

Report for: **Cabinet 9 July 2019**

Title: **Update on the Council housing delivery programme**

Report
Authorised by: **Dan Hawthorn, Director of Housing, Regeneration and Planning**

Lead Officer: **Alan Benson, Head of Housing Strategy & Commissioning**

Ward(s) affected: **All**

Report for Key/
Non Key Decision: **Key Decision**

1. Describe the issue under consideration

- 1.1. This report provides an update on the Council housing delivery programme since May 2018, including the delivery of new homes funded through the Greater London Authority's (GLA) Building Council Homes for Londoners programme, and progress on sites which have previously been approved.
- 1.2. The report sets out the progress that has been made putting in place the capacity to deliver these homes, including recruiting the team, setting up the processes and systems to deliver the programme, including consultation and engagement, identifying the pipeline of sites for delivery and accessing external funding to support this programme.
- 1.3. This report identifies a list of sites and seeks approval for these to be included in the Council housing delivery programme. It also seeks approval to accept revenue funding being offered by the GLA to support the Council housing delivery programme.
- 1.4. The report also provides an update on the Hornsey Town Hall development and seeks Cabinet approval to acquire up to 11 new affordable homes as part of the redevelopment of the site carried out by Crouch End FEC.
- 1.5. Finally, the report notes progress on the Cranwood site and seeks Cabinet approval to increase the total cost of land assembly to enable the development to progress.

2. Cabinet Member Introduction

- 2.1. Haringey's administration was elected in May 2018 on a bold manifesto, which placed housing at its heart. Our manifesto committed to deliver at least a thousand new Council homes at Council rents by 2022; a scale of Council house building not seen since the 1970s. This report updates on the significant progress we have made in the last year and sets out the next steps necessary to deliver this programme.
- 2.2. There are three key elements required for Councils to deliver new Council homes themselves - land, money and capacity. Over the past year, we have been working hard to ensure that we put all three of these in place.
- 2.3. Firstly, we need land. This report identifies a list of sites to enter the housing delivery programme and notes those that are already being worked on. These sites are Council-owned and are located all across the borough. This is an area where ward Councillors can make a genuine difference, by helping to bring local communities with us in delivering these homes. I will meet with members of wards with sites to discuss these – and of course any additional sites they may know about.
- 2.4. Secondly, we need money. I was delighted to present a report at November's

Cabinet meeting accepting over £60m of capital funding from the GLA to build these homes, and am also delighted that this report accepts over half a million revenue funding to support our capacity building. Both of these are a sign of the Mayor's confidence in Haringey to deliver. At the same time, the lifting of the HRA borrowing cap, as noted in the November report and February budget, has transformed our financial capacity to deliver these homes.

- 2.5. Finally, the Council needs the capacity – the right people, processes and structures. A team of experienced housing delivery professionals is being recruited, with many already in place. Alongside this, the Council is “growing its own”, investing in developing the skills of existing staff who exemplify our burning desire to build the best homes we can for the residents of our borough. This new team is also developing the key policies, procedures and programme management that are essential to housing delivery.
- 2.6. This report shows how the Council has geared up to deliver on our promises, setting in place the mechanisms not just to deliver the first thousand Council homes at Council rents, but to ensure that they are excellent quality and that we have a sustainable programme that can go on to build many thousands more. Putting all this in place is my number one priority and I am pleased to provide both a positive general update and set of significant substantive decisions for Cabinet to consider.

3. Recommendations

- 3.1. It is recommended that Cabinet:

Council housing delivery programme

- a. Note progress to date on the Council housing delivery programme, including the capital and revenue funding, the capacity being built within the Council, the processes and systems being put in place, including those for consultation and engagement and progress to date on the previously approved development sites – as set out in paragraphs 6.1 to 6.36.
- b. Approve the Council entering into a funding agreement with the GLA to access £546,000 revenue funding, which has been allocated to the Council from the GLA's Home Building Capacity Fund – as set out in paragraphs 6.37 to 6.41.
- c. Approve the new sites, as set out in paragraphs 6.42 to 6.49, which have been identified as potentially appropriate for new build development to be brought forward in the Housing Revenue Account, including approval to progress design and consultation work associated with these sites.

