

Report for: Cabinet 8th of March 2022

Title: Consideration of the proposals for the development of the site of the Former Care Home at 100 Woodside Avenue and the terraces at 102 to 108 and 110 to 116 Woodside Avenue.

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

Lead Officer: Robbie Erbmann – Assistant Director for Housing

Ward(s) affected: Muswell Hill

Report for Key/ Non Key Decision: Key

1. Describe the issue under consideration

- 1.1 The former Care Home site at 100 Woodside Avenue became vacant and surplus to requirements in 2011.
- 1.2 In 2012, the Council began considerations for the development of the site for housing linked to plans for the adjoining primary school, and in 2014 first approached the owners of the two freehold homes known as 104 and 106 Woodside Avenue both of which adjoined the site for possible acquisition. These plans did not proceed.
- 1.3 During 2016 to 2018 the Council was progressing plans for the Haringey Development Vehicle (HDV) and this site was one of the key development sites in the first phase. The owners of 104 and 106 Woodside were again contacted about possible acquisition of their homes during this period. In 2018 plans for the HDV were abandoned.
- 1.4 In July 2017 the Council adopted the site allocations development planning Document (SA51). This designated the Council owned site, including the two terraces of houses for housing development.
- 1.5 On the 11th September 2018 Cabinet approved the acquisition of two freehold properties not in Council ownership at 104 and 106 Woodside Avenue with a view to including them within a future development of 100 Woodside Avenue.
- 1.6 The Council exchanged contracts for the acquisition of 106 Woodside Avenue in December 2018 and completed the acquisition in June 2019 for £2.15m
- 1.7 The Council was unable to complete its negotiations on 104 Woodside Avenue as the owner had entered into an 'Option Agreement' with a developer in August 2018, which meant the Council could not acquire the property directly from the freehold owner until the option period had ended. The option was for a period of two years (until August 2020), which gave the option holder an option to acquire 104 Woodside Avenue for a sum of £1.75m. The Council tried to acquire the

option; however, the purported seller was unable to show ownership of the option and therefore could not assign it. It was therefore not possible to acquire the option.

1.8 In March 2020, the then Leader of the Council decided not to decant its tenants of 102 to 116 Woodside Avenue, and to focus development on the remainder of the site, thus making the acquisition of 104 Woodside Avenue unnecessary, unless the Council decided to bring forward a second phase of the development at a later date. The owner of 104 Woodside Avenue was informed through his solicitors of this decision on the 12th June 2020. This decision was later described by the Local Government and Social Care Ombudsman as ‘flawed’ following a complaint.

1.9 The Council’s Housing Delivery team submitted an application for the demolition of the former Care Home site (100 Woodside Avenue) and the construction on that site only of 41 new homes in November 2021. The application has been registered and consulted upon (HGY/2021/2727) and is due for consideration by the planning authority.

1.10 The Local Government and Social Care Ombudsman issued a report on 10 January 2022 in response to a complaint from a resident of the borough (Mr X) with regard to the Council’s decision not to acquire his home, the manner in which this decision was made and the communication from the Council to Mr X.

1.11 One of the recommendations from this report was for the Council to reconsider the proposals for the development of the site.

1.12 Prior to the issue of the report, the Council commenced a procurement exercise for a contractor to build out the scheme if planning was successful. This procurement has been put on hold while the reconsideration has been taking place.

2. Cabinet Member Introduction

I want residents to be assured that the Council has considered, in detail, every alternative option for this site. I’ve welcomed the opportunity of going through the options for this site from first principles with detailed financial analysis.

The weight of evidence in favour of the preferred option makes it clear that it is really the only option we should be taking forward. It performs better financially than all the other options, delivers homes more quickly and minimises disruption to residents.

3. Recommendations

3.1 Cabinet is recommended to agree the following:

- a) Not to acquire 104 Woodside Avenue
- b) Not to consider the potential decanting of the tenanted homes belonging to the Council at 102 and 106 to 116 Woodside Avenue
- c) To proceed with the development of the proposal for 100 Woodside Avenue as outlined in the planning application HG/2021/2727 as set out in paragraph 3.2 of this report

- d) That a further report will be brought to Cabinet for final decision regarding this development in due course.

