

# **MINUTES OF THE MEETING OF THE CABINET HELD ON MONDAY, 9TH OCTOBER, 2017, 6.00pm.**

## **PRESENT:**

**Councillors: Claire Kober (Chair), Peray Ahmet, Eugene Ayisi, Joe Goldberg, Alan Strickland, Bernice Vanier and Joseph Ejiofor**

**Also Present: Councillors: Wright, Carter, Brabazon, Hare, Ibrahim, Bevan**

## **67. FILMING AT MEETINGS**

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at this meeting and Members noted this information.

## **68. APOLOGIES**

Apologies for absence were received from Councillor Weston and Councillor Arthur.

## **69. DECLARATIONS OF INTEREST**

There were no declarations of interest put forward.

## **70. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE- DECISION OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON THE 3 OCTOBER 2017 REGARDING MINUTE 58 & 65 HIGH ROAD WEST REGENERATION SCHEME - SELECTION OF DEVELOPMENT PARTNER AND NEXT STEPS**

The Leader referred to the agenda which set out that this was a special meeting of the Cabinet convened, within the constitutionally required timescale of 5 working days, to re-consider the 12 September Cabinet decision on the High Road West Regeneration Scheme – Selection of a Development Partner and Next Steps. This was following the outcome of the Overview and Scrutiny Committee meeting, held on the 3<sup>rd</sup> of October to consider the call in of this key decision.

Cabinet agreed that they did not require private discussion of the exempt material and would re-consider the decision in the open part of the meeting.

Councillor Wright, Chair of Overview and Scrutiny, introduced the Scrutiny recommendations and expressed his thanks to the residents, business traders and officers who had participated in the Overview and Scrutiny Call in meeting.

The Overview and Scrutiny recommendations focused on three areas: maintaining and increasing the availability of Council housing on the High Road West scheme, increasing leaseholder engagement, supporting long running existing businesses in the area and ensuring employment opportunities were protected.

Overall, the Overview and Scrutiny Committee felt that the Council housing provision for the High Road West Scheme did fall short, both in housing policy requirements, and in absolute numbers. The Council housing offer on the new scheme was lower than the 212 Council homes which were on the site when the rehousing began. Given the commercial value of the land in the area, the Committee felt that the Council could afford to replace the full number of 212 social rented homes.

The Overview and Scrutiny Committee expressed that the Council should be seeking to satisfy the reasonable expectations of leaseholder's succession rights and asked that Cabinet outline the steps that they will take to satisfy the reasonable expectations of leaseholders including replacement homes and succession rights.

The Overview and Scrutiny Committee further considered the contribution of the Peacock Industrial estate to the High Road West Area. The 20 businesses on the estate had a combined turnover of £10m and were mainly manufacturing, food, motor trade, joinery and other types of businesses which had an important role in the wider business community, offering local employment opportunities when this was at a premium. This was even more important given that unemployment in Northumberland Park ward was at 26% which was three times the national average.

The Overview and Scrutiny Committee considered there to be opportunities for growth in manufacturing in North Tottenham area but following the representations made at the meeting, concluded that the Peacock Estate businesses were facing an uncertain future. The Overview and Scrutiny Committee also noted that businesses in the Peacock Estate were not against the regeneration in the High Road West area. However, they wanted the regeneration to be implemented carefully with more support and agreements reached to allow businesses to remain in the High Road West Plan area.

Councillor Strickland, Cabinet Member for Housing, Regeneration and Planning further expressed his thanks to officers for their support in this process and thanked the Overview and Scrutiny Committee for their recommendations which were the result of a thorough and useful discussion at the 3<sup>rd</sup> of October meeting Call in meeting. The Cabinet Member responded as follows to the scrutiny recommendations:

**1) That the number of replacement Council homes available at social rent within the proposed arrangements be at least equal to the current provision.**

The Cabinet Member absolutely wanted to see an equal number of social rented homes on the scheme as was available on the estate when the rehousing began. The Council would still work hard to achieve this objective. However, it was important to be honest about the viability issues the scheme had faced at the outset. This was advised in previous Cabinet reports, and had made it difficult to commit to the full number of replacement Council homes. Nonetheless, officers, on political instructions,

had worked hard for the replacement social rented Council homes to be as high as possible.

