

# **MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY PANEL HELD ON TUESDAY 2<sup>ND</sup> MARCH 2021, 6.30pm - 9.35pm**

## **PRESENT:**

**Councillors: Ruth Gordon (Chair), Dawn Barnes, Zena Brabazon, Isidoros Diakides, Makbule Gunes, Bob Hare and Yvonne Say**

### **1. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

### **2. APOLOGIES FOR ABSENCE**

Cllr Makbule Gunes gave apologies for partial absence from the meeting, noting that she would need to temporarily leave shortly after the beginning of the meeting but would return after approximately 20 minutes.

### **3. URGENT BUSINESS**

None.

### **4. DECLARATIONS OF INTEREST**

None.

### **5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

### **6. MINUTES**

Cllr Brabazon requested updates on two matters referred to in the minutes of the previous meeting:

- What further progress had been made on reducing the savings gap (as outlined on page 5 of the agenda papers).
- For more detail on budget proposals on incentives for private sector landlords (as outlined on page 8 of the agenda papers).

David Joyce, Director of Housing, Regeneration & Planning said that he would update the Panel on both these points in writing. **(ACTION)**

The minutes of the previous meeting held on 15<sup>th</sup> December 2020 were approved as an accurate record.

## **7. CABINET MEMBER QUESTIONS - PLANNING**

Cllr Matt White, Cabinet Member for Planning and Corporate Services, responded to questions from the Panel on issues relating to the Planning part of his portfolio:

- Cllr Say asked about the housing delivery test which the Council had failed meaning that central Government now required a presumption in favour of sustainable development in the Borough. Cllr White said that the housing delivery test is set on housing completions over a three-year period and, given that the flow of housing completions has large variations from year to year, several local authorities had failed the test. However, the Council would significantly exceed these levels in other years. The consequences of failing the test did not have a major impact as the presumption in favour of sustainable development would only be likely to impact a small percentage of borderline planning cases where this may tip the balance in favour of approval. In response to a follow up question, Cllr White said that a judicial review of this penalty would not be possible because, although the rules were unfair in his view, they had been applied correctly. Cllr Diakides added that a lot of planning approvals had been made but that sometimes private developers failed to deliver the completions. Cllr White agreed on this point and said that it highlighted the unfairness of the housing delivery test.
- Asked by Cllr Brabazon about his role in the development of the Local Plan, Cllr White said that the Local Plan is a Cabinet-level decision but also goes to the Regulatory Committee for comments. He had not yet had any meetings with the Chair of the Planning Committee on this issue.
- Cllr Brabazon suggested that the Covid-19 pandemic meant that some aspects of housing policy needed reconsideration, particularly in relation to families and children such as the need for more open space. Cllr White said that the current document available was for consultation/policy background and that there was no draft Local Plan available as yet. The input through this process would be followed by an impact analysis. He agreed with the comments about the need for more open space and a less dense environment for children and these factors would need to be carefully considered in addition to the need to deliver more housing completions and affordable housing.
- Cllr Barnes asked about the impact of the low traffic neighbourhood in Enfield and the impact on Haringey residents who were concerned that traffic was being pushed from Bowes to Bounds Green. Cllr White said he was aware of the concerns of residents about this and he and the officers were working with

their counterparts in Enfield towards a cross-borough solution, including through a public meeting the previous week.

- Cllr Hare asked about the loss of green spaces that would result from a proposal to build flats on the corner of Seven Sisters Road and St Ann's Road and another similar proposal in Highgate. Cllr White said that retaining and expanding green space would be an important part of the new Local Plan and he was keen to coordinate policies on green spaces with other Cabinet Member.
- Cllr Gordon asked about concerns raised because of a reference to possible intensification of housing in the regeneration of Council Estates in the Local Plan document. Cllr White said that it was necessary to look at opportunities to build more housing that was needed but that there were no current plans to intensify any particular Council estate. He said that he would take on board the concerns about the wording in the consultation document and look at how this could be improved in the draft Local Plan.
- Cllr Gordon asked about co-living schemes, often aimed at young professionals which include some communal areas, which she felt could undermine space standards, were not suitable for long-term living and should not be supported in Haringey through the new Local Plan. Cllr White said that he agreed with her views on co-living and space standards. A new policy on co-living would be needed in the new Local Plan and it might prove necessary to accept some co-living but in a controlled way.
- Cllr Gordon referred the site allocations in new Local Plan and concerns about developers buying up small parts of that land (sometimes referred to as 'ransom strips') to force the Council into making a deal in order to complete the land assembly. Cllr White acknowledged the concerns and said that this would be taken on board in the development process for the new Local Plan.