4. Reasons for decision

- 4.1 Since the decision not to include the terraces on Woodside Avenue in March 2020 in the redevelopment of 100 Woodside Avenue site, the Council has developed plans for a scheme of 41 new homes (32 social rented and 9 outright sale) on the site of the former care home only. This is the scheme set out in planning application HGY/2021/2727. This will also mean the retention of the neighbouring terrace of existing Council homes (see para 3.2 below shaded in light grey – 7 Council/HCBS homes, excluding one private freehold home at 104 Woodside Avenue). This would result, including the existing tenanted homes in the calculation, in a total of 39 council-owned homes on the whole site.
- 4.2 The designs of the proposed site (as per HGY/2021/2727) if preferred option were to be developed out can be seen below:



- 4.3 This iteration of the scheme has been tested and is the most financially advantageous of the proposed options.
- 4.4 Progressing with these plans for the site and continuing the process of seeking planning approval for this version of the scheme is the preferred option. It is the most financially advantageous scheme and is at an advanced stage of design development. This scenario would therefore most strongly support continued achievement of Priority 1 of the Borough Plan – a vision of a ‘safe, stable and affordable home for everyone, whatever their circumstances’.
- 4.5 The preferred option would mean that the Council does not have to demolish residents’ homes at 102, 106-108, and 110-116 Woodside Avenue. It would also mean the Council had no reason to acquire the freehold property at 104 Woodside Avenue.

- 4.6 For the purposes of appraising the options, the assumption that has been followed is that the cost of the acquisition of 106 Woodside Avenue is not included in the comparative appraisal as it has already been incurred.
- 4.7 Given that 106 Woodside Avenue does not now form part of the preferred option, it would continue to be leased to the Haringey Community Benefit Society (HCBS). The price paid for the property reflected the assessed land assembly value at that time. Subsequent to that, detailed design work on the site has made it clear that the development value of including the terraces on the scheme is lower than previously thought. In the period since, the Council has changed its valuation methodology for acquisitions of this nature.

5. Alternative options considered

5.1 Alternative Option 1

- 5.1.1 Not to develop the site for housing. The site has a site allocation in Haringey Council's Development Planning Document, and any alternative use is not likely to gain planning approval. This would mean that the site would continue to be underutilised and not deliver much needed housing in the borough.

5.2 Alternative Option 2

- 5.2.1 An option has been considered and tested for acquisition of the remaining freehold house (104 Woodside Avenue), decanting of the existing 7 Council/HCBS homes in the terrace, and the re-development of the whole site. Architects indicate this redevelopment would deliver 55 new homes across the whole site.
- 5.2.2 Below are some indicative plans for the re-development of the whole site, producing 55 homes in total:



5.2.2 Testing of this option by our Architects has indicated that it is likely to be undeliverable because of the additional requirements for access roads, parking, refuse storage and amenity space, which do not apply if the existing homes are retained.

