

Report for: 13 June 2023 Cabinet

Title: **Tottenham Hale Placemaking: Funding Allocations**

Report authorised by : Director Placemaking & Housing

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Ward(s) affected: Tottenham Hale

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1 On 15th July 2014 Cabinet agreed the submission of a Tottenham Housing Zone bid to the GLA, and delegated authority to enter into funding agreements (Borough Intervention Agreements or BIAs). Subsequently the Council entered into an Overarching Borough Agreement (OBA) with the GLA on 3rd September 2015 to support the realisation of the regeneration plans for Tottenham.
- 1.2 On 12th July 2016 Cabinet agreed to enter into a Strategic Development Partnership (SDP) with Argent Related, and to dispose of a series of sites in Tottenham Hale in order to deliver comprehensive redevelopment of the heart of the Tottenham Hale Housing Zone. On 21st March 2017 the Council entered into a Development Agreement with TH Ferry Island Limited (the Argent Related entity) for the disposal and redevelopment of various plots within the SDP area.
- 1.3 The SDP was a conditional land sale which sought to maximise the use of Council assets and unlock capital receipts to deliver the heart of the Tottenham Hale district centre, enable critical infrastructure, new public realm and investment in green spaces and unlock new affordable homes and jobs. The July 2016 Cabinet Decision secured this through a recommendation that the capital receipts from the disposals would be used by the Council to support the provision of affordable housing within the Tottenham Housing Zone and capital projects in the Tottenham Hale District Centre Framework (see Appendix 1).
- 1.4 The land receipts are payable when milestones in the SDP development are reached, as set out in the Development Agreement. The Council is shortly to receive the third and most substantive tranche of land receipts out of four payments overall (the fourth being triggered by Practical Completion of Walter Tull House). The overall capital receipt generated is estimated at £28.37m (see Appendix 3). The allocation of these monies has been determined by a series of key decisions set out at Appendix 1, including £7.35m allocated to additional affordable housing at Ashley Road South, which is the subject of this report.
- 1.5 The Ashley Road South allocation was for repayment of Housing Zone recoverable grant funding from the GLA, secured through a Borough Intervention Agreement dated 14 March 2018 ("Funding Agreement"). This was

intended to discharge 113 additional affordable homes through the Notting Hill Genesis development (Ashley House and Cannon Factory) to help achieve the target of 40% affordable housing across the Housing Zone area. This target has now been achieved through the Council's own efforts while Notting Hill Genesis have failed to meet the milestone dates in the Funding Agreement for start on site, therefore the GLA will no longer be providing this funding and the development will be delivered independently of this.

- 1.6 This report concerns the reallocation of these funds in accordance with the July 2016 Cabinet decision.

2. Cabinet Member Introduction

- 2.1 We are well on the way to delivering a series of significant placemaking benefits for residents, existing and new, at Tottenham Hale, building on its strengths to shape a fairer and greener neighbourhood for the future.
- 2.2 We are building a mixed community here, set around the new district centre, where all residents will have access to high quality housing which they can afford and a range of local services and amenities that will support them to live well. Of the 3,200 new homes being built, 40% are affordable, including nearly 700 high quality and sustainable new Council homes, located with direct access to parks and open spaces.
- 2.3 All local residents will benefit from a new district health centre; new community hub; our range of good and outstanding local schools; comprehensive healthy streets improvements and major investment in our green infrastructure including over 400 new trees being planted across our streets, public spaces and new developments. We are building 35,000sqm additional commercial space, supporting the existing retail and commercial uses in the centre and creating new local jobs and business opportunities.
- 2.4 Our flagship green and open spaces programmes at Down Lane Park and The Paddock have been shaped with the community, for the community, exemplifying the commitments made to residents through the Haringey Deal. The co-designed masterplan for Down Lane Park will see over £9m investment in new and improved facilities for the community, climate resilience and a new community hub to serve the neighbourhood. At the Paddock we are creating the Borough's first new Nature Reserve in over a decade, investing in improvements across the site including educational facilities, and incorporating land around the riverine edges to create an additional 1.9 acres of publicly accessible greenspace.
- 2.5 This decision represents a major investment by the Council in the green and social infrastructure that will make a genuine difference to the lives and futures of Tottenham Hale's residents. It will honour the Council's commitment to reinvest the proceeds of the sale of land through the Strategic Development Partnership, into securing long term and direct benefits for our residents.

3. Recommendations

3.1 It is recommended that Cabinet agrees to:

1. Note the termination of the Borough Intervention Agreement dated 14 March 2018 (Affordable Housing Cashflow Funding) with the GLA, related to £7.35m recoverable grant payment for additional affordable homes at Tottenham Hale (and that the £7.35m SDP land receipts allocated for repayment to the GLA is now no longer required for that purpose). The termination Notice is provided at Appendix 4.
2. Reallocate the £7.35m SDP Land Receipts in the following order:
 - a. In accordance with July 2016 Cabinet Decision as set out in Appendix 1, allocate £5.85m to secure the delivery of priority green and social infrastructure projects in Tottenham Hale including Down Lane Park and The Paddock, in recognition of the strategic importance of these two priority projects to the wider neighbourhood.
 - b. £1.5m to be retained corporately.