Cllr Gordon said that the Panel may wish to submit written proposals towards the new Local Plan consultation process. Cllr White noted that there was a working group of Councillors that provided a lot of input into the first steps document and would continue to do so. Cllr Gordon proposed that any supplementary questions that the Panel Members had should be provided to her or the scrutiny officer which could then be fed in to the working group.

## **8. HOUSING DELIVERY PROGRAMME**

This item covered two separate reports, one on the size of homes in the Housing Delivery Programme and one on the Cranwood Housing Development Site.

### Size of Homes in the Housing Delivery Programme

Robbie Erbmman, Assistant Director for Housing, introduced the report on the size of homes in the Housing Delivery Programme, noting at the outset that while family sized

housing was required, there was also a desperate need for Council housing of all sizes. The housing register showed that, of the 581 households in the most urgent need, 364 needed a one-bedroom home and 130 needed a two-bedroom home. Of the 11,300 households on the housing register, 73% required a one or two bedroom home.

Of the 475 Council homes in the programme that already have planning permission 22% were three-bedroom homes and 2% were four-bedroom homes. At this early stage of the programme there was a high proportion of Council homes being delivered through acquisitions which meant that the bedroom mix was constrained. However, across the whole programme 31% of properties would have three or more bedrooms. The site at Ashley Road was expected to deliver around 150 Council homes, 65% of which will have three or four bedrooms.

There were also financial challenges involved with building family sized Council homes because of the rent generated. The revenue on a one-bedroom Council home exceeded the cost of interest in year one, and it would take 20 years to pay off the loan required to build it. However, revenue for a four-bedroom home in the same scheme would not exceed the cost of interest until year 30, and it would take 80 years to pay off its loan. This was why the Council was working with the GLA to make the case for increased investment for family-sized homes in the next funding programme. This would help to improve the proportion of family-sized housing in future and, while the family housing target may not have been met in the first 1,000 homes delivered, it was hoped that the target could be met in the next 1,000.

Robbie Erbmann, Anna Blandford, Head of Housing Development, and Cllr Ibrahim, Cabinet Member for Housing and Estate Renewal, then responded to questions from the Panel:

- Cllr Barnes asked how many of the remaining 525 homes (i.e. the 1,000 target minus the 475 identified in the report) in the current phase would be acquisitions and how many would be direct delivery. Robbie Erbmann said that there were actually around 800 homes identified for the rest of the phase, approximately 250 of which were expected to be acquisitions. More precise figures could be provided in writing. **(ACTION)** Cllr Ibrahim said that Council housing stock may be increased through different mechanisms, including through acquisitions, and that it was important to ensure that this was the kind of housing that was needed and that the Council was not paying over the odds for it. Robbie Erbmann added that internal financial controls would prevent over the odds payments in any case.
- Asked by Cllr Barnes for further details about the next phase of 1,000 housing deliveries, Robbie Erbmann said that, of the projects that were in the early stages of feasibility, there were around 2,300 homes. New sites and

opportunities for acquisitions were being identified from time to time to add to the programme.

- In response to a question from Cllr Say about scaling up direct delivery, Robbie Erbmann said that it was incumbent on the Council to look at all opportunities to increase its housing stock and to scale up both direct delivery and acquisitions from developers given the level of housing need in the borough. The direct delivery programme was now large with over 70 sites in the borough, while the size of the Council's delivery team had been doubled since he had joined the Council.
- Cllr Say asked whether the business plan for the programme could be provided. Robbie Erbmann and Cllr Ibrahim referred to the regular updates provided to the Cabinet which were publicly available and said that any specific information could be circulated to the Panel on request.
- Asked by Cllr Diakides for further details on the attempts to obtain increased GLA funding, Robbie Erbmann and Anna Blandford said that two bids were being prepared for submission in about a month's time. One was a bolt-on to the existing Building Council Homes for Londoners Programme which runs until 2023, the other was the Council's future affordable housing programme for 2021-26. It was hoped that the funding would be more flexible with higher grants for larger units (the current tariff provided a fixed grant per home) but clarification on this was still being sought. Asked by Cllr Brabazon about the implications of the new GLA guidance which did not favour demolition, Robbie Erbmann said that the bids were not yet complete but that he would be happy to update the Panel when the outcomes were known.
- Asked by Cllr Diakides about the Chocolate Factory development, Robbie Erbmann and Anna Blandford said that the Council was currently in the process of finalising the acquisition of the site. Delivery was expected to be in two phases, the first involving about 80 homes for social rent while proposals for the second phase were still being developed, though was likely to include some properties for private sale.
- Asked by Cllr Brabazon for further details on the Ashley Road development, which was expected to deliver 150 Council homes, Anna Blandford said that there would be around 300 homes in total with 50% for private sale. The focus was on family-sized Council homes and so the private sale units were required to finance the scheme. Detailed plans on the development were not yet available but would be taken through consultation and the planning process in due course.
- Asked by Cllr Say about the current Right to Buy rates, Robbie Erbmann said that the assumption in the Council's business plan was that 50 homes would be sold under Right to Buy per year. However, around 100 former Right to Buy homes were being purchased each year for the Haringey CBS (Community Benefit Society). Cllr Ibrahim added that she did not think that concerns about new Council homes being lost through Right to Buy would be a significant