Hornsey Town Hall

- d. Approve total project costs and the acquisition of up to 11 affordable homes at the Hornsey Town Hall Development of £2,065,249 - of the total scheme costs, the acquisition will cost £1,890,594; and give delegated authority to the Director of Housing, Regeneration and Planning, in consultation with the Director of Finance and after consultation with the Cabinet Member for Housing and Estate Renewal to agree the final mix and number of affordable homes, the final heads of terms of the acquisition and the final contract. This is detailed in paragraphs 6.50 to 6.55.

Cranwood

- e. Approve an increase to the total cost of land assembly at Cranwood agreed by Cabinet on 11 September 2018 by up to 10%, to take account of fluctuations in the market since then. The Director of Housing, Regeneration and Planning, after consultation with the Director of Finance, has been delegated authority to agree the purchase and the terms of the acquisition. This is detailed in paragraph 6.59.

4. Reasons for decisions

- 4.1. The Council's recently adopted Borough Plan commits to delivering 1,000 Council homes at Council rents by 2022. This report invites Members to note and comment on progress towards meeting this target, both in terms of outputs achieved to date and the capacity and processes being put in place to deliver the programme. It also sets out the key milestones that should be achieved in the coming year towards meeting the 1,000 homes target, including the 500 homes where planning consents are expected to have been achieved and the 345 homes that should have started on site. As such it provides Members with information to hold the Council to account for this delivery as well as to help shape that delivery.
- 4.2. The GLA's Home Building Capacity Fund will make a valuable contribution to these aims as this will be used to support the capacity the Council needs to put in place to deliver the 1,000 Council homes. The monies that have been allocated to the Council will fund the revenue costs which support the housing development process, including the recruitment of key support staff, training and development.
- 4.3. The identification of new sites for the Council housing delivery programme is essential if the Council is to build a sustainable pipeline of sites going forward into the next administration and the next GLA funding round. Most of the sites identified in the report's Appendix are at an early stage of development. But this is the first of three stages at which Members have the opportunity to take formal decisions in relation to any given site in the programme. The next stage would be when a site comes forward for planning, at which point members on the Planning Sub Committee would make a decision. Finally, all sites will come back to Cabinet before any contracts are let to build or to purchase homes. This would also be the point at which any decision to formally appropriate any site from the General Fund into the Housing Revenue Account would be taken. So this decision is the first of three stages in a triple lock, ensuring Members have full oversight of the delivery programme. In addition, Ward Members will be engaged on all sites in their ward before any detailed proposals are worked up or any consultation is undertaken with the public, and will be kept informed about the project's process through to delivery.
- 4.4. The acquisition of up to 11 affordable homes on the Hornsey Town Hall site will allow the Council to maximise the benefits of the existing development partnership and s106 agreement with Crouch End FEC by securing the delivery of Council owned homes. It is intended that these homes will be used to provide much needed housing for adults with learning difficulties and funding is being sought from the GLA's Specialist and Supported Housing Fund to support this acquisition.

5. Alternative options considered

- 5.1. The alternative to the Council building Council rented homes itself, on its own land, would be to dispose of the sites and for another organisation to deliver homes instead. This was the model adopted in the Cabinet decision of 23 January 2017; to dispose of sites to Sanctuary Housing Association. That decision was revoked at the Cabinet meeting on 13 November 2018, which also determined that the Council should set up its own housing delivery programme to deliver the Borough Plan target of 1,000 Council homes.
- 5.2. The alternative option for delivery would be for that development to be delivered through the General Fund via a Wholly Owned Company (WOC). The setting up of a WOC was approved on 17 July 2018. However, the need for a WOC to deliver the housing programme no longer exists following the Government's decision to lift the Housing Revenue Account (HRA) borrowing cap. As a result of this, the Cabinet decision of November 2018 was that the Council housing delivery programme would be focused on delivering Council rent homes via the HRA.
- 5.3. The WOC will instead primarily be used to hold the types of homes that the Council cannot hold in the HRA, such as private rented housing and forms of intermediate

rented housing, should the Council determine it wishes to deliver these types of homes. The WOC will be set up in due course to undertake this role.

