

CABINET MEMBER SIGNING

Tuesday, 28th March, 2023, 2.00 pm

Members: Councillor 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. REALLOCATION OF SHARED EQUITY TENURE TO SOCIAL RENT FOR HRW UNDER THE AFFORDABLE HOUSING PROGRAMME (16-23) (PAGES 1 - 8)

Please be advised that the Chair of Overview and Scrutiny has further agreed that the call-in procedure shall not apply to this urgent decision. This is because the decision is urgent and any delay in implementation caused by the call-in procedure would seriously prejudice the Council's or the public's interests due to the fact that this opportunity has only been confirmed during March and is only available up to the date of the end of the programme (31st March 2023) and so provides no other option than to proceed along this Special Urgency route, otherwise the Social Rent homes and grant would be lost. Accordingly, the Chair of Overview and Scrutiny Committee has agreed that the decision is both reasonable in all circumstances, and that it should be treated as a matter of urgency. This is in accordance with Part 4, Section H, and Paragraph 18 (a) and (b) of the Council Constitution.

4. EXCLUSION OF THE PRESS AND PUBLIC

Item 5 is likely to be subject to a motion to exclude the press and public be from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

5. EXEMPT - REALLOCATION OF SHARED EQUITY TENURE TO SOCIAL RENT FOR HRW UNDER THE AFFORDABLE HOUSING PROGRAMME (16-23) (PAGES 9 - 16)

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Friday, 24 March 2023

Report for: Cabinet Member Signing

Title: Reallocation of Shared Equity tenure to Social Rent for High Road West under the Greater London Authority Affordable Housing Programme (16-23)

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

Lead Officer: Peter Exton, Head of Area Regeneration (North Tottenham), peter.exton@haringey.gov.uk

Ward(s) affected: Northumberland Park

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

1.1 On 12th September 2017, Cabinet gave approval to enter into a Development Agreement with Lendlease, the preferred bidder for the High Road West Scheme, and to dispose of the Council owned land within the High Road West site. The Development Agreement and Compulsory Purchase Order and Indemnity Agreement were entered into with Lendlease (High Road West) Limited (“Lendlease”) and Lendlease Corporation Limited on 17 December 2017. In March 2021 the Council’s Cabinet agreed to enter into a funding package with the Greater London Authority (“GLA”) to deliver the first phases of the High Road West Scheme being the southern part of the Scheme and referred to as “Phase A”, which includes the Love Lane Estate.

1.2 On 21 December 2021, the Council entered into a funding agreement with the GLA (“GLA Funding Agreement”) to deliver 574 affordable homes under the Affordable Housing Grant Programme (2016-23) (“AHP”), comprising a grant amount of £70,312,000, to be delivered in Phase A.

1.3 The affordable homes agreed with the GLA comprised three different tenures:-

Tenure	Number
London Affordable Rent (“LAR”) (delivered as Social Rent at HRW) ¹	500
London Shared Ownership	28
Other Affordable (in the case of HRW, Shared Equity)	46

1.4 This report seeks authority to provide an increased number of Social Rent homes, from 500 to 546, through agreement to change the tenure of the 46 Shared Equity Homes to Social Rent.

¹ With regards to the London Affordable Rent homes, the GLA’s classification for this tenure includes Social Rent homes (as defined in the GLA Funding Agreement). All homes delivered through the High Road West scheme under the London Affordable Rent category will be Social Rent and owned by the Council.

1.5 **(This information is contained in the exempt report)**

1.6 The Council has drawn down GLA Affordable Housing Grant Funding under the terms of the GLA Funding Agreement in line with the agreed milestone of 17th March 2023 on 'Start on Site' of the scheme **(This information is contained in the exempt report)**

2. Cabinet Member Introduction

2.1 Council homes are a priority for the council as outlined in the Corporate Delivery Plan. Residents have told us that they want the opportunity to live in good quality homes in safe, healthy and attractive neighbourhoods.

2.2 This opportunity allows the Council to meet the substantial need for more genuinely affordable homes for residents in Haringey, while maintaining the Council's commitment to delivering good quality homes in the Scheme to resident leaseholders.

2.3 I welcome this decision as an opportunity to increase the number of genuinely affordable homes as part of the new homes coming forward at High Road West.