problem in practice. People who had been on the waiting list for a long period were unlikely to be in a position to exercise Right to Buy for a number of years and also it was not possible for Councils to sell a property under Right to Buy for less than it cost to build it.

- Asked by Cllr Say for further details about the Neighbourhood Move Schemes highlighted in paragraph 3.14 of the report, Robbie Erbmann said that having new build properties available for secure tenants significantly impacts on whether people in underoccupied properties are prepared to move so it was hoped that this would free up more family-sized homes.
- In response to a question from Cllr Say about why building was planned at Waltheof Gardens despite there being a conservation area, Anna Blandford said that Cabinet approval had been given for this to enter the programme and, as it was at a very early stage, the feasibility work had not yet been completed.
- In response to a point from Cllr Gordon that, in the context of the 1,000 new homes target, the size of those homes was also an important factor, Cllr Ibrahim agreed that more family-sized housing was needed. However, she said that 1-bed and 2-bed homes were also needed, for example for young care leavers or for people who were currently under-occupying larger homes.
- Asked by Cllr Gordon for an update on the recent audit report on the department, Robbie Erbmann said that the actions had been progressed, that there was monthly reporting to the Council Housing Delivery Board and he believed that the level of project control and governance was now strong.
- Asked by Cllr Gordon for an update on the Clarendon Road site, Robbie Erbmann said that the intention was to pursue a Council-led scheme although he was unable to comment on the conversations between the Council and the various parties that had ownership positions on the site.

### Cranwood Housing Development Site

Robbie Erbmann, Assistant Director for Housing, introduced the report regarding the site of the former Cranwood Care Home. The negotiations that had taken place over the site had predated his appointment to his role at Haringey Council. Robbie Erbmann explained that the site had been included in the portfolio of sites for development under the Haringey Development Vehicle (HDV). These proposals and the subsequent HDV designs for a scheme of 62 homes presupposed the demolition of the adjoining terrace of eight three-bedroom houses at 102 to 116 Woodside Avenue. The Council was the landlord of six of the homes but the freeholds of 104 and 106 Woodside Avenue had been sold under the Right to Buy.

The demolition of these houses was desirable for two reasons:

- This would increase the footprint of the site by 50% and the developable area by up to 100%.
- The Local Plan includes the whole site within the Site Allocations DPD.

In July 2018, the Council had decided to end the HDV in favour of a programme of direct Council housing delivery. At the same time a private developer was negotiating with the owners of 104 & 106 Woodside Avenue in an attempt to create a ransom position in the site. The Council therefore aimed to make offers that were attractive enough to incentivise the freeholders to sell to the Council rather than to the developer.

In September 2018, the Cabinet agreed to acquire 106 Woodside Avenue for £2.15m and 104 Woodside Avenue on terms delegated to the then Director of Housing, Regeneration and Planning and the Director of Finance. The reasons that this was felt, at the time, to be worth doing was that by unlocking these two homes the whole site could be unlocked and 98 new homes could potentially be built rather than only 40 and that 20 of the new properties would be for private sale thereby bringing substantial additional funds into the Housing Revenue Account (HRA).

The Council had also been in discussion with the four secure tenants at Woodside Avenue who said that they wanted to remain in their homes. In June 2019, the Council had decided to respect their wishes to remain and terminated the negotiations to acquire 104 Woodside Avenue. As a consequence, a smaller development scheme was now being pursued by the Council of 41 homes on the site, of which 32 would be for social rent and nine for private sale. The terrace of eight house would remain with four being occupied by the secure Council tenants, three being used by the Council to provide homes for homeless families and one occupied by the remaining freeholder. The proposals would be submitted to Planning shortly with the aim of being on site by November 2021.

