

MINUTES OF MEETING Housing and Regeneration Scrutiny Panel HELD ON Thursday, 9th December, 2021, 6.40 pm

PRESENT:

Councillors: Matt White (Chair), Dawn Barnes, Bob Hare, Charles Adje, Emine Ibrahim and Noah Tucker

25. 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'.

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Hearn.

27. URGENT BUSINESS

None.

28. DECLARATIONS OF INTEREST

None.

29. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

The Panel received two deputations.

The first deputation related to a community allotment space that was on the roof of a car garage. The land was managed by Homes for Haringey and refurbishment works had recently taken place which prevented the group from being able to access their allotment site. The deputation was submitted on behalf of the Helston Growers and the deputation party was made up of Matthew Walsham, Andrew Graves Shirley Russell and Lorna Topping. Matthew Walsham introduced the deputation, which is summarised below:

- The deputation party advised they were speaking to the panel to raise concerns around the recent decision of Homes for Haringey to carry out repairs to a garage, off Russell Road, without any adequate consultation. As a result of this the group were being excluded from their long-standing (20 years+) community allotment.
- The allotment was in the middle of the estate in a previously neglected space, above what was derelict car park, and was transformed through many years of

- collective hard work. Members of the group include people who use the allotment for their stroke rehabilitation, those who had no other access to outdoor space, and many with young children.
- Homes for Haringey recently began renting the space below the garden out to a Volvo car showroom and subsequently decided that repairs were needed as the roof was leaking.
 - The deputation party raised concerns that, having being told they would be consulted on the plans, they received very little information about the plans at any stage. The group also raised concerns that they had been advised that works would begin on 6th December but that works began on 1st December, and much of the allotment had already been bulldozed. I and other members Communications were only received only received about this on 4th December and were advised that all their equipment must be removed by 7am on Monday 6th December.
 - The group were especially concerned that there was no guarantee that they would be allowed back in once the work was finished, nor any commitments as to how they would repair the damage caused.
 - The space was a highly valued community asset that had been supported by the Council in the past. It occupied a space where there have been significant issues with anti-social behaviour.
 - It was also contended that demolishing a community allotment where members grew local food to allow for garage space to park cars was entirely the wrong kind of action needed in the middle of a climate crisis.
 - The Panel were asked to seek a firm commitment from HfH, on behalf of the group, of when they would be allowed back onto the site and how they would support them to fix the damage caused by the works.

The following arose as part of the discussion following the deputation:

- a. The Panel enquired about the management of the site and whether it was managed as a council allotment through the Parks service or whether there were any formal arrangements in place with HfH about the management of this site. In response, the deputation party advised that the allotment was a smaller space within a larger HfH managed site. However, the group was not formally constituted but the site had been in use as a community allotment site since the 1980s.
- b. The panel sought clarification about whether the group had received any communication at all from HfH. In response, the group advised that they had received a response from HfH the day before which advised that they would be allowed back to the site, subject to safety concerns. The group advised the panel that their trust in HfH had been damaged and that they did not have faith in HfH doing what they said they would.
- c. In response to a question, the group confirmed that the repairs were being carried out by HfH at the request of the car show room. A panel member queried why the interests of the commercial car show room came before a local community group.
- d. The panel members commented that they would like to see Homes for Haringey provide firm guidance to the group on when they could return to the site and how long works would take.

- e. The Chair advised the deputation party that he would provide a response to the deputation in writing as set out in the Council's constitution at Paragraph 30.7 of Part Four, Section B of the constitution.

The second deputation related to concerns raised about the proposed St Ann's development. The deputation party was made up of Cathy Graham and Jo Burrows. The deputation party represented a group of residents of Warwick Gardens, and they addressed the panel to outline their concerns over the development of the St Ann's site and an unsatisfactory level of engagement with Catalyst. The key concerns were summarised as:

- The scale and development of buildings. It was suggested the proposed development was out of keeping with the character of the local neighbourhood and that it would adversely affect the residential amenity of neighbouring properties including overlooking, shadows and loss of privacy.
- Proximity to neighbouring units on the site. It was suggested that there would be a loss of existing views from neighbouring properties.
- Environmental studies were requested from Catalyst but had not been provided.
- Planning process. There were concerns about multiple applications throughout the development and that this would lead to scale creep about the height and number of developments
- The Group also raised concerns about the S106 Community Infrastructure Levy, around how and where this would be spent. It was suggested that some of this should be channelled into creating additional primary care capacity in the area to respond to the additional number of residents from this development.
- The group commented that overall, the engagement experience with Catalyst had been very poor, with information requested by local community not being provided.
- Key questions and concerns were not addressed answered. Of particular concern was that the heights of buildings increasing without any engagement of information on this provided to residents.