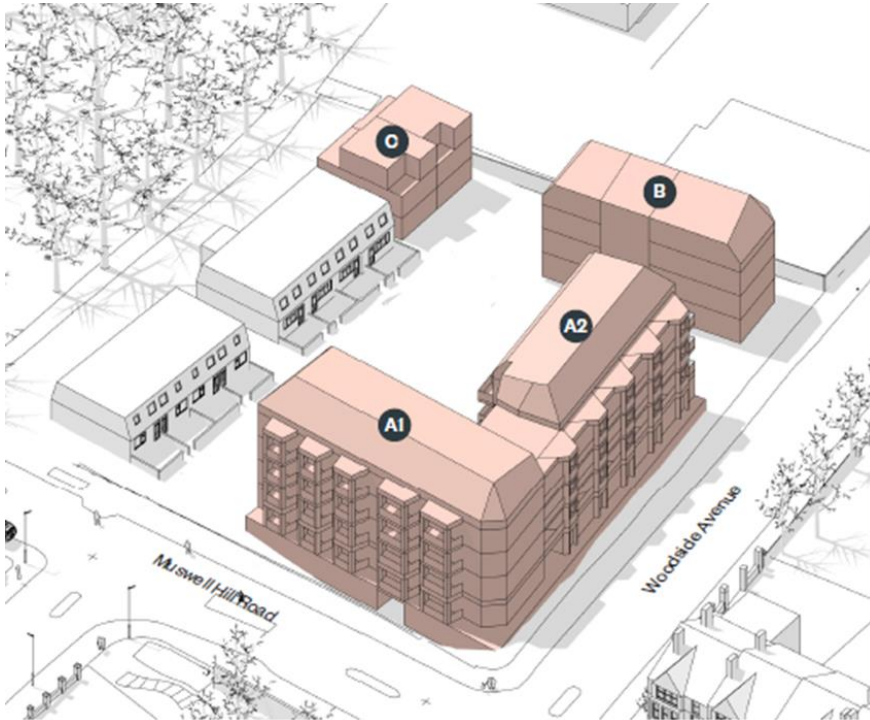
5.2.3 This option has also been tested financially. In this option, as well as option 3, we have assumed that it would cost us £1.75m to purchase Mr X's property as this is the most recent offer that he has made us. In our financial modelling, officers began by seeing if the scheme could work financially if 40 of the 55 homes were to be delivered for social rent (i.e., 1 more net council home than the preferred option). Officers then tested other potential mixes of council and private housing. Ultimately Officers found that this option is less financially advantageous than the preferred option even if only 32 homes in block A are delivered for social rent and all the remaining 23 new homes are sold. This would continue to be the case even if Mr X was prepared to sell his property to the Council for £850,000. This alternative option would also have a net loss of 7 council homes compared to the preferred scenario.

5.2.4 This option would further require a new consultation process based on a 'meaningful' design under s105 of the Housing Act 1985 due to the loss of existing homes and the permanent decanting of existing tenants. If one was to assume the completion of that consultation and a consequential favourable decision that involved the demolition of the existing properties, there would then be a need to assess the existing tenants' needs and, once identified, decanting them into suitable alternate homes. Officers' experience indicates this process could take more than a year to achieve.

5.2.4 For these reasons, Cabinet is recommended not to consider proceeding further with Alternative Option 2.

5.3 Alternative Option 3

- 5.3.1 The Council has considered a third option as a 'mid-point' between the preferred option, and alternative option 2. The following image helps demonstrate the option in question:



- 5.3.2 In option 3, planning application HGY/2021/2727 would be progressed and approval would be sought. Blocks A1 and A2, which are planned to contain 32 social rented homes, would then be put out to tender for a main build contractor and their development progressed. In the meantime, Blocks B and C, and the existing terrace would be redesigned to facilitate a future re-development. Whilst the re-design was happening, the residents of the terrace would be consulted with and depending on the outcome of that consultation and further decision-making, new homes would be found for them. This option would also necessitate the freehold of 104 Woodside Avenue being acquired. The re-designed Blocks B, C and terrace would then be progressed as a new planning application and brought forward accordingly.
- 5.3.3 The Council's Architects have indicated that this phased iteration of the scheme would run into many of the same issues as those set out in option 2 because of the additional amenity requirements caused by any increased density.
- 5.3.4 Officers have also tested the financial viability of this option, which performs even more poorly than option 2, even if all homes other than those in Blocks A1 and A2 were built for market sale. This is due to an increase in interest and a later receipt of cross subsidy. Moreover, like option 2, this scenario would see a net loss of seven Council rented properties from the site.
- 5.3.4 For these reasons, Cabinet is recommended not to consider proceeding with Alternative Option 3.

6. Background information

6.1. The development of proposals for the site at 100 to 116 Woodside Avenue are influenced by:

- 6.1.1. Its proximity to the adjacent conservation area.
- 6.1.2. The existing building heights that surround the site.
- 6.1.3. The presence of three large Thames Water Mains that run through the middle of the site
- 6.1.4. The presence of a large Thames Water sewer that runs through the site
- 6.1.5. The adjacent primary school.
- 6.1.6. The adjacent Highgate Woods (Queens Wood).
- 6.1.7. The Parkside Walk that ends adjacent to the site.
- 6.1.8. The GLA requirement for any Council led delivery of housing on its own land to have a minimum of 50% affordable homes in the proposals.
- 6.1.9. The costs of land assembly.
- 6.1.10. Home loss and disturbance costs for decanting existing residents.
- 6.1.11. Security costs whilst the building is vacant.
- 6.1.12. The Council's target for its direct delivery housing to be a minimum of Carbon Neutral.