4. Reasons for decision

4.1 Termination of the Affordable Housing Cashflow Funding BIA

- 4.1.1 This tranche of Housing Zone Funding was recoverable grant to create 113 additional affordable homes on Notting Hill Genesis' Ashley House & Cannon Factory development in order to help to achieve the target of 40% affordable housing across the Tottenham Hale Housing Zone. This funding would be repaid to the GLA upon receipt of the equivalent amount of SDP land receipts, under the Development Agreement.
- 4.1.2 The Council has since achieved the target of 40% affordable housing through our own efforts. None of the grant monies have been received yet and the Notting Hill Genesis development has failed to meet the milestone dates for the funding so the GLA will no longer be providing this funding. This will have no bearing or repercussions for the Council.
- 4.1.3 In accordance with the Council's Constitution, exiting the Funding Agreement would normally require a Cabinet Decision, however the GLA has now terminated the Funding Agreement and this should be noted. The capital receipts generated by the SDP have been allocated by Cabinet in prior decisions (see Appendix 1) that support the 2016 decision to reinvest in the Tottenham Hale DCF. Due to the GLA terminating the Funding Agreement the previous decision to allocate £7.35m to the repayment of grant needs to be revisited.

4.2 Reallocation of the £7.35m SDP Land Receipts

- 4.2.1 The prior Cabinet decision in July 2016 determines that this money would be reinvested back into the Tottenham Hale District Centre Framework (DCF) area to enable the delivery of affordable housing and DCF capital works (see para 1.3 and Appendix 1).

- 4.2.2 The Council has secured over 3,200 new homes at Tottenham Hale as part of the delivery of the DCF, and has bettered the commitments made around affordable housing outcomes with over 40% affordable housing secured including nearly 700 new Council homes.
- 4.2.3 It is the remaining later packages of DCF Capital Works (green and open spaces and the provision of a permanent community hub - replacing the provision lost at the Welbourne site) which would be at risk if the long term commitments made as part of the DCF were not realised at this late stage. Closing the funding gap to enable flagship green and social infrastructure projects in the Green and Open Spaces Strategy, Down Lane Park and The Paddock, is a major priority for Tottenham Hale and will deliver significant benefit to our residents. The current funding for these projects includes £4.65m of external funding raised, comprising £750k GLA Green and Resilient Spaces Funding and over £3.9m s106.
- 4.2.4 These projects represent the outworking of the Council's Draft Parks and Greenspaces Strategy, which has three core aims 1) Inclusion 2) Climate Change and Sustainability 3) Quality Parks. They are being delivered in partnership with the community, helping the Council to address multiple strategic priorities and exemplifying the Haringey Deal. They sit in an area of greenspace deficiency and with the planned growth of Tottenham Hale, they are having to work hard and be built to a high standard to accommodate the demands on them. This will support the Council's Walking and Cycling Action Plan in an area of high deprivation and high childhood obesity. Any revenue implications resulting from these improvement works will be met by existing parks maintenance budgets and supported by engaging residents in active volunteering in the parks in accordance with the draft Parks and Green Spaces Strategy and responding to the Haringey Deal.
- 4.2.5 The operating costs for the new community hub would be met by the future operator who will be appointed in accordance with the Council's property and procurement governance arrangements.

5. **Alternative options considered**

- 5.1 **Return all funds to the General Fund.** This option is not recommended as it is not in accordance with prior decisions related to the usage of these funds.
- 5.2 **Retain all funds for DCF Infrastructure.** This option is not recommended as the £7.35m exceeds the funds required to address the shortfall in priority capital projects in the Tottenham Hale DCF Green and Open Spaces programme: Down Lane Park and the Paddock. The projects in the DCF Streets and Spaces programme are funded and in delivery.
- 5.3 **Secure the funding required to deliver the key priority projects and return the remainder to the General Fund.** This is the recommendation of this report.

6. Background information

- 6.1 When the plans for the regeneration of Tottenham Hale were put in place almost ten years ago, a council-wide approach was taken to ensuring that adopted strategy, planning policy, property, infrastructure needs and commitments made to our residents were considered carefully and comprehensively at the outset. This was to ensure that development came forward in a manner that was planned, sustainable and responsible.
- 6.2 The Tottenham Hale District Centre Framework (adopted by Cabinet on 9th February 2016) set out the Council's commitment to creating a balanced and sustainable new neighbourhood with the supporting infrastructure required to sustain high density development.
- 6.3 In recognition of the importance of securing this supporting social and physical infrastructure, the District Centre Framework (DCF) was supported by two specific and dedicated delivery strategies for Streets and Spaces (SSS) and Green and Open Spaces (GOSS).
- 6.4 The SSS included comprehensive plans for works to overcome severance, support active travel, deliver sustainable urban drainage, green the highway network and help to relieve congestion and pressure on public transport by giving people more and better opportunities for walking and cycling, in turn helping to tackle the significant air quality issues affecting Tottenham Hale.
- 6.5 The GOSS set out the critical investment in new and enhanced green spaces across Tottenham Hale to address an underlying deficiency in access to open space, and the subsequent impacts on health, wellbeing, physical activity. This included transformation of Down Lane Park and The Paddock, linked by a series of green interventions which would create continuous corridors for active travel, clean air routes, ecology and biodiversity between Tottenham High Road and the Lee Valley. This also sought to address the re-provision of community facilities which were lost on the Welbourne site as a result of the SDP development of Walter Tull House.