The following arose in discussion of this deputation:

- a. The Panel sought clarification as to what the deputation party would like the Council to do in response to their concerns, given that the site was managed by the GLA and their partner Catalyst. The deputation party responded that they wanted the Council to hold Catalyst to account and that the group did not feel listened to. The deputation party commented that they did not feel that they had received any engagement around the proposals to develop nine story buildings on the site. The group would also like some clarification on the S106 CIL monies and how this would be spent in the area.
- b. In relation to the impact on Warwick Gardens and the extent of that impact in terms of loss of amenity, the group advised that it would affect both ends of Warwick Gardens and the surrounding wider area, as nine story buildings would fill the skyline and there would be a loss of light, shadowing and loss of privacy for surrounding properties. It was noted that at this time of year the loss of light would be particularly evident.
- c. The Chair advised the deputation party that he would provide a response to the deputation in writing as set out in the Council's constitution at Paragraph 30.7 of Part Four, Section B of the constitution.

30. MINUTES

RESOLVED

That the minutes of the previous meeting on 4th November were agreed as a correct record.

31. SCRUTINY OF THE 2022/23 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2022/23-2026/27)

The Panel considered and commented on the Council's 2022/23 Draft Budget / 5-year Medium Term Financial Strategy (MTFS) 2022/23 – 2026/27 proposals relating to the Economy priority of the Borough Plan. The papers were introduced by Kaycee Ikegwu – Head of Finance & Principal Accountant as set out in the agenda pack at pages 11-84 of the agenda pack. Along with a cover report the budget papers included the following appendices:

- Appendix A – Key lines of enquiry for budget setting
- Appendix B – 2022/23 Draft Budget & 2021/26 Medium Term Financial Strategy Report (presented to Cabinet 8th December 2020)
- Appendix C – 2022/23 New Revenue Budget Proposals
- Appendix D - 2022/23 New Capital Budget Proposals
- Appendix E – Proposed 2022/23-2026/27 Capital Programme
- Appendix F – Previously agreed MTFS savings.

The following arose as part of the discussion of the Draft Budget & 2021/26 Medium Term Financial Strategy:

- a. The Panel sought clarification around the relationship between Appendix D and Appendix E and whether the items in Appendix D were in Appendix E. In response, officers advised that Appendix D contained new proposals to add to the Capital Programme for 2022/23, whilst Appendix E contained the entire 5 year capital programme.
- b. The Chair sought clarification around the capital bid for the Civic Centre annex and how this scheme would be self-financing as set out in the papers, particularly given the impact of borrowing costs on the revenue budget from the scheme, which were estimated by the Chair to be around £1.5m per year. Officers advised that the revenue costs were broadly as the Chair outlined them. There was a report going to Cabinet in January on the Civic Centre that would validate the financial assumptions used in the MTFS. Officers advised that through the investment in the Civic Centre annex they were seeking to transform the existing office accommodation estate, which required significant financial investment. The proposal would be self-financing through a combination of removing existing buildings from the revenue budget and new buildings generating an income. The new build Civic Centre would also contribute to the Council's carbon reduction targets, whereas refurbishing existing stock would not.
- c. The Panel sought further clarification around the make-up of the Station Road estate and how long it would take to recoup the costs attributed to the Civic Centre. In response officers advised that the option to refurbish existing stock contained within the accommodation strategy, related to all of the buildings