- 5.4. The other option considered would be for the Council not to develop these sites at all. This would undermine the Council's own Borough Plan target to deliver 1,000 Council homes, as well as its ability to hit its overall housing targets and to tackle the needs of over 10,000 households on the housing waiting list.
- 5.5. The alternative option to accepting the GLA Home Building Capacity Fund would be not to accept it. However, this would both hinder the Council's ability to deliver on its housing commitments and damage the Council's wider financial position. This is because, without this funding, the speed of delivery is likely to be reduced as less resources may be available to the programme, while wider revenue budgets would be put under unnecessary pressure.
- 5.6. The alternative options to identifying sites for the housing delivery pipeline would be either to rely solely on purchasing affordable homes available under s106 agreements, rather than the Council building out its own sites, or to postpone identifying new sites until new funding is announced. The former would not be acceptable, as purchasing homes from developers, rather than the Council building them itself, means that controls over quality, cost and certainty of delivery are weakened and the new homes would not always be additional affordable homes for the borough. Waiting to identify further sites until there is more funding announced could result in the Council not being in a position to put forward a credible bid, which may result in a significantly smaller share of the available funding than it was awarded in the current GLA funding round.
- 5.7. The alternative option to the Council acquiring the 11 affordable homes at Hornsey Town Hall would be for a Registered Provider (Housing Association) to acquire the 11 homes instead. In this alternative the Council would still retain nomination rights to the homes but would not have ownership of these homes, would not benefit from the rental income stream, would not be able to set rents at Council rent levels, and would not be able to ensure they are the type of supported housing now intended for the scheme.

6. Background information

Council housing delivery programme – progress report

- 6.1. In May 2018 the current administration was elected with a commitment to increase the supply of affordable housing and, as the top priority, to deliver 1,000 Council homes at Council rents. This commitment has been enshrined in the new Borough Plan, adopted in February 2019, which commits the Council to "*work together to deliver the new homes Haringey needs, especially new affordable homes*" and, explicitly, "*to deliver 1,000 new council homes at council rents by 2022*". The rest of this section updates on progress since May 2018.
- 6.2. Cabinet has received two reports - in July 2018 and November 2018 - on the overall housing delivery programme, alongside four Cabinet reports on specific schemes that will deliver new Council homes: Welbourne, Plevna, 500 White Hart Lane and the replacement homes on Broadwater Farm. The November Cabinet also agreed to cancel the deal to transfer 20 Council owned sites to Sanctuary Housing association and deliver them instead as part of the Council housing delivery programme, discussed in more detail in paragraph 6.43.
- 6.3. The two key external events that impacted the programme during that period were the 2018 Budget announcement to lift the Housing Revenue Account (HRA) borrowing cap and the award of £62.8m grant funding from the GLA; both discussed below.
- 6.4. The Chancellor's announcement meant that the HRA would now be in a position to borrow to fund the proposed Council housing development programme, rather than this

having to be undertaken primarily through the previously proposed Wholly Owned Company (WOC) in the General Fund. Officers subsequently brought back a revised HRA Business Plan to February 2019 Cabinet, identifying the opportunities this presents for new housing development and to invest in the Council's existing stock.

- 6.5. These two Cabinet reports, alongside the four reports on individual sites, together identified fourteen sites – a mixture of those on which the Council will build and those where we are acquiring homes - as set out in Appendix 1. These fourteen sites were originally projected to deliver 881 homes for the Council of which 671 would be Council homes at Council rents. The remainder would be mostly market sale or shared ownership homes to cross subsidise the social rented housing. But it must be noted that these numbers will inevitably shift as these sites go through the design and planning process – for example the Civic Centre site was identified but a wider discussion is now being held in relation to that site, arising from the decision at Cabinet in June 2019. However, most of these sites are in the GLA funded programme, discussed in the following paragraphs.
- 6.6. The Council was awarded £62.858m in October 2018 from the GLA's Building Council Homes for Londoners Fund. This was to deliver 848 affordable homes of which, at that point, 567 were intended to be Council rented homes and 281 were to be London Living Rent/Shared Ownership homes. This was one of the largest allocations in London and the biggest increase of any Council in London from awards in the previous GLA funding round. It demonstrates significant confidence of the Mayor in Haringey's ability to deliver. This funding is essential in making many developments viable and increasing the proportion of new homes that can be Council homes at Council rents.
- 6.7. This grant offer was accepted by Cabinet in November 2018. The use of this grant by the Council is subject to contract on the basis of standard form grant agreements and conditions contained in the GLA Capital Funding Guide, to which every Council and housing association receiving grant must sign up. However, although all the grant was allocated to specific schemes named in the bid, the GLA is flexible in allowing this to be moved to other schemes should they prove more deliverable, as long as this is agreed with them in advance and the agreed outcomes in terms of starts on site are delivered each year.
- 6.8. The total amount of grant will also increase or decrease over the lifetime of the programme based on individual projects' circumstances and progress. For example, two of the Council's named schemes that were to be funded through the Building Council Homes for Londoners Fund are now expected to be funded instead through a different GLA housing fund – the Care and Support Specialised Housing Fund. Other schemes are likely to come into or go out of the programme over the next three years and the overall amount of funding will flex to reflect this.
- 6.9. In addition to this GLA capital funding, the Council has been successful in securing £546k of revenue funding to help the Council, through the GLA's Home Building Capacity Fund, as set out in paragraphs 6.37 to 6.41 below.
- 6.10. The previous Phase 1 programme has finally been completed, with final build out, snagging, letting & sales activities all completed, and all 32 homes sold or handed over to Homes for Haringey to manage. A full audit of Phase 1 and lessons learnt exercise has been undertaken to inform the new build programme.
- 6.11. The first site of new Council homes at Council rents - Templeton Road, N15 - should start on site in July 2019. This was a site in the Sanctuary deal on which they would have delivered a scheme of shared ownership flats. This has been brought back in house and will now deliver 11 Council homes at Council rents.
- 6.12. Alongside the direct delivery element of its programme, the Council has separately negotiated deals to acquire 170 new Council homes at Council rents on three sites so far, each of which has separately been to Cabinet for approval:

- Welbourne (131 homes)
- 500 White Hart Lane (23 homes)
- Plevna (16 homes)

- 6.13. The 500 White Hart Lane scheme has already started on site. The Council has agreed to purchase 29 affordable homes of which 23 are Council homes at Council rents. There is also potential for a phase 2 scheme. Practical completion of the scheme is due in 2021.
- 6.14. Three schemes currently underway will provide specialist and supported housing. 267 High Road (Canning Crescent) will provide 21 units of supported housing for adults experiencing mental health difficulties. The site has been acquired and feasibility completed. At Hornsey Town Hall, 11 homes are being acquired to be used to house adults with learning difficulties (see paragraph 6.55 for more information). Over the course of the Council housing delivery programme, as every scheme comes forward, consideration will be given as to whether it could provide specialist and supported housing.
- 6.15. Across the whole programme housing standards and mix will be ensured, in accordance with the Council's existing Housing Strategy 2017-2022. This means that all homes will meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings', which has replaced Lifetime Home Standards (a series of sixteen design criteria that provide a model for building accessible and adaptable homes). A minimum of 10% will be wheelchair accessible. The programme will also deliver the appropriate mix of family sized homes in line with the Housing Strategy, ensuring that 45% of the new Council homes are 3 bed or larger, with 10% being 4 bed or larger.
- 6.16. The housing delivery programme that is now being developed is intended to be a sustainable development programme. It encompasses a mixture of self-build and acquisition sites to reduce the risk of programme slippage and to ensure the Council can grasp new opportunities. There is in general a preference for Council direct delivery. This ensures stronger control on value for money and quality, genuine additionality and reduces the Council's exposure to market and third-party failures. But the ability to acquire homes on other schemes in the borough enables the Council to take advantage of additional opportunities to bring more homes into the HRA, and sooner.
- 6.17. There are several medium to long term financial benefits to the Council from its housing delivery programme. Most obviously, savings to the General Fund, through a reduction of the numbers of households in temporary accommodation. But there is a range of other financial benefits, including the savings made when bringing dispersed individuals needing specialist housing back into the borough, additional council tax income and a growth in the rental income stream in the HRA. All schemes impacting the HRA are to be assessed against a common financial viability/impact model to help the Council assess the impact on the HRA business plan, the contribution towards meeting housing needs and the wider impacts and benefits, eg on regeneration or specialist needs. Benchmarking between delivery methods will ensure that best practice procedures are adhered to, helping to drive cost, quality and programme objectives.
- 6.18. There are two main routes to the Council delivering new Council housing:
- The Council can build new homes on its own land.
 - The Council can acquire homes built by a third party.
- 6.19. The Council is currently planning to pursue both of these routes to new Council housing. There are advantages and disadvantages to both, and the Council will make decisions on a site by site basis and across the programme as a whole to achieve the best balance.