SDP Receipts

- 6.6 When the Council made the decision to enter into the Strategic Development Partnership with Argent Related the estimated level of capital receipts at that time was based on the agreed land price set out in the Development Agreement, with formulas agreed to calculate planning overage and capture land price growth (indexation). The July 2016 decision had estimated land values at £15.5m. Through the planning overage and indexation provisions within the Development Agreement, the total estimated capital receipts are £28.37m.
- 6.7 Previous allocations of SDP Receipts are set out in Appendix 1, including the £7.35m allocated to repayment of Housing Zone funding for 'Additional

Affordable Housing at Ashley Road South’, which is the subject of the recommendations at Section 3.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

7.1 This proposal will help to support the following strategic priority areas of the Corporate Delivery Plan:

7.1.1 Resident experience, participation and collaboration:

- High level outcome 2: inclusive public participation
- High level outcome 3: enabling community collaboration
- High level outcome 4: developing young voice

7.1.2 Responding to the climate emergency

- High level outcome 1: a greener and climate resilient Haringey

7.1.3 Adults, health and welfare

- High level outcome 1: healthy and fulfilling lives

7.1.4 Place and economy

- High level outcome 4: leveraging social value
- High level outcome 5: placemaking

8. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

8.1 Finance

8.1.1 The first recommendation of the report is to note the termination of the Borough Intervention Agreement dated 14 March 2018 (Affordable Housing Cashflow Funding) with the GLA for the reasons set out in the report. The grant that was available under this agreement was a repayable grant of £7.35m.

8.1.2 Previous allocations of the SDP receipts are set out in Appendix 1; however, the termination of the funding agreement means that the previous decision to use SDP receipts to repay the grant under the funding agreement needs to be revisited to determine the allocation of these now unallocated SDP receipts.

8.1.3 The second recommendation is that £5.85m of the SDP receipts previously allocated to repay grant to the GLA under the funding agreement, are allocated to the Down Lane Park project and the Paddock project. Such a recommendation would be consistent with the currently approved General Fund Capital Programme which contains resource to repay the GLA grant. This is in scheme “Tottenham Hale Housing Zone Funding” with a budget of £7.236m in 2023/24. If the recommendation is accepted then the budget will need to be reduced to £5.85m and reprofiled to reflect the physical progression of the scheme. The recommendation of the report is consistent with the budget and policy framework.

8.1.4 To date, £14.2m of SDP capital receipts have been received, and a further £14.1m are to be received in the near future. The overall investment in the SDP area by the Council, including the other resources detailed above, is considerable and therefore it is recommended that the balance of receipts not required for this scheme is retained corporately.

8.2 Procurement

8.2.1 This report does not include any procurement implications.

8.3 Head of Legal & Governance

8.3.1 The Funding Agreement between the Greater London Authority and The Mayor and Burgesses of the London Borough of Haringey dated 14 March 2018 has been terminated by the GLA in accordance with the relevant clause in the agreement. There should be no legal implications for the Council as the funding for affordable housing was never drawn down. As a result of the termination the allocated sum is now no longer required for the repayment to the GLA.

8.3.2 The reallocation of the capital receipts as set out in this report is consistent with the Council's adopted Budgetary Framework and is, therefore, a matter for Cabinet to decide.

8.4 Equality

8.4.1 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 protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

8.4.2 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. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socio-economic status as a local protected characteristic.

8.4.3 Cabinet has already agreed the approach to delivering the Tottenham Hale District Centre Framework and its supporting strategies, which has included equalities analysis. This decision has no specific equalities impact other than to support the overall delivery of the programme.

9. Use of Appendices

Appendix 1: Directly relevant key decisions including pre-allocation of SDP land receipts (Feb and Dec 2018 Cabinet Reports)

Appendix 2: Priority Projects - Plans and Interim Costings, May 2023

Appendix 3: SDP Land Receipts – April 2023 figures

Appendix 4: Housing Zone BIA Termination Notice

Appendix 5: Tottenham Hale Placemaking Update

10. Local Government (Access to Information) Act 1985

Background documents:

July 12 2016 Cabinet: Tottenham Hale Strategic Development Partnership

Feb 13 2018 Cabinet: Authority to enter into a Funding Agreement to deliver the Station Square – Bus Station project in Tottenham Hale

December 11 2018 Cabinet: Acquisition of the Welbourne site to maximise the delivery of affordable homes in Tottenham Hale