Robbie Erbmann then responded to questions from the Panel:

- Cllr Barnes asked whether the new development would include separate entrances for social tenants and private tenants. Robbie Erbmann said that, while different blocks would have separate entrances, the properties would be of exactly the same quality and that the bulk of the common space would be open amenity space for all residents. He added that for management purposes and to keep services charges low, it is better to have ownership of a whole block as a freeholder. Cllr Barnes said that there were advantages to mixed housing and that it was disappointing to see separation of private and social tenants in Haringey. Robbie Erbmann said there was only a small amount of private housing proposed in the development and so it could not be compared to cases involving large blocks of private housing with a small proportion of social tenants being marginalised. Cllr Gordon said that the separation of tenants was a recurring issue in the Borough and suggested that further consideration could be given to the overall issue in more detail at a future meeting. **(ACTION)** Cllr Brabazon said that her understanding was that

segregated housing was not supported by the new London Plan and queried why integrated housing was not being implemented in Haringey. Cllr Ibrahim said that she agreed with the Panel Members on their general views about housing segregation and understood their concerns but did not think that this was necessarily an issue in relation to this specific small scheme. She suggested that further written information about the layout of scheme could be provided to the Panel. **(ACTION)**

- Cllr Barnes asked whether the difficulties in building on the site due to the water mains pipes were known prior to the purchase of 106 Woodside Avenue for an above-market price. Robbie Erbmann said that this had not been a factor as, while the pipes do create problems with building, they are in a different part of the site to the Woodside Avenue homes.
- Cllr Gordon asked why the development could not simply have been built around the two houses that the Council did not own. Robbie Erbmann said this wouldn't have worked from a development point of view and that the whole terrace would have needed to be cleared. It may not have been suitable for large block to overlook two houses for example.
- Asked by Cllr Gordon who the private developer involved in the negotiation was, Robbie Erbmann said that this was a small local developer but that he was not able to divulge the name of this developer for reasons of commercial confidentiality. To be informed on a confidential basis, the scrutiny panel would need to submit a request demonstrating their need to know.
- Asked by Cllr Hare why a CPO process was not pursued as an alternative to the option of above market value purchases, Robbie Erbmann said that, while he wasn't at Haringey Council at the time, his understanding was that the advice received was that a CPO would be legal and technical difficulties with that option on this site. Cllr Hare and Cllr Diakides asked whether this advice could be made available to the Panel. Cllr Diakides suggested that the matter could be referred to the Corporate Committee for further examination.
- Cllr Diakides asked how many private houses were being built on Council land, Robbie Erbmann estimated that there were about 400 private homes out of the 1,600 that were being built through the first phase of the housing delivery programme. He added that this 75% social to 25% private sale position had improved from a 60%-40% split in the previous business plan. Cllr Ibrahim, Cabinet Member for Housing and Estate Renewal, said that the building of homes for private sale was necessary to be able to cross-subsidise the social housing in the developments. Robbie Erbmann added that the housing delivery programme would need to modestly grow its income through private sales in

order to continue to invest at a rate of 250 new homes per year. Cllr Diakides said that the Panel should be provided with the figures and calculations to demonstrate that this was necessary. Robbie Erbmann replied that he would be happy to run a session for the Panel on the HRA Business Plan though there would be difficulties in providing costs for individual schemes as this could put the Council in a poor position in terms of being able to secure competitive build contracts. Cllr Gordon said that a discussion on the financing of a housing programme was a useful suggestion to be added to the Panel's Work Programme. **(ACTION)**

- Cllr Brabazon said that, if there was no other way of establishing what had happened regarding the Woodside Avenue properties, then the matter should be referred for a value for money audit of the purchase of 106 Woodside Avenue from internal auditors and possibly an external auditor as well.

Cllr Ibrahim then made further observations on the Woodside Avenue purchase. She said that an early commitment of the administration was to build Council homes at the Cranwood site and that, following engagement with the residents, it was felt that the scheme should be changed. A lot of campaigning had taken place and the Council had listened to concerns meaning that plans considered earlier in the scheme were no longer judged to be suitable. Cllr Ibrahim said that it had been important to listen to secure tenants whose homes would have been demolished under the original proposals.

However, earlier on at the time of the purchase of 106 Woodside Avenue, the investment had been considered necessary to unlock the rest of the site, generating a larger return and more homes but the situation then changed. Cllr Ibrahim said that Cllr Brabazon would have had access to the exempt information at the time as part of the same Cabinet that collectively took that decision. She concluded that a decision had been taken which was subsequently changed but that there was nothing to hide in terms of the finances.

Cllr Gordon said that a question mark remained over the decision not to pursue the CPO route. Cllr Brabazon said that the project should be looked at with hindsight and that a value for money look at the matter would help the Council in the future. Cllr Hare added that the additional information that he had asked for on the advice received against using a CPO should be provided to the Panel.