- 6.20. Broadly, the advantages of acquisitions are that the homes are generally delivered sooner and therefore the savings arising from new homes discussed above occur earlier. In addition, the Council is often acquiring homes that would previously have been either sold as shared ownership or rented as intermediate or “Affordable Rent” housing. By converting these homes to Council housing, this increases the overall number of social rented homes in the borough.
- 6.21. The advantages of direct delivery are that the Council retains more control in terms of delivery, design and quality. Direct delivery is usually less expensive per home and is also more sure to deliver a net increase in the number of Council rented homes in the borough.
- 6.22. As noted above, new Council homes lead to a reduction in the cost to the Council of temporary accommodation. On average, the net cost to the Council of housing a household in temporary accommodation is £4,500 a year. The sooner new homes are delivered, the sooner savings will be achieved, although not all new homes will be allocated to households in temporary accommodation. They will be allocated in accordance with the Council’s allocations policy, which also currently prioritises overcrowded Council tenants, care leavers and those with specific support needs for new housing. Nevertheless, any increase in Council housing can only have a positive effect on homeless households in the borough and will represent a significant saving to the Council.
- 6.23. However, these savings to the General Fund are not, of themselves, part of the HRA viability calculation when determining the mix of new homes to build or acquire. That viability calculation is premised to ensure that, over the longer term, the HRA remains sustainable and that the new supply makes a positive contribution to it.
- 6.24. The current housing delivery programme divides sites into four delivery routes or categories:
- Category A: New Build. These are schemes where the Council is the developer on land the Council owns.
 - Category B: Regeneration. These are schemes, usually of a large size or involving mixed use, that a partner will build for the Council on its land, or partly on its land.
 - Category C: Acquisitions. These are schemes built by someone else on their own land where the Council acquires the homes as part of the s106 negotiations.
 - Category D: Asset management. This is maximising capacity on the Council’s existing estates and land, for example through adding storeys to existing buildings, converting non-residential property to housing or “hidden homes” style initiatives.
- 6.25. Over the next 12 months the Council housing delivery team is aiming to achieve two key delivery objectives:
- That 500 new Council homes will have achieved planning consents.
 - That 350 new Council homes will have started on site.
- 6.26. At the same time, over the next six months, the Council housing delivery team is aiming to deliver three organisational objectives:
- To recruit the staff necessary to deliver a programme of this size.
 - To put in place the processes and systems that are essential to underpin delivery.
 - To produce key documents on design, development procedures and consultation that will ensure high quality development.
- 6.27. The delivery team is in its second round of recruitment and, once the Housing, Regeneration and Planning restructuring is finalised, the current interim posts can be made permanent and a third round of recruitment to achieve the levels of staffing necessary to deliver 1,000 homes will be undertaken. This should happen within this calendar year.

- 6.28. A key part of the processes and systems will be the setting up of a specialist housing programme management function, to ensure that there is robust and effective monitoring and reporting of progress on the new build programme. The systems and processes for this should be set up by the summer and be fully operational by September 2019.
- 6.29. By the Autumn it is also expected that four key documents will be in place to guide and aid delivery, notably:
- Design Principles
 - Employer's Requirements
 - Development Procedures
 - Communication and Engagement Strategy
- 6.30. Design Principles: As the Council embarks upon its housing delivery programme it will be critical to ensure that the new housing built or purchased is well designed and will meet the needs of future residents. The Council has a unique opportunity to not only deliver on the housing targets, but also to create housing that makes a positive contribution to its neighbourhood and locale, is sustainable and uses robust materials, meets carbon and sustainability objectives, and is designed internally and externally to the highest quality. To achieve this, work is currently underway in-house to develop a design principles document, encompassing a set of supporting and integrated actions and initiatives that will put in place best practice and processes to ensure a high design quality across the housing programme.
- 6.31. Employer's Requirements: The Employer's Requirements is a key document for housing delivery. It will provide a detailed description of Haringey's requirements including the detailed specification for the building, scope of service required and allocation of risk for unknown items. Following a successful tender, consultants have been appointed to develop these and the commission for developing them includes a requirement to consult with all key stakeholders.
- 6.32. Development Procedures: These procedures are the primary means by which organisations that develop housing ensure a consistent and professional approach to delivering housing schemes. Once drafted, they will act as a robust framework and guide on how to take schemes from project inception to completion and will ensure that there is an auditable trail for all housing schemes. Work has already begun to draw up detailed development procedures for all Council housing schemes. The procedure guides will be organised around key development tasks, core development management templates and user manual guidance notes. The development procedures will be developed following rigorous engagement with other teams in the Council, and Homes for Haringey, to ensure existing governance arrangements and wider processes are embedded throughout.
- 6.33. Communication and Engagement Strategy: This is being drawn up in collaboration with the Corporate Communications team. It will set out how all engagement on the housing delivery programme will be carried out. This will be incorporated into the Development Procedures to ensure that consultation is carried out across all types of housing schemes at the right time and at the correct levels.
- 6.34. Officers will, in the first instance, consult with and brief Ward Members on the schemes within their ward. As part of this process officers will work with Ward Members to understand if there are further sites within their ward that should be considered for housing development. Following this process, officers will liaise and consult with other stakeholders.