3. Recommendations

3.1 The Cabinet Member:

(i) Agrees to change the tenure of 46 homes currently designated as Shared Equity units as part of the High Road West Scheme to Social Rent homes as described in paragraphs 6.3-6.8

(ii) Delegates authority to the Director of Housing, Regeneration and Planning to finalise any amendments to the existing contracts for the specification of the units to enable the change referred to at Recommendation 'i'.

(iii) Notes changes to the grant funding arrangements as set out in paragraph 6.9-6.12

(iv) Notes that the Council's offer to resident leaseholders is maintained as a commitment as set out in the Landlord Offer.

4. Reasons for decision

4.1 Social Rent is prioritised by the Council over other tenures of affordable housing as reflecting the urgent and immediate need in the borough. As outlined in section 7 of this report, the Council's Corporate Delivery Plan theme, "Homes for the future" states that the Council wants all its residents to have a safe, sustainable, stable and affordable homes and as such is committed to delivering new Council homes, bringing up the standard of private rented housing, and preventing homelessness.

4.2 An increase in the delivery of new Council owned social rented homes through the Scheme, from the 500 currently agreed, to 546, offers a chance to further

address housing needs by increasing the number of this tenure of homes in the area and ensuring the mix of the new homes reflects the needs of residents who will be moving into them. This allows the Council to meet the needs of an increased number of residents on the Council's Housing Register.

- 4.3 The availability of this additional funding subject to the recommendation in this report will only extend until 31st March 2023.

5. **Alternative options considered**

Not to change the tenure of the Shared Equity homes

- 5.1. The Council could decide not to acquire the Shared Equity homes as Social Rent.
- 5.2. This would result in the loss of the opportunity to increase the numbers of Social Rent homes provided by the High Road West scheme. It also does not support the Council's objectives of increasing the number of Council owned homes in the borough, at council rents.
- 5.3. In addition to this, the decision not to change the tenure of the Shared Equity homes would result in the loss of the opportunity for drawing in (**this information is contained in the exempt report**), while leaving the Council with the same issue later regarding what to do with any units not taken up by resident leaseholders.

To secure the delivery of the additional Social Rent units

- 5.4. This option forms the basis of this report. This option supports the delivery of additional social rent council homes for the reasons set out this report.

6. **Background information**

Delivery of Affordable Homes through the High Road West Development Agreement

- 6.1. In September 2017, the Council's Cabinet agreed to acquire 145 social rented replacement homes and 46 shared equity homes which were being delivered through the High Road West Scheme through the Development Agreement. The price for acquiring the 46 Shared Equity homes units was set in the Development Agreement at £190,000 per home. There was no grant attached to these units.

Leaseholder Offer

- 6.2. The Council approved the Love Lane Leaseholder Offer (as part of the Landlord Offer) on 13th July 2021, providing a range of options for leaseholders.

Proposal

- 6.3. This report seeks authority to provide an increased number of Social Rent homes, from 500 to 546, by changing the tenure of the 46 Shared Equity Homes to Social Rent.

- 6.4. Shared Equity homes provide one of the options for resident leaseholders included in the Leaseholder Offer. The Council contributes a share of the cost for the acquisition of home, reducing the amount that the leaseholder needs to contribute, with the Council holding its share under a shared equity agreement. The leaseholder owns the property outright and pays no rent on the Council's share. If the leaseholder sells, the Council gets their share of the equity back at that point, pro rata to the price the unit was sold for.
- 6.5. Since the programme was first approved, a number of resident leaseholders have opted to move from the Love Lane Estate (comprising 25 households at the time of writing this report). This results in there being a maximum of 21 households on the Love Lane Estate that would be eligible for the Council's offer of acquiring a home in the Scheme. Engagement with residents indicates that take up of this offer may end up being substantially lower than originally forecast.
- 6.6. The Council's offer to resident leaseholders as set out in the Leaseholder Offer remains unchanged. There are a number of options for the Council to secure homes for any leaseholders wanting to take up an offer of a home, for example, from the allocation of Shared Ownership homes. The Council and Lendlease have agreed in principle for these Shared Ownership homes to be used for any resident leaseholder wishing to take up a home in the Scheme under the Leaseholder Offer (see appendix A).
- 6.7. **(This information is contained in the exempt report)**
- 6.8. **(This information is contained in the exempt report)**