There would be 145 Council tenanted homes managed by Homes for Haringey in what would be the biggest development of Council homes, in Haringey, in the last twenty years. It was important to note, the additional net increase of 539 affordable homes, including homes offered through the London Mayors scheme which were not much higher in rent than social rented properties and designed for people on the Council's housing waiting list.

The Cabinet Member further explained that it was also not possible to add in an increased number of Council social rented homes at this stage. The Council were in the final stages of an extensive procurement negotiation and the bids had already been submitted on the basis of 145 social rented homes. However, the Council would strive to maximise the number of homes available at social rent and increase the number of affordable homes as much as possible, through the planning application process. It was important to note the Council were successful in obtaining £60m from the Mayor's Housing Zone funding scheme to provide increased affordable housing. The Council had also worked hard to attract external funding to ensure that there was as much funding available as possible, to meet the viability gap. The Council would still remain the landlord of existing Council tenants on the scheme.

**b) That there be more engagement with Council leaseholders and that Cabinet outline the steps they will take to satisfy the reasonable expectations of leaseholders including replacement homes and succession rights;**

The Cabinet Member reported that there were extensive discussions in relation to leaseholder valuations. There was a clear process to engage with leaseholders and there had been an ongoing dialogue since 2012. The Cabinet Member advised that the Council would provide assurances on what leaseholders could expect. There was a separate specific process, to be initiated in the coming weeks, to develop a detailed leasehold offer with written guarantees. To facilitate this, there would be workshops organised for leaseholders to attend and these would be supported by the ITLA [Independent Tenant Liaison Advisor] who was funded by the Council and chosen by tenants and leaseholders. The workshops would allow leaseholders to: talk through their concerns, understand the revised Rehousing and Repayments Policy, discuss financial issues, their rehousing options, the revaluation process and the wider leaseholder offer. Following these meetings, there would be a detailed offer put forward to leaseholders which would be subject to a 6-week consultation. The detailed offer would then be presented to Cabinet for consideration.

**C]That more work be carried out to support businesses affected, and that any business currently based on the site be able to remain within the masterplan area, should they wish to do so.**

The Cabinet Member emphasised that the Council wanted to re-provide as much business space as possible and this was one of the reasons why the Lendlease bid had been well received because they were committed to working with local businesses.

The Cabinet Member referred to the master plan of the High Road West scheme completed by ARUP which had indicated, that due to the of the public desire for new public facilities, it would be difficult to fit in significant replacement business space. Therefore, all businesses were not guaranteed a replacement site on the scheme.

Cabinet noted that consultation with businesses in the High Road West area had been ongoing. Some businesses had been enquiring about relocation and some businesses wanted to stay. Lendlease's master plan indicated a mixed economy approach with more replacement business space allocated, than indicated by the ARUP masterplan. There was also £1m of funding allocated to support business in the area to relocate or stay. Lendlease were also clear that businesses that want to stay will only have one move to a new premise which will be built before the move.

The Cabinet Member advised that there were still several years before any businesses would be required to relocate and the Council would use this time to continue negotiations and discussions to meet the aspirations of local businesses themselves and fit into tenant aspirations for the wider area.

The Cabinet Member concluded his response by agreeing with the thrust of the three recommendations. The next step would be working hard on affordable housing, engaging on the detail of the leaseholder offer with the leaseholders, and working with businesses that want to stay or relocate.

There were questions put forward from Councillors: Bevan, Hare, Carter, Brabazon and Ahmet and the following responses provided by the Cabinet Member for Housing, Regeneration and Planning and the Leader of the Council. The question from Councillor Hare was answered by the Cabinet Member for Economic Development, Social Inclusion and Sustainability.