6.35. At a high level the Communication & Engagement Strategy aims to:

- Engage, inform and support residents directly impacted by the Council housing delivery programme.
- Promote the benefits of the Council's commitment to build new Council homes to the community, and stakeholders, in order to create a better understanding of, and support for, Council-led housing delivery.

6.36. The Council will aim to set a gold standard for how it works with residents to deliver the homes they want and need. The Council will:

- Be proactive – with regular and timely communications.
- Be inclusive – all communications will be delivered in a way that suits residents and is accessible to all.
- Be open – operating in a transparent and open forum.
- Be responsive – fast and quick responses.
- Be united – one organisational approach and one voice.

GLA Home Building Capacity Fund

6.37. The GLA's Home Building Capacity Fund specifically aims to help councils build their capacity to deliver new homes. The fund aims to achieve the following strategic objectives:

- Ensuring optimal density of new residential developments.
- Proactive planning in areas with significant growth potential.
- Increasing housing supply by supporting more development on small sites.
- Delivering a new generation of council homes.

6.38. The Home Building Capacity Fund provides the Council with funding to support revenue costs associated with the development lifecycle which cannot normally be capitalised against a project, or are not classified as business as usual expenditure.

6.39. The funding which the Council has secured can only be used for the following purposes, which will be monitored by the GLA:

- | | |
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| • Programme support capability and capacity | £364,000 |
| • Secondment of staff to Council housing delivery team | £156,000 |
| • SDS Proval training and Sequel license and training | £ 26,000 |

(SDS Proval and Sequel are financial viability and project management software to support and monitor the delivery of housing development schemes.)

6.40. The proposed milestones and outputs provided in the Council's bid against these three successful proposals will form part of the funding contract and the Council will be monitored on its progress towards achieving them. These proposals will also be subject to an evaluation at the end of the project to determine if the Council has delivered the proposed outputs and outcomes.

6.41. The funding will be awarded using a standard form of GLA contract, which is not subject to negotiation. The funding will be available for 2019-20 and 2020-21. Funding will be released in arrears and the Council may need to submit supporting evidence.

Sites – building the pipeline

6.42. In addition to the sites identified in Appendix 1 as those that are in the current housing delivery programme, the Council has been seeking to develop a longer pipeline of sites.

6.43. The 20 sites that were to be transferred to Sanctuary have been progressed since the Cabinet decision of November 2018 to cancel that transaction and develop them instead

in the Council housing delivery programme. Agreement has now been reached to obtain the design and cost information prepared by Sanctuary for these sites. This means that the Council can now finalise the design and cost information, then submit schemes to planning for approval. These sites are listed in Appendix 1. It should be noted that one site that was to have been transferred is not included in Appendix 1 as it has been deemed unsuitable for development.

- 6.44. There are four shop conversion sites which are being proposed to be taken forward for development. These sites are classified as small sites, ie one to nine new homes. The four sites used to be local convenience shops that have sat vacant for two or more years.
- 6.45. The land for three of the four sites is in the HRA and only one site will be transferred from the General Fund to the HRA. These schemes should only require fit out works and minimal planning approvals, therefore start on site should be possible relatively quickly. To date a building survey on the properties has been undertaken which has confirmed that two of the sites will require light touch renovation works and the other two sites will require works to ensure a structurally sound envelope. Building Surveyors are currently being appointed to take these schemes from design stages through to completion. These sites are listed in Appendix 1.
- 6.46. There are an additional 35 small/medium sites that were identified during the pipeline building process but do not already fall within the ex-Sanctuary or shop conversion sites. It is proposed to include these sites in the programme, following initial site inspections and feasibility assessments which concluded that they have good development potential based on the following risks/issues factors: site size, risk of statutory services, party wall or rights of light issues, signs of subsidence, site access and disruption caused to the local community.
- 6.47. Reports on Title and Local Searches are being prepared for these sites. If no issues arise from these reports, design teams will be appointed to take schemes from feasibility to planning submission and carry out consultation work. These sites are also listed in Appendix 1.
- 6.48. Homes for Haringey will also be investigating how to make better use of existing housing assets in the HRA, for example infill, opportunities for adding additional floors to existing buildings (“top-hatting”) and converting existing non-residential properties such as garages and shops.
- 6.49. It should be noted that it is fully expected that there will also be a number of schemes in categories B, C and D (Regeneration, Acquisitions and Asset Management) that will become part of the programme going forward.