7. Contribution to strategic outcomes

7.1. The proposal will support the key elements for Housing, People, and Place priorities in the Borough Plan –

Housing – our vision is for a safe, stable and affordable home for everyone, whatever their circumstances

People - our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential

Place - a place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1. There are three options compared with the preferred option to progress the development.
- 8.2. Option one was discounted because there is need to build social rent homes to cater for the housing needs in the borough.
- 8.3. With regard to the estimated respective financial implications of the options, the total cost of development in the preferred option is estimated to be about £7.5m lower than option 2, and £7.2m lower than option 3.

- 8.4. Similarly, the Net Present Value of the preferred option is estimated to be £1.1m and £2.3m better than Options 2 and 3 respectively. The final scheme cost for the preferred option, should members resolve it be progressed, will be reported in a later decision-making report to cabinet.

Strategic Procurement

- 8.5. Procurement notes the contents of the report which is not procurement decision. Procurement notes that the statement in section 1.12 that the separate decision referred to is on hold.

Legal

- 8.6 The Cabinet on 11th September 2018 made a decision to acquire both 104 and 106 Woodside Avenue for the purpose of including them (together with the rest of the Council's residential properties along Woodside Avenue) in a proposed redevelopment of 100 Woodside Avenue (also known as the Cranwood site). The Council was unable to acquire 104 Woodside Avenue for the reasons set out in this report. A complaint was lodged with the Local Government Ombudsman. One of the recommendations of the LGO contained in a report dated 10th January 2022 was for the Council to: *"reconsider the proposals for the development of the site. This should be considered by full Council or Cabinet and the report should provide an accurate description of the history of the matter and should refer to this report."* The decision to reconsider the development of the site is a matter for Cabinet rather than full Council.

- 8.7 The recommendation for the site is to proceed with the development of 100 Woodside Avenue site only for the reasons set out in this report. This will exclude the row of residential properties known as 102 to 116 Woodside Avenue from being developed. As a result there is no necessity for the Council to proceed with the decision to acquire 104 Woodside Avenue and Cabinet is being asked to reverse its previous decision to acquire that property.

- 8.8 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report and the Cabinet is able to make the decisions set out in the recommendations.

Equality

- 8.9 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.
- 8.10 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 apply to the first

part of the duty.

- 8.11 The proposed decision is to reconsider the proposals for the development of the site of the Former Care Home at 100 Woodside Avenue and the terraces at 102 to 108 and 110 to 116 Woodside Avenue in Muswell Hill. The decision will increase the supply of Council rented homes which are genuinely affordable to the borough's residents, including a number of homes specifically designed for letting to tenants requiring wheelchair access. This is likely to have a positive impact on individuals in temporary accommodation as well as those who are vulnerable to homelessness. Data held by the council suggests that women, young people, and BAME communities are over-represented among those living in temporary accommodation. Furthermore, individuals with these protected characteristics, as well as those who identify as LGBT+ and individuals with disabilities are known to be vulnerable to homelessness, as detailed in the Equalities Impact Assessment of the Council's Homelessness Strategy. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.
- 8.12 There may be some potential negative impacts of the development of the Cranwood site, principally relating to Options 2 and 3 of the report, these two options would require the decanting of seven tenanted properties and some of the tenants in these properties have protected characteristics, specifically disabilities which could have a negative impact on them.

9 Use of Appendices

Appendix A – Red Line Drawing of the Site

10 Local Government (Access to Information) Act 1985

- a. Background document – Cabinet report 11th September 2018 Cabinet Report
- b. Background document – Cabinet report 9th July 2019 Cabinet Report

Appendix A

Red Line Drawing of the Site