## **RESOLVED –**

That the Panel refers the Cabinet decision to acquire 104 & 106 Woodside Avenue to internal auditors, with oversight from the Corporate Committee.

That the advice provided to senior officers and the Cabinet on the potential legal and technical difficulties of using a CPO to acquire the properties be made available to the Panel and, if required, to the Corporate Committee.

## **9. ACCOMMODATION STRATEGY UPDATE**

Cllr Charles Adje, Cabinet Member for Finance and Strategic Regeneration and Christine Addison, Interim Assistant Director for Capital Projects and Property, introduced the report on the accommodation strategy.

A report on the corporate buildings in Wood Green had been considered and agreed by the Cabinet in September 2020, followed by the approval of a report in December 2020 about the future use of the Civic Centre. The Cabinet had then approved an update to the Asset Management Plan in February 2021 to include the strategic thinking from those two reports.

The priorities for the next 12 months which were:

- moving forward with the Civic Centre project and deciding how and when the car park element could be developed;
- reviewing the use of George Meehan House to ensure that its use is optimised and works well with the refurbished and expanded Civic Centre spaces;
- reviewing and outlining best steps for other Council buildings in Wood Green.

Cllr Adje and Christine Addison then responded to questions from the Panel:

- Cllr Hare asked about the impact of the Covid pandemic on the strategic approach to Alexandra House. Cllr Adje said that the use of a number of premises, including Alexandra House, were currently subject to review and while the impact of the pandemic would clearly be an important factor, it was not yet possible to say what the future premises use would be. An update report was expected to be provided to the Cabinet before the end of the year.
- The report noted that the consolidation of Council accommodation to a smaller number of buildings over a 5-7 year period. In response to a comment from Cllr Hare that the process appeared to be quite slow, Cllr Adje said that, while he shared the concern, the buildings were still occupied and that it would take some considerable time to relocate people.
- Cllr Brabazon said that the investment in the Civic Centre would result in a surplus of office accommodation. She also noted that Alexandra House, which she said had been bought at a high price, and River Park House were currently mainly empty because of staff working from home. She questioned the thinking behind this process and asked for more information about the review including the terms of reference. Cllr Adje said that everything was set out in Asset Management Plan which had recently been updated and approved by the Cabinet. He added that there were a number of reviews being carried out by officers who would be assisted by external partners if required.

- Cllr Diakides questioned the use of external consultants to support the process. Cllr Adje said that he was not aware of external consultants being used at the present time but that external partners would be engaged if required.
- Cllr Diakides asked about the impact of the uncertainty about the use of Council buildings that would result from this process, with particular reference to the future of the Library. Cllr Adje said that the Library project was being paused and the concentration would be on the Civic Centre. However, it would be necessary to maintain the Library to make sure that it was fit for purpose to provide a service to the public.
- Cllr Gordon asked how much the Council had been paid for Alexandra House and how much would need to be spent on repairs. She also noted that the business case for the purchase was for additional office accommodation which appeared now not to be needed. Cllr Adje said that he did not believe that it was a mistake to purchase Alexandra House, which had been acquired for £15.5m through a collective decision. He said that it was not unusual for organisations to spend money on necessary changes and repairs to buildings that they acquire. He did not have specific figures available about this, but there was a maintenance budget for the corporate estate as a whole. Christine Addison said that further details on this could be provided to the Panel in writing. **(ACTION)**
- In response to questions suggesting that the overall cost of acquiring Alexandra House may have exceeded £15.5m due to issues associated with a company being set up, Cllr Adje said that this figure was provided in Part 1 of the report on this matter and that he could not disclose information included in Part 2 of the report which was exempt. Cllr Brabazon said that the company in question was referred to in the Council's accounts which was in the public domain.
- In response to a question from Cllr Brabazon about the status of other buildings including Cumberland Road and 48 Station Road, Cllr Adje confirmed that all of the Council-owned properties in the area would be included in the review process.
- In response to a question from Cllr Brabazon about whether rent was received by the Council for Greenside House, Christine Addison said that this she thought it likely to only be ground rent but would confirm the full details in writing. **(ACTION)**

Cllr Brabazon proposed that the review process for this issue be monitored further by the Panel, possibly through a future progress report to include further details including the terms of reference and timetable. **(ACTION)**

## 10. DATES OF FUTURE MEETINGS

Dates of Panel meetings in 2021/22 to be determined.

CHAIR: Councillor Ruth Gordon

Signed by Chair .....

Date .....