

**Report for:** Cabinet 10 December 2024

**Title:** Brownfield Land Release Fund Grant Funding Agreement

**Report authorised by:** Jonathan Kirby, Interim Director of Placemaking and Housing

**Lead Officer:** Robbie Erbmann, Assistant Director of Housing

**Ward(s) affected:** Highgate, Tottenham Hale, Woodside, Bruce Castle

**Report for Key Decision:** Key Decision

**1. Describe the issue under consideration.**

- 1.1. This paper asks Cabinet to retrospectively approve entering into an agreement with the Ministry of Housing, Communities and Local Government (MHCLG) to receive grant funding of £2,747,057 from the Brownfield Land Release Fund to support the delivery of Council development schemes at 505-511 Archway Road, Dawlish Road, Grasmere Court and Selby Urban Village by releasing brownfield land.
- 1.2. The reason for retrospective approval is that the time between the award of grant and requirements of the grant conditions, as outlined in 6.2, would not allow for cabinet approval prior to the grant acceptance deadline, and significant funding would have been lost to the borough for vital housing schemes.
- 1.3. 505-511 Archway Road is a Council-owned site currently leased to a car wash company. It is expected to deliver sixteen new homes all at Social Rent.
- 1.4. Dawlish Road (Dawlish Road and Scales Road) are sites on opposite sides of Dawlish Road at the junction with Scales Road. Dawlish Road is currently occupied by three Council owned garages. Scales Road is an under-used Council owned green space. This site is expected to deliver a two-bedroom house and a three-bedroom house. The three-bedroom house will be fully adapted for wheelchair-users and included in the Bespoke Housing Programme.
- 1.5. Grasmere Court is a Council-owned car park site located at the rear of four blocks of three storey flats inclusive of nine parking bays and six garages. This site is expected to deliver 3 family-sized council homes. Grasmere Court was chosen to deliver a fully bespoke property designed to accommodate a resident with a significant disability, health, and accessibility needs.
- 1.6. Selby Urban Village (phase 2) is a Council-owned site which currently houses the Selby Centre. The Haringey Local Plan, adopted in 2017, recognised the Selby Centre as an Asset of Community Value, recognising its current and potential future purpose of furthering the social wellbeing of the local community. To this end, the Site Allocations Development Plan Document (DPD) proposed the Selby Centre as a site for Community-use led, mixed development, including the consolidation of community uses, with housing development. The DPD also identified an opportunity to link the adjacent Bull Lane playing fields with the Selby site development. This broad regeneration project is known as Selby Urban Village (SUV). Phase 2 will see the delivery of 202 new Council homes at Social Rents, with a high proportion of family homes.

## **2. Cabinet Member Introduction**

- 2.1. Our core mission in Haringey is to build a fairer and greener borough. Affordable housing is key to that – and we have one of the most ambitious council housebuilding efforts in London. We're on track to build at least 3,000 new high-quality council homes for local residents by 2031.
- 2.2. Building new homes in a built-up area will almost always mean reclaiming 'grey' or 'brownfield' sites. We work with partners to put in really strong bids for government brownfield funding – funding that is set aside to restore and bring sites like this back into use (and especially into social use).
- 2.3. This latest tranche of brownfield funding brings another £3m into the borough and into social housing. This tranche alone will help us build 223 new council homes for local residents in Haringey.
- 2.4. It is helping us to build for families. More than 77% of these 223 new homes will be two-bedrooms or more. Across our housebuilding programme, nearly 40% of our homes are three-bedroom or more. Our target is to reach at least 50%, but it will take extra external funding to make this possible.
- 2.5. We aim for high standards with all our new council homes – great energy standards, size standards, design standards and real attention to landscaping and facilities around new buildings. We want affordable homes that are affordable to heat and run too, so we design-in energy efficiency from the start. Brownfield funding from government helps us push standards high and deliver genuinely affordable homes for local people in Haringey.

## **3. Recommendations**

- 3.1. It is recommended that Cabinet:
  - 3.1.1. Retrospectively approves the acceptance by the Director of Finance of the receipt from the MHCLG of £2,747,057 in capital funding via the Brownfield Land Release Fund to pay for infrastructure works, including demolition, substructure and drainage works, preparatory ground works, utilities works and associated infrastructure provision, at 505-511 Archway Road, Dawlish Road, Grasmere Court and Selby Urban Village, as permitted under Contracted Standing Order (CSO) 17.1
  - 3.1.2. Retrospectively approves that the grant sum is added to the HRA Budget.
  - 3.1.3. Notes the reasons for the retrospective approval as outlined in 6.2.

## **4. Reasons for decision**

- 4.1. The decision to accept the grant would support the delivery of four significant housing development schemes: - 505-511 Archway Road is expected to deliver sixteen homes in the Highgate ward, completing in 2026. Dawlish Road is expected to deliver two homes in the Tottenham Hale ward, completing in 2026. Grasmere Court is expected to deliver three homes in the Woodside ward, completing in 2026 and Selby Urban Village is currently expected to deliver two-hundred and two new homes in the Bruce Castle Ward, completing in 2029.

## **5. Alternative options considered**

- 5.1. The Council could decline the grant allocation. This option was rejected because the Council would have to fund the gap of £2,747,057 to be able to deliver these schemes, making them unviable when measured against the expected financial hurdles.
- 5.2. The Council could decide not to build homes on these sites. This option was rejected because the Council is committed to delivering a new era of Council house building.