- The Council had been working with Leaseholders since 2012 and throughout the HRW Scheme. Turkish translation of documents, and a Turkish translator had been available for residents and leaseholders to help with the language barrier, as well as an ITLA and dedicated community engagement officer who can communicate well with residents.
- The ITLA's were already in place and had been for some time, to support tenants and leaseholders in Love Lane and there had been no break in this support. The Cabinet Member clarified that there had been a separate procurement framework decision, taken forward in August, to allow access to wider provision of ITLA's for regeneration schemes in the borough. The ITLA's for this estate were not changed.
- The deputation request from the Love Lane Leaseholder Association had not been accepted as there was no agenda item on deputations. This was deemed a special meeting of Cabinet convened in 5 days following the referral from the Overview and Scrutiny. According to Committee rule 17, the special meeting of the Committee shall set out the business to be considered and no other business will be considered, which was why there was no agenda item for

Deputations, Petitions and Questions. Cabinet has been consistent over the years in applying this rule to the special meetings.

- The Cabinet Member outlined that leaseholders have statutory protections and there was a clear framework of support and compensation rights guiding how the Council and developer acts. In the Revised Housing Renewal and Re-Housing Payments Policy, to be considered at the 17<sup>th</sup> of October Cabinet meeting, the Council would be putting forward proposals concerning leaseholders that go beyond statutory requirements. The Council would pay for independent valuations and pay legal advice for conveyancing. The Council would not pay for wider legal advice. It was important to recognise the further detailed engagement programme being initiated with Love Lane leaseholders, in which the Council would be doing all it could to get the best possible deal for residents.
- The final development agreement, Compulsory Purchase Indemnity Agreement, the lease and any associated legal documentation was being delegated for approval by the section 151 officer and the director of Regeneration after consultation with the Cabinet Member for Housing, Regeneration and Planning. This was set out at page 23 of the agenda pack at recommendation number 6.
- THFC did own 13% of the land in the scheme and this was essential to making a comprehensive scheme but there was also a myriad of land owners in the scheme. The Council would enter into negotiations with landowners to reach an agreement to acquire land and only as a last resort would use CPO powers. In terms of viability, there was no one landowner that had direct impact on the viability.
- The Strategic Director for Planning, Regeneration and Development explained that following the Housing Zone funding allocation and the conclusion of the procurement process, the High Road West Scheme no-longer has a viability gap. The land owned by third parties would be valued at market value and it was assumed that this land would be brought into the comprehensibility of the scheme but this was dependent on land negotiations. So there were a number of pieces of work to be undertaken to bring these pieces of third party land into the scheme, including the landowner mentioned by Cllr Brabazon.
- The Cabinet Member for Economic Development, Social Inclusion and Sustainability had already commissioned a land use study and Cabinet were aware of the loss of employment land to housing and understood the land value impact and potential crowding out of industrial activity. The Cabinet Member rejected the assessment that there would be an overall loss of industrial spaces in the borough. The Cabinet Member referred to the Wood Green AAP which had a clear underpinning priority on economic activity and the draft Wood Green AAP plan was centred on building business and employment usage in Wood Green, including building office and B1 usage in Wood Green.
- It was important to consider that the High Road West Scheme was predominately a residential led development with a community and leisure

offer. The Cabinet Member was continually discussing with businesses in the borough their differing support needs. The north London local economic conditions were referred to as land values rise there were businesses moving from Hackney to Tottenham raising industrial land values. The Cabinet Member offered a separate discussion with Councillor Hare to discuss in more detail the wider issues raised.

- Businesses and traders had been engaged with, since 2012 with business workshops facilitated by ARUP in 2012/13 and other specific consultation activities taken forward with businesses. The details of this consultation activity had been set out to the Overview and Scrutiny Committee at their meeting on the 3<sup>rd</sup> of October. Business were involved in the High Road West Scheme and much of the negotiations would continue through individual discussion with businesses as this was the most appropriate form of consultation activity.
- The Cabinet Member provided assurance that there were dedicated staff working with businesses individually. There would be ongoing negotiations through the normal process.

