign for and on behalf of the London Borough of Haringey

Signature

Name in Capitals

Date

Principal contact(s):

Name

Email

Telephone

Name

Email

Telephone

SCHEDULE

Name of Project/programme:	Ashley Road Depot and Gourley Triangle (Brownfield Land Release Fund)
Power under which Grant is to be paid:	Housing Grants, Construction and Regeneration Act 1996, s.126. Grant paid with the consent of Her Majesty's Treasury.
Grant Recipient's principal contact in the Department:	MHCLG: Daniel Fitzharris Daniel.Fitzharris@communities.gov.uk 030 3444 0000 OPE: Your OPE Regional Manager
Funding Period:	The period commencing 16 September 2021 and ending 31 March 2022
Amount of Grant:	£3,886,214 (Brownfield Land Release Fund)
Payment arrangements :	Payment will be made in one instalment by 11.59pm on or before 31 October 2021.
Project Targets:	Not applicable (but please see the Special Conditions) below.
Reporting requirements:	As stated on the One Public Estate: Brownfield Land Release Fund April 2021 website at the time of application, BLRF-supported schemes will be asked to report three times a year – or as otherwise determined by MHCLG and OPE – through your OPE partnership. Your project leads for your BLRF scheme(s) will be asked to report on the six milestones detailed below within each tri-annual report, as well as provide a narrative on the project's key risks/issues to delivery. The six milestones are: 1. Procurement of infrastructure works: contractor commencement date This relates to the specific works funded by the BLRF award (the "BLRF funded works") e.g. decontamination, utility or infrastructure provision. The date entered should be the date on which tenders are issued. 2. Commencement of BLRF funded works date

	<p>This refers to the first of the funded works, if multiple. BLRF funded works are defined as above.</p> <p>3. Completion of BLRF funded works date (last of the funded works, if multiple)</p> <p>4. Date land is to be released</p> <p>Land can be defined as “released” when:</p> <ol style="list-style-type: none"> a) An unconditional contract, development agreement or building license with a private sector partner is signed, or a freehold or leasehold transfer takes place b) Land has transferred to a development vehicle owned, or partly owned, by the local authority; or c) The point at which development begins on site if (a) and (b) have not happened. d) In the case of self and custom-build, if (a), (b) or (c) do not apply, land is released when contracts are exchanged on the first plot. <p>5. Expected start on site (new homes)</p> <ol style="list-style-type: none"> a. A “start” is an excavation for strip or trench foundations or for pad footings; digging out and preparation of ground for raft foundations; vibro-flotation, piling, boring for piles or pile driving; or draining work specific to the scheme. <p>6. Expected development end date (final housing unit completion).</p>
<p>Special conditions:</p>	<p>Applications have only been considered when the Gateway Criteria, set out on the “One Public Estate: Brownfield Land Release Fund April 2021” webpage at the time of application, were satisfied:</p> <p>For Brownfield Land Release Fund sites (i.e. not self and custom build sites):</p> <ul style="list-style-type: none"> • the land to which the application relates is brownfield land, fully owned by the local authority. For schemes of mixed land ownership funding would only be available to support work that delivers local authority land release; • funding must enable the release of the land for housing by end March 2024 or earlier, and must address market failure; • The definition of land release is set out above. <p>For Self and Custom Build sites:</p> <ul style="list-style-type: none"> • the land to which the application relates must be fully owned by the local authority. For schemes of mixed land ownership, funding would only be available to support work that delivers local authority land release. The land can be both brownfield and greenfield land; • funding must enable the sale of the first self and custom build plot for housing by 31 March 2024 or earlier, and must address market failure.

	<p>For all applications:</p> <ul style="list-style-type: none"> ● the project must be undertaking capital works on local authority-owned land only; ● the works for which funding is sought are deliverable and within a timeframe that will enable the land to be released in time; ● A threshold of 1.5 for Benefits Cost Ratio (BCR) + non-monetised benefits must be reached to proceed further; <ul style="list-style-type: none"> ○ The project must provide a BCR of 1.0 or higher; The BCR is calculated using the LRF Technical Annex; ○ Where the BCR is 1.5 or greater, a project will have achieved the gateway criteria; ○ Where the BCR is between 1.0-1.5, non-monetised benefits will also be considered as part of the gateway assessment; ○ An assessment of non-monetised benefits (with evidence of the scale of the benefit(s)) should be included for all projects as the non-monetised benefits score will form part of the project's overall score; ○ All non-monetised benefits will be scored and a maximum of 0.5 can be added to the project BCR; ○ BCR + non-monetised benefits will be assessed following the principles set out in the Green Book and the DCLG Appraisal Guide, 2016. ● Sufficient evidence in support of these assertions must form part of the application; ● The applicant is not one of the seven Mayoral Combined Authorities or constituent lower tier authorities that have had the opportunity to receive funding under the £400m Brownfield Fund. <p>If the project no longer meets the Gateway Criteria, this constitutes a breach of this Funding Agreement and MHCLG will be entitled to exercise the rights set out at clause 9.1 of this Funding Agreement.</p>
--	--

Annex A

Bid proposal included under separate cover.

Annex B

VARIATION REQUEST

WHEREAS the Grant Recipient and the Secretary of State for Communities and Local Government entered into a grant funding agreement for the approved Project dated [INSERT DATE] [as varied on [INSERT DATE]] (the “Funding Agreement”) and now wish to amend the Funding Agreement.

IT IS AGREED as follows

1. DEFINITION

1.1 Terms defined in the Funding Agreement shall have the same meaning when used in this Variation Request, unless defined otherwise.

2. VARIATION

2.1 With effect from [INSERT START DATE] the Funding Agreement shall be amended as set out in this Variation Request:

Variation requestor:	[INSERT NAME, TEAM & DIVISION]
Summary of variation:	[INSERT FULL DETAILS OF VARIATION]
Reason for variation:	[INSERT REASON FOR VARIATION]
Revised Grant:	[INSERT NEW AMOUNT IN FIGURES]
Revised Funding Period:	[INSERT NEW START DATE TO END DATE]
Revised Payment Arrangements:	[INSERT NEW PAYMENT ARRANGEMENTS]
Other Variation:	[INSERT ANY OTHER PROPOSED CHANGE TO FUNDING AGREEMENT TERMS]

2.2 Save as herein amended all other Terms and Conditions of the Funding Agreement shall remain in full force and effect.

**Authorised to sign for and on behalf
of the Secretary of State for
Communities and Local
Government**

Signature

Name in Capitals

Date

Address in full

**Authorised to sign for and on
behalf of the
[GRANT RECIPIENT]**

Signature

Name in Capitals

Date

Address in full

This page is intentionally left blank