Funding Arrangements

- 6.9. The funding that the Council secured from the GLA provides a total package of £91,512,000 comprising of £70,312,000 of Affordable Housing Grant and £21,200,000 of Mayor's Land Funding to kick-start the first phases (referred to as "Phase A") of the High Road West Scheme. This Phase A will deliver around 1,435 homes of the total Scheme amount of c.2,600 homes and ensures the ability of the Council and Lendlease to deliver the 500 social rent homes (as was agreed at that time) for acquisition by the Council, as well as the other community benefits described in the March 2021 Cabinet report.
- 6.10. **-6.12 (This information is contained in the exempt report).**

Planning and Design

- 6.13. The planning consent for this Scheme (HGY/2021/3175) as granted in August 2022, requires a minimum of 40% affordable housing. This includes the 500 Social Rent homes, already agreed and Re-provided Shared Equity Homes, offered to each Love Lane Estate Owner as Intermediate Housing.
- 6.14. The recommendation is in conformity with that decision. The Re-provided Shared Equity Homes and 46 Social Rent homes would need to be reflected in the forthcoming Reserved Matters Applications. The additional 46 Social Rent Homes will need to be consistent with the unit sizes already agreed for the 500 Social Rent homes.

- 6.15. Changing the tenure of the 46 homes from Shared Equity to Social Rent enables the Council to deliver more efficient and effective management of the homes as a single tenure across the block, rather than a mix, which would be more difficult to manage.

7. Contribution to strategic outcomes

- 7.1. The Corporate Delivery Plan (CDP) specifically refers to High Road West as a priority, noting that it includes 2,600 new homes; 500 council homes; a new library and Learning Centre; refurbished Grange, a new 3,500sqm civic square; commercial space; a new 5,600 sqm public park; a new local centre, £10m socio-economic programme. Specifically the scheme contributes:-

- Homes for the future: the Council wants all its residents to have a safe, sustainable, stable and affordable home and as such is committed to delivering new Council homes, bringing up the standard of private rented housing, and preventing homelessness. The HRW development will deliver at least 500 new, sustainable, Council homes to support this objective alongside public realm and social infrastructures as part of a healthy and sustainable neighbourhood that includes the services, facilities and spaces that will support the wellbeing of our residents.

- 7.2. The Council places a higher priority on Social Rent homes than other types of affordable homes as reflected in the following statement in the emerging Housing policy:-

Of our households in housing need, only 19 per cent could afford a home for shared ownership or discounted market sale. 81 per cent of people in housing need could not.² So where affordable housing is built in Haringey, we want the vast majority of it to be built for rent.

- 7.3. The delivery of additional social rent home will support the delivery of this objective.

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

8.1. Finance

- 8.1.1. The recommendation of the report is to change the tenure of 46 units in the HRW scheme from Shared Equity to Social Rent. The current acquisition and grant arrangements result in a total AHG from the GLA of £70.312m, £0.122m per unit. **(This information is contained in the exempt report).**

- 8.1.2. **(This information is contained in the exempt report)**

^[1] Haringey Strategic Housing Market Assessment, ORS 2021

8.1.3. The 46 affordable units, were part of the 546 units built into the HRA financial plan/MTFS. There is provision in the HRA for acquisition of these units, at prices agreed with Lendlease in 2017, on completion.

8.2 **Legal**

8.2.1 This report seeks authority to change the tenure of the 46 Shared Equity Homes to be delivered under the Development Agreement to London Affordable Rent units. A variation of the Development Agreement will be required. The Council will still be acquiring this units as provided for in the Development Agreement.

8.2.2 Individual Cabinet Members have powers allocated by the Leader to exercise those functions of the Cabinet which fall within that Cabinet Member's specific portfolio responsibilities.

8.3 **Equality**

8.3.1 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.

8.3.2 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.

8.3.3 The substantive decision of this report concerns a decision to expand the number of social rented homes from 500 to 546 delivered as part of the HRW Scheme.

8.3.4 The decision to expand the number of council-owned homes to 546 will have positive impacts for individuals across a range of protected groups by increasing the provision of affordable housing. This will have positive impacts specifically for individuals with protected characteristics who occupy a lower socioeconomic group. Benefits will particularly be felt by, but not be limited to, protected groups overrepresented in lower socioeconomic groups, including BAME residents, women (including single mothers), and residents with limiting health conditions or disabilities.

8.3.5 EqlAs have previously been undertaken for Cabinet decisions relating to the High Road West (HRW) scheme in December 2014, December 2015, October 2017, March 2021 and November 2022.

9. Use of Appendices

Appendix A: **(This information is contained in the exempt report)**

10. Local Government (Access to Information) Act 1985

Not applicable.

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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