Following the completion of responses to the scrutiny recommendations and responses to member questions at the meeting, the Leader asked Cabinet to consider the resolutions at minute number 58&65 which were unchanged. Cabinet,

## **RESOLVED**

1. To note the outcome of the Competitive Dialogue Procedure under the Public Contracts Regulations 2015 as outlined in this report.
2. To agree the selection of Lendlease Europe Holdings Limited (“Lendlease”) as the preferred bidder with whom the Council will enter into a Development Agreement to deliver the Scheme.
3. To agree to the selection of a reserve bidder as set out in the exempt part of this report.
4. To agree to proceed to the Preferred Bidder Stage (“PB Stage”) so the preferred bidder’s proposal can be refined and optimised, in particular to finalise the Development Agreement (Appendix 2), Compulsory Purchase Indemnity Agreement, (Appendix 3) the lease (Appendix 4) and any associated legal documentation following the preferred bidder stage.
5. To agree to the disposal of:
  - a. (Subject to the approval of full Council to make the application to the Secretary of State and the consent of the Secretary of State) the properties belonging to the Council and situated within the High Road West Area held within the Housing Revenue Account and listed in Section 1 of Appendix 5 of this report; and
  - b. The properties belonging to the Council situated within the High Road West Area held for planning and general fund purposes and

listed in Section 2 of Appendix 5 and any other properties belonging to the Council within the High Road West Area and shown coloured pink on the site plan attached at Appendix 1.

And that these properties be included within the Development Agreement.

6. To give delegated authority to the s151 Officer and the Director of Regeneration, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to approve the final Development Agreement, Compulsory Purchase Indemnity Agreement, the lease and any associated legal documentation following the preferred bidder stage.
7. To note that if the Development Agreement and ancillary documents required to be agreed at the preferred bidder stage cannot be agreed with the preferred bidder, a further report will be brought back to Cabinet to seek permission to enter into the preferred bidder stage with the reserved bidder.
8. To note the results of the High Road West ownership and management of replacement homes feedback report, which can be found at Appendix 6. This includes the statutory consultation under Section 105 (“s105”) of the Housing Act undertaken with secure Council tenants living on the Love Lane Estate.
9. To agree that the 145 replacement social rented units and 46 shared equities, which will be delivered by Lendlease, will be acquired by the Council for housing purposes and be held in the Housing Revenue Account and to further give delegated authority to the s151 Officer and the Director of Regeneration, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to approve the final terms of the option in the Development Agreement.
10. To resolve the above having considered and had regard to the Equalities Impact Assessment (Appendix 7).

### **Reasons for decision**

All of the recommendations detailed above will support the delivery of the High Road West Scheme. The Scheme will support the Council in delivering all of its Corporate Priorities, will address issues of deprivation which have long characterised the Northumberland Park Ward and will set a benchmark for future regeneration across the borough.

#### Supporting the Corporate Priorities and tackling deprivation

The selection of a preferred bidder is the next step in delivering the Council and local communities’ vision to transform High Road West into a vibrant, attractive and sustainable new residential neighborhood with a blend of housing and support the creation of a premier leisure destination for London, alongside the Tottenham Hotspur Football Club development.

Delivering this vision offers a unique opportunity to tackle the entrenched deprivation that has characterized the Northumberland Park Ward and meet the Council's Corporate Priorities:

- **Priority 1: Enable every child and young person to have the best start in life, with high quality education-** The Scheme will help ensure that children and young people have the best start in life, by providing a high quality living environment and world class community facilities, such as the new Library and Learning Centre. This will go some way in tackling the 4% (national average of 3.1%.) of 16 and 17 year olds living in the Northumberland Park Ward who are not in employment, education or training (NEET).
- **Priority 2: Enable all adults to live healthy, long and fulfilling lives -**The Scheme will help all residents to live healthy, long and fulfilling lives by providing, and giving easy access to a range of services by delivering a healthy neighbourhood with ample public space, such as a large new community park with play and gym equipment and food growing as well as, a new public square for public events and encouraging community cohesion. All of which will seek to address the issue of life expectancy, which is demonstrably worse in the east of the borough compared to the west of the borough: on average the difference between parts of the east and parts of the west is 7 years. It will also address the obesity amongst children and the mental health challenges which are significant, and stubborn.
- **Priority 3: A clean, well maintained and safe borough where people are proud to live and work-** The Scheme will deliver a clean, well maintained and safe welcoming environment for residents, businesses and visitors alike where people are proud to live and work. This will be delivered through high quality inclusive design, place making and responding to the needs of the area and community. It will be maintained by one inclusive, transparent estate management regime, that will be responsible for the management and maintenance of the high quality, affordable environment. The management regime will seek to train and support residents and businesses and community partners to once ready will be able to run the management and maintenance of the area, fostering long-term civic pride and community ownership.
- **Priority 4: Drive growth and employment from which everyone can benefit-** Critically, the Scheme will deliver economic growth which is not only essential to residents and businesses of the borough and the wider region but also the Council. The new employment and commercial space will provide significant opportunities for training, jobs and employment and will go some way to address unemployment (at 26%) in Northumberland Park, which is almost double the rate across the whole borough and three times the national average. The improved environment and the creation of a new leisure destination in London will bring thousands of visitors who will contribute to the local economy and support local businesses.
- **Priority 5: Create homes and communities where people choose to live and are able to thrive-**The Scheme will deliver over 2500 new high quality homes, which residents will be involved in designing, in a mix of tenures ensuring that residents' housing choice is maximised. 2500 new homes are



a significant contribution to meeting the boroughs housing demand. Meeting the housing demand will lead to more and more families being able to afford a home in the borough, either to rent or buy, alleviating the current difficulties faced by local people. It will also help to drive down levels of homelessness, so fewer households find themselves in crisis, and the relieve some of the significant pressure on the Council budget through increased temporary accommodation costs. The Scheme will build on the strengths of the existing local residents and businesses to create an even stronger sustainable community where people don't only live, they thrive.

### Development Delivery Methodology

In bringing forward significant development opportunities across Tottenham and Wood Green assessments have been made in each case to ensure that appropriate delivery mechanisms are used.

In December 2015 a business case setting out the preferred delivery approach for the High Road West Scheme was presented to Cabinet. The business case recommended that the Scheme should be delivered through a contractual development agreement as this delivery option best met the Council's objectives and reduced exposure to risk. The Cabinet noted the business case and agreed to commence a Competitive Dialogue Procedure under the Public Contracts Regulations to procure a commercial partner to deliver the Scheme.

In May 2016 the procurement process was launched. Following a compliant procurement process, which has been validated by an independent auditor (Appendix 8), the preferred bidder is recommended in this report. Through the procurement process the development agreement and supporting legal documentation (explained in detail at paragraphs 6.32-6.55 below) have been developed and refined over the course of the competitive dialogue process.

By approving the recommendations to enter into the final stage of work with a single preferred bidder and paving the way for refining the Development Agreement, Cabinet will be taking the next vital step in unlocking the considerable growth potential of the Council's own land and meeting a number of core Council ambitions.

### Ownership of the replacement homes

The Cabinet is being asked to make a decision on the ownership and management of the replacement homes within this report so that the Development Agreement can be finalised and thus delivery of the Scheme can progress following the conclusion of the preferred bidder stage of the procurement process. Making a decision now, will also help residents on the Love Lane Estate in making their rehousing choices.

The rationale for recommending that the Council acquire the replacement homes is set out in paragraphs 6.107-6.124 below.

### **Alternative options considered**

#### Delivery approach and procurement process

In December 2015 Cabinet noted the business case setting out the preferred delivery approach for High Road West. That business case identified and robustly assessed three alternative options for achieving the Council's bespoke objectives for the Scheme. The options are detailed in paragraphs 6.12- 6.16 below.

Ownership and management of the replacement homes

The Council had carefully considered two options relating to the ownership and management of the 191 replacement homes. The two options are:

- Option 1: The preferred bidders RP partner acquires the replacement homes
- Option 2: The Council acquires the replacement homes.

**71. EXCLUSION OF THE PRESS AND PUBLIC**

Not required.

**72. HIGH ROAD WEST REGENERATION SCHEME - SELECTION OF DEVELOPMENT PARTNER AND NEXT STEPS**

As per item 70.

CHAIR: Councillor Claire Kober

Signed by Chair .....

Date .....