Hornsey Town Hall acquisitions

- 6.50. On 18 October 2016 Cabinet agreed to the disposal of the Hornsey Town Hall site to the successful bidder, Crouch End FEC following an OJEU tender process. This decision was called in and considered by the Overview and Scrutiny Panel on 8 November 2016. Cabinet then ratified the decision on 15 November 2016.
- 6.51. Planning approval was granted to the developer in April 2018 and in the s106 agreement 11 homes were earmarked for affordable housing. The s106 agreement gives the Council first option to acquire the homes. If an agreement cannot be reached, then Crouch End FEC can dispose of them to a Registered Provider.
- 6.52. The 11 affordable homes are situated in the Grade II listed Broadway Annex and a long leasehold interest of this part of the building will be returned to the Council as part of the deal to acquire the s106 scheme. Crouch End FEC has recently appointed its main building contractor, Ardmore, and will hand over the site officially to them on 8 July 2019. The Council has six months, from the start on site date, to exercise its option to acquire the 11 affordable homes for £1,890,594 as per the s106 agreement.

- 6.53. To acquire the 11 affordable homes and provide them at Council rents requires a total scheme cost of £2,065,249. This is made up of the acquisition price of £1,890,594 and an estimated £174,655 in professional fees for processing the acquisition and managing the project, on site, to ensure that all homes are built to the agreed standards. This works out as a total cost of £187,750 per home and will be funded from the HRA budget.
- 6.54. FEC has agreed not to exercise their option of charging inflation on the acquisition price. They also only require a single payment at completion, rather than staged payments. This minimises any financial risk to the Council in buying this scheme.
- 6.55. It is currently intended to designate the affordable homes in this scheme for adults with learning difficulties. There have been initial very positive discussions with the GLA in terms of funding; and the developers have been appraised of the Council's intentions. This is the Council's preferred option going forward because it will deliver key commitments on supported and specialist housing in the Borough Plan as well as contributing significantly to savings targets and service improvements. Findings from the 2017 Supported Housing Review highlighted an increasing demand for the provision of high-quality housing support and social care, to enable disabled and vulnerable adults to lead fulfilling and independent lives. Disabled adults with some learning difficulties are currently in out-of-borough placements, and this scheme could be a chance for them to return to Haringey into an affordable home; a rare opportunity of significant strategic value.

Cranwood

- 6.56. Work on the Cranwood site in Highgate is progressing.
- 6.57. Following a tendering process, the Council has appointed Levitt Bernstein architects to this scheme. The tender process for the employer's agent has commenced. In addition, vacant possession is expected on the first freehold property the Council is acquiring at the end of June and discussions are underway with tenants about their aspirations.
- 6.58. In September 2018 Cabinet agreed a budget for land assembly including the acquisition of two freehold properties to enable the Cranwood development. Additional flexibility in the budget for site assembly and acquisition by up to 10% is required to account for fluctuations in the market since the acquisition budget was agreed by Cabinet.

7. Contribution to strategic outcomes

- 7.1. The recommendations in this report will support the delivery of the Housing Priority in the new Borough plan, which sets out in its first outcome that *"We will work together to deliver the new homes Haringey needs, especially new affordable homes"*. Within this outcome, the Borough Plan sets the aim to *"Ensure that new developments provide affordable homes with the right mix of tenures to meet the wide range of needs across the borough, prioritising new social rented homes"*.
- 7.2. In particular, the recommendations in this report are explicitly about delivering the aim *"to deliver 1,000 new council homes at council rents by 2022"*. The proposals in this report contribute directly to the strategic outcomes on new housing supply that are at the core of the aims of the Council as expressed in the Borough Plan.