## **6. Background information**

- 6.1. The Council has bid successfully for MHCLG funding to meet the remediation and other infrastructure costs needed to deliver these four schemes at 505-511 Archway Road, Dawlish Road, Grasmere Court and Selby Urban Village.
- 6.2. As stated in the funding agreement, the grant must be paid from the Brownfield Land Release Fund as a single payment on or before 11.59pm on 31st October 2024. If this deadline was not met, the grant money would not have been released to the Council.
- 6.3. To enable the release of funds, MHCLG required the council's 151 officer to sign the Grant Funding Agreement in September 2024, as stated in the funding agreement. The grant has already been received into the Council's HRA, where it is being held in full, until a decision is made by Cabinet. Cabinet is therefore asked for retrospective approval to receive the grant. Should approval not be granted by Cabinet, the grant will be returned to MHCLG.
- 6.4. The conditions of the funding are an expectation that it will enable the 'release of the land' for housing by end March 2028 or earlier. This is defined as:
  - (a) The execution of an unconditional contract, development agreement or building license with a private sector partner or a freehold or leasehold transfer (whichever is sooner) in respect of Project Land;
  - (b) The transfer of Project Land to a development vehicle owned, or partly owned, by the Grant Recipient; or
  - (c) (if (a) and (b) above have not occurred) The point at which development of Project Land begins on site; or (d) (in the case of Self and Custom Build) the exchange of contracts on the first plot of Project Land.

We expect to meet condition a) by having entered into an enabling works contract for the works outlined in the application for the BLRF grant, and the contractor making a material start on site.

- 6.5. The Council must provide three reports per year to the MHCLG via the One Property Estate partnership (OPE) against six milestones:
  - Procurement of infrastructure works: contractor commencement date. This relates to the Funded Works, as defined above. The date entered should be the day on which tenders are issued
  - Commencement of BLRF Funded Works date. This refers to the first of the Funded Works, if multiple
  - Completion of BLRF Funded Works date (last of the Funded Works, if multiple) 10
  - Date of Land Release (as defined above)
  - Expected start on site (new homes) a. A "start" is an excavation for strip or trench foundations or for pad footings; digging out and preparation of ground for raft foundations; vibro-flotation, piling, boring for piles or pile driving; or draining work specific to the scheme
  - Expected development end date (final housing unit completion).

- 6.6. The Council must ensure any works contracts for BLRF funded activity are signed by 11.59pm on 31 March 2025 and evidence of this should be provided to OPE by 14 April 2025.
- 6.7. If the terms of the Agreement are not met, then grant would have to be paid back in part or in full to MHCLG within 30 days of notification.

## **7. Contribution to strategic outcomes**

- 7.1. Accepting this grant will help to enable the Council to deliver new Council homes, including supported housing. This supports the Corporate Delivery Plan 2024 – 2026 objectives, one of which has “Homes for the Future” as its priority which sets out The Council’s vision to create a borough where everyone has a safe, sustainable, stable, and affordable home. Outcome 1 of this priority in the Corporate Delivery Plan sets out the key milestones for “Building new council homes” by delivering and handing over 500 homes and achieving 300 starts on sites by April 2025. It also states that “we will have a total of 2,600 homes with planning permission. 2,500 will have started on Site and 950 new homes will have handed over – April 2026.”
- 7.2. 505-511 Archway Road, Dawlish Road, Grasmere Court, and Selby Urban Village will contribute to achieving the objectives set out in the Corporate Delivery Plan 2024 – 2026.

## **8. Statutory Officers comments - Chief Finance Officer (including procurement), Head of Legal and Governance (Monitoring Officer), Equalities**

### **Finance – Kaycee Ikegwu, Head of Finance**

- 8.1. All four schemes are contained in the HRA business and financial plan.
- 8.2. The schemes will benefit from grant funding, thus acceptance and receipt of this grant will go a long way in facilitating these schemes.

### **Procurement – Barry Phelps, Chief Procurement Officer**

- 8.3. Strategic Procurement note the contents of this report and confirm Cabinet approval is required for the receipt of grants from third parties exceeding £500,000 in accordance with CSO 17.1.
- 8.4. The receipt of grant sits outside of the Public Contract Regulations 2015 and therefore there are no procurement related matters preventing the Cabinet Member agreeing the recommendations stated in paragraph 3 of this report.

### **Legal - Michael Awala, Principal Lawyer**

- 8.5. The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.
- 8.6. In accordance with Contract Standing Order 17.1 receipt of grants from an external body valued at £500,000 or more may only be approved by Cabinet (which includes decisions allocated to be taken by Lead Members) and as such the recommendation in paragraph 3.1.1 of the report is in line with the provisions of the Council’s Contract Standing Orders.
- 8.7. The Council must adhere to all conditions of funding set out in the Grant Funding Agreement and note the Brownfield Land Release Fund 2 Round 3 Communications and Branding Guidance dated July 2024 including how councils should use government branding to promote projects funded via BLRF.

8.8. The procurement of the contractors, suppliers and/or consultants who are to be engaged in connection with the various infrastructure works, including demolition, substructure and drainage works, preparatory ground works, utilities works and associated infrastructure provision as per paragraph 3.1.1 of the report must be carried out in accordance with the provisions of the Public Contracts Regulations 2015 or the relevant public procurement law and the Council's Contract Standing Orders.

### **Equality – Elliot Sinnhuber, Policy and Equalities Officer**

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/fait, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.11. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

8.12. The decision will allow the council to enter into an agreement with the Ministry of