

Scrutiny Report: Council Housing elements in the High Road West scheme

7th March 2022

1. Purpose

- 1.1 The High Road West Scheme will deliver substantial benefits to north Tottenham including 500 new council homes. The purpose of this report is to set out the measures that are in place to ensure that those council homes are delivered in accordance with the agreements in place with the Council's development partner, Lendlease and the Greater London Authority.

2. Background

- 2.1 In March 2021, Cabinet approved over £90m of GLA funding that enables the delivery of the first phases of the High Road West Scheme (Phase A) including the delivery of 500 social rented homes, which will be acquired by the council. The Council's commitment to this project reflects the aims of the Borough Plan, of a borough where everyone, regardless of their background has the same opportunities to reach their full potential.

- 2.2 The Scheme offers an opportunity to tackle the barriers of inequality in North Tottenham and deliver comprehensive, coordinated change. It represents a substantial and far-reaching investment, which includes delivery of the following benefits:-

- 2500 + homes
- 40% affordable in phase A, including 500 council homes
- An overall target of 40% affordable housing across the site, noting that Phase B is subject to further discussions
- New Library and Learning Centre
- New civic square and new public park
- New workspace, including potential relocation options for existing businesses
- £10m socio-economic package
- High Road improvements, including new businesses and shops
- 3,300 construction and 500 long term jobs across a diverse range of sectors and professional levels

3. What protections are there to protect the delivery of the council homes and ensure issues such as viability do not affect the number of council homes delivered?

- 3.1 There are a number of safeguards to ensure the delivery of the 500 council homes within the High Road West Scheme. These include contractual and policy safeguards.

Contractual safeguards- the High Road West Development Agreement

- 3.2 High Road West will be delivered under the terms of the Development Agreement that was signed by the Council and Lendlease in September 2017. The Development Agreement provides the conditions and safeguards required for each phase of the scheme to commence. These conditions include the delivery of the Council's Objectives and Core requirements, including 145 council homes (as well as 46 shared equity homes), the library and learning centre and the decentralised energy centre. Core requirements are key elements of the scheme, which must be delivered for the scheme to progress.
- 3.3 The Development Agreement ensured that the Council could acquire additional social rented homes from Lendlease, should more social rented homes be delivered. Following confirmation of GLA funding, the Council has agreed a Supplemental Agreement with Lendlease for the acquisition of an additional 355 homes, bringing the total amount of council homes being delivered by the scheme to 500. In doing this, it has been agreed that the Core Requirement for the Development Agreement is for the delivery of 500 Council homes, making this the new minimum requirement of the scheme.
- 3.4 This means that High Road West cannot progress unless the 500 council homes are being delivered. The Council as landowner, will be able to withhold its approval of the draft reserved matters planning applications for each phase, if the application is not being brought forward in conformity with the outline planning permission and is not delivering on the Core Requirements (including the 500 council homes). If the Council as landlord withholds its approval, Lendlease will need to amend the application and secure the Council's approval (acting as landlord) ahead of submitting the application to the Local Planning Authority.
- 3.5 Should a phase of development within the scheme not be viable, the scheme would need to be reviewed to look at agreed mitigation measures to support viability. Reduction of the Core Requirements, i.e., the 500 council homes, within the scheme is not allowed and is not a mitigation measure. Consequently, the viability of the scheme cannot cause a reduction in the number of council homes delivered.

Contractual safeguards- GLA Affordable Housing contract

- 3.6 GLA funding for the High Road West Scheme has ensured that the scheme is deliverable. Therefore, it is in both the Council and Lendlease's interest to ensure that the GLA funding comes into the scheme.
- 3.7 The GLA Affordable Housing contract provides funding for the scheme on the basis of agreed outputs, this includes the delivery of 500 social rent homes. Should the scheme not deliver the social rented homes by the agreed milestones dates, GLA funding for the scheme could be withdrawn. This would make the scheme unviable, which is not in any parties' interests. Consequently, the 500 social rented homes must be delivered, otherwise the scheme cannot progress.

Planning Policy safeguards

- 3.8 Alongside the contractual obligations for High Road West to deliver affordable homes, planning policy also provides protections for the delivery of affordable homes. Planning policy requires that the scheme re-provides the existing social rented homes on the

Love Lane Estate. Under the London Plan, the scheme is required to maximise affordable homes across the site. As such, High Road West is targeting 40% across the whole scheme based on the requirements across the council and non-council owned land. Phase A already has a firm commitment to 40% affordable homes, which includes the 500 social rent homes in accordance with the contractual arrangements.

4. How do we ensure that the new council homes are not built last?

- 4.1 The following key safeguards ensure that the council homes are not all delivered at the end of the scheme:
- The conditions with the GLA affordable housing contract
 - The conditions within the Development Agreement
 - The High Road West phasing commitments and phasing plan
- 4.2 The GLA funding contract ensures that 500 council homes will be delivered as part of Phase A of the High Road West Scheme. The contract sets out milestone dates for when the homes must have started on site and must be completed, with all council homes completed by 2028 or else funding can be withdrawn by the GLA.
- 4.3 The Development Agreement ensures that prior to any reserve matters applications being submitted, Lendlease must secure Council approval of the number and location of the council homes being delivered in each phase. The Council can withhold its approval if the proposal does not align to the agreed phasing plan and rehousing strategy- i.e. including the circumstance where it is not delivering enough council homes for Love Lane residents early enough. The council is also able to review the programme with Lendlease in the event that there are ways to support the residents into homes sooner, or to mitigate disruption to residents.
- 4.4 As Phase A consists primarily of the Love Lane Estate, which currently has c.220 tenanted (secure and non secure) and 45 leasehold properties, the scheme has to be delivered in phases. The Council has agreed phasing commitments, which are enshrined in the Landlord offer, which seek to minimise disruption to residents and maximise the number of residents who move once from their existing home on the Love Lane estate into their new homes within the scheme.
- 4.5 To meet this commitment, Lendlease must build social rented homes early to ensure that residents can move to their new homes. If Lendlease do not do this, vacant possession of the Love Lane Estate cannot be achieved and development can't proceed. This is the reason that the first phase includes 100% council homes and that council homes are prioritised in the subsequent phases. The council expects that rehousing of existing residents on the Love Lane Estate will have been completed by 2027/28.