8. Statutory officer comments

Finance

- 8.1. In February 2019, Full Council approved the HRA capital programme which includes capital investment of £680m over a 5 year period for the development and acquisition of new homes.
- 8.2. The schemes/projects listed in this update are all contained in the HRA business plan which

underpins the HRA capital programme budget.

- 8.3. The report for each individual site will be presented, reviewed and financial impact assessed prior to commencement of each development or acquisition.
- 8.4. The acquisition of 11 affordable homes, Hornsey Town Hall project, was built into the HRA business plan and the total cost of this scheme, £2,065,249, has been provided for in the 5 year capital programme as approved by cabinet.
- 8.5. The scheme cost consists of £1,890,594 acquisition cost and £174,655 professional and project management fees. This represents a per unit cost of £187,750, which compares favourably with the Council's Housing Strategy benchmark of £330,750.
- 8.6. If the scheme is completed before March 2022, there will be need to reprofile the budget to enable quick payment on completion.
- 8.7. The £546k is a revenue grant to support the Council's new homes delivery programme. This will be used to fund the necessary administrative, legal, IT and procurement support needed to facilitate the projects. There is no expectation to return the fund as long as it is spent in accordance with the purpose of the grant.
- 8.8. The proposed 10% increase in the land assembly budget can be contained within the current affordability envelope of the scheme.

Legal

- 8.9. The Council is seeking to develop a number of sites as set out in recommendation 3.1.c. As mentioned in this report title investigations are being carried to ensure that any issues are dealt with prior to starting any development. Where a site is on a housing estate advice must be sought as to whether or not any statutory consultations are required and how to deal with any third-party rights that may be affected.
- 8.10. The report seeks authority to accept grant funding from the GLA. The Council is able to accept such funding but must enter into a funding agreement that will contain the terms and conditions. Members should note that if these terms and conditions are not complied with and the grant is drawn down then the funding will have to be paid back.
- 8.11. The report seeks authority to acquire a number of affordable homes that are to be constructed on a part of the Hornsey Town Hall site. The Council entered into a Development Agreement for that site with Crouch End (FEC) Limited on 8 February 2017 and granted the long leases on 2 May 2018. The Council has authority pursuant to Section 120 of the Local Government Act 1972 to acquire by agreement for the purposes of any of its functions under the 1972 Act or any other enactment any land, whether situated inside or outside its area. The properties will be acquired for housing purposes and will be held within the Housing Revenue Account.

The properties are yet to be constructed and further legal advice will be required as to the best way to protect the Council's interest on this acquisition.

Procurement

- 8.12. Strategic Procurement notes the update on the Housing Delivery Programme and recommendations within section 3.1 of this report; however, comments are not applicable for property and land transactions as they sit outside of the Procurement Contract Regulations.

Equalities

- 8.13. 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.

- 8.14. 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.
- 8.15. This report seeks approval for the Council to enter into a funding agreement with the Greater London Authority; for sites to be brought forward in the Housing Revenue Account; for the acquisition of up to 11 new affordable homes at Hornsey Town Hall as part of the redevelopment of that site carried out by Crouch End FEC, with delegated authority to agree the final mix and number of affordable homes, the final heads of terms of the acquisition, and the final contract; and for variation of the total cost of land assembly at Cranwood.
- 8.16. The overall objective of the decision is to increase the supply of Council housing in Haringey. The groups that the decision is most likely to directly affect are Haringey residents living in temporary accommodation and Haringey residents who are at risk of homelessness. Data held by the Council suggests that women, young people, and BAME communities are over-represented among those living in temporary accommodation. Individuals with these protected characteristics as well as those who identify as LGBT+ and individuals with disabilities are also known to be vulnerable to homelessness, as detailed in the Equalities Impact Assessment of the Council's Draft Homelessness Strategy. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.
- 8.17. It is noted that it is the Council's preferred option to designate the 11 new affordable homes at Hornsey Town Hall for adults requiring support. It is therefore likely that the decision will have additional benefits for individuals with disabilities and/or long-term health conditions through provision of affordable housing.
- 8.18. It is noted that Ward Members will be engaged on all sites in their ward and that consultation will be undertaken with the public. These engagement and consultation activities will be inclusive and undertaken with due consideration for equalities in order to ensure that residents who share the protected characteristics are able to participate fully. These activities will also provide opportunities for officers to identify any equalities issues relating to individual sites and thereby develop informed proposals.

9. Use of appendices

Appendix 1 Council housing delivery programme sites