- along Station Road, including Alex House, 40 Cumberland Road and 40 Station Road but excluded River Park House. Officers also set out that when the Council borrowed money it did not do so for individual schemes, but rather for the whole of its external borrowing needs. Similarly, the debt repayment costs to the revenue budget were calculated as a combined cost that was calculated using the Minimum Revenue Position.
- d. In response to a question, officers advised that there were two lines within the capital budget relating to the Civic Centre. The first was the refurbishment of existing building which was required due to its listed status. The cost of this was £24m. The second line related to the building of a new Civic Centre annex, which was £30m. As part of its accommodation studies, the Council had looked at repurposing the Station Road estate and the building of an annex. The upshot of the analysis was that the Civic Centre annex was the preferred option and offered the Council a number of benefits it could not get from repurposing the existing estate.
 - e. The Panel queried the respective amount of building space between the two options, suggesting that even with an annex there would presumably be a lot less office space compared to repurposing other buildings. The Panel sought assurances around the studies undertaken and the extent to which future office accommodation requirements had been considered. In response, officers reiterated that the report to Cabinet in January would set out in detail how the initial financial assumptions had been validated and would provide Members with the information they were looking for.
 - f. The Panel sought clarification around whether the Civic Centre would be the only building which accommodated staff. In response, the Panel was advised that the business case would be set out in the January Cabinet report and that this would include how many staff would be accommodated, under the new ways of working.
 - g. The Panel sought assurances around the overspend on Alex House and how that could be justified in relation to any subsequent proposal to dispense with the Station Road estate. In response, officers agreed to come back with a written response. **(Action: Jonathan Kirby).**
 - h. The Panel sought clarification around the Wards Corner regeneration scheme and where in the capital budget contained the Council's anticipated contribution to this. In response, officers advised that no decision had been taken on whether the Council would need to contribute to the refurbishment, but that if a decision was taken there was enough provision within the Council's Strategic Acquisition capital budget to cover the refurbishment of the market and any CPO of the surrounding land.
 - i. In response to a follow up, officers advised that TfL were on public record as stating that they would invest in the market site and then seek to hand it over to a preferred bidder. The capital costs would therefore be met by TfL and the GLA. Officers further clarified that any capital bid on the site would exclude the market site but there was an outstanding CPO of the Suffield Road site which had not been implemented. If the Council took a subsequent decision to purchase this site they would need to also purchase some of the land that was owned by Grainger. The Cabinet Member for Finance reiterated that no decision had been taken to do this and that the Council would have to wait and see what TfL's final plans were before making a decision. The Cabinet Member advised that any decision would be taken to a future Cabinet meeting.

- j. The Panel sought assurances that the Council was entirely ruling out investing in the refurbishment of the market site in one form or another. In response, reiterated that TfL had publically committed to investing in the site so there was no requirement for the Council to put money into it.
- k. The Panel commented that as far as they were aware TfL had committed enough to make the site safe but whoever took on the lease would need to invest long term funding for the refurbishment. In response, officers commented that it was very difficult to understand exactly what TfL had committed to in terms of funding for the site, as the process had not been finalised yet. As a result, it was not possible to comment on how far TfL would go in relation to funding. Officers advised that, as far as they understood, the process would be managed through a partnership board and that they would be taking the ultimate decision about the future of the site.
- l. The Chair requested a political commitment from the Cabinet Member for Finance and the Cabinet Member for House Building, Place Making and Development about whether the Council would be investing money into the market site in future and the need for budgetary provision to facilitate this. In response, the Cabinet Member for Finance advised that there was a proposal from the Development Trust to put forward a community plan for the site, which the Council was generally supportive of. However, this was just a proposal at present. There were a number of processes that would have to be gone through, and the partnership board would be making the ultimate decision. Officers advised that any future decision on Wards Corner Market would come up in a future round of budget setting.
- m. The Panel requested a written response from the Cabinet Member for Finance and the Cabinet Member for House Building, Place Making and Development about whether the Council would be investing money into the market site and in what circumstances this would happen. **Action: (Cllr Gordon & Cllr Diakides).**
- n. The Panel requested a breakdown of the £41.8m allocated to HRA expenditure in the budget and sought clarification about the extent of potential savings from brining HfH back in-house. In response, officers advised that the breakdown was around £19m for the management fee, include staff costs and other expenditure; £20m on repairs, and the remainder went to the Housing Demand service. In relation to potential savings, the Panel was advised that savings were difficult to quantify at this stage as it was not clear how any future in-house service would be structured. It was commented that the next quarterly finance update to Cabinet should contain more detail on this issue.
- o. The Panel questioned a steep drop-off in projected capital expenditure in the HRA towards the end of the 5 year MTFS period. In response, officers advised that this was partly because of a frontloading of investment in the earlier years of the HRA. It was also a consequence of investment in existing stock would reduce maintenance costs in subsequent years.
Clerks note: 20:20 – the meeting was adjourned for around seven minutes at this point due, to the internet connection dropping out in the meeting room.
- p. In response to a request for further clarification, officers advised that that the financial profiling of new home building schemes was based around the schemes that were agreed and where costings had been done. These schemes were due to be completed by 2025. Any schemes that would potentially take place after this had notional figures attached to them, as no

- assessment had been undertaken to profile the costs involved. Officers advised that Members would likely see costs beyond Year 5 fluctuate over time, as different schemes came online.
- q. In response to a request for clarification around whether there was a winding down of investment, officers advised that there was no pulling back on the Council's stated commitments to build new homes and that over a ten year period the Council would be building around 3000 new homes.
 - r. In relation to a question around HRA income received from grants, including the Building Homes for the Future fund, officers advised that the HRA breakdown included a line for external grant funding and that this included grant money already agreed as well as a projection of the amount of future grant based, on the known number of new homes at social rent that would be built. In response to a follow-up, officers confirmed that the figures did reflect an assumption that the level of grant funding available over the next five years would be the same in future as it was currently.
 - s. In relation to the agreed saving HO1 – Temporary Accommodation Reduction Plan, the Panel queried why savings were only profiled in 2021/22 and whether, given the investment in new houses, there was potential for further savings from permanently housing TA residents in future years. In response, finance officers set out that where the saving was shown in Year 1 and the other years were marked with a dash, this meant that the savings would continue in future years. Officers also advised that the impact of new homes was being factored into the saving in question, however, the impact of building new homes was being offset by a range of legislative changes, including Temporary Accommodation support for domestic violence victims and changes to the benefit regime. These changes would affect how these costs were reclaimed in future. Therefore, it was not possible to commit to increased savings in this area at present. Officers agreed to set these reasons out in more detail in writing. **(Action: David Joyce)**.
 - t. The Panel sought further clarification about the respective costs in Year 4 onwards for spending on new homes as opposed to new home acquisitions, with a significant drop in funding for building new homes coinciding with a significant increase in acquisitions in Year 4. In response, officers set out that this reflected the cost profiling that had been undertaken at this stage for schemes that were already in the process of being delivered. Officers advised that over the five year period of the MTFs the spend on building new homes was approximately double the spend on acquisitions. Cllr Gordon advised the Panel that there was no change to the manifesto commitments made around house building and that the figures did not reflect a change in policy. The year-on-year figures in the budget report merely reflected when schemes that had already been identified were due to come in.
 - u. In relation to concerns about the ability for the Council to meet its HRA borrowing costs, given the significant level of borrowing that was due to take place. Officers advised that the report included the Capital Finance Requirements and borrowing limits for the Council which were set out in the Treasury Management Strategy. This set out the borrowing costs and it highlighted that all borrowing was within agreed limits. Officers also advised that the Council undertook its borrowing all together, rather than for individual schemes. Each borrowing would be undertaken over a fifty year period and the Council would profile the borrowing to achieve the most favourable terms. The

Panel requested a written response on this and incorporated it into their recommendations set out below.

At this point in the meeting, the members had finished their questions to officers and the Cabinet Members, and then moved on to a discussion to agree the recommendations that they would like to put to Cabinet, based on the above discussions. The recommendations put forward by the Panel were:

- a. That Cabinet provide further detail on how the Civic Centre project fits into the Council's wider accommodation strategy, including the future use of the Station Road estate.
- b. That Cabinet provide clarity around what provision there was for any potential future contribution to the Wards Corner scheme regarding investment in the long term future of this site, following the withdrawal of Grainger. The Panel noted that this site would require significant investment and that TfL have, to date, only committed to invest enough funding to make the site safe. Further investment would be required to make the market site viable.
- c. The Panel recommended that if the funding earmarked for the CPO were to remain in the capital budget, and if the Council was minded to carry out the CPO without Grainger, then this allocation should be used for maximum provision of council homes at council rents. The Panel requested assurances from Cabinet that outcome for the site would be fully considered going forwards.
- d. Further information/written clarification is requested around why borrowing constitutes such a significant proportion of the HRA, particularly in Years 1, 2 & 5. The Panel would like assurances that the borrowing costs are sustainable and that the Council was not at risk of being unduly impacted by any future rise in the cost of borrowing.

RESOLVED

That the Panel considered and provided recommendations to Overview and Scrutiny Committee (OSC), on the 2022/23 Draft Budget/MTFS 2022/23-2026/27 and proposals relating to the Scrutiny Panel's remit.

32. WORK PROGRAMME UPDATE

RESOLVED

The Panel noted the work programme and any updates contained therein.

33. NEW ITEMS OF URGENT BUSINESS

N/A

34. DATES OF FUTURE MEETINGS

26th February 2022

CHAIR: Councillor Matt White

Signed by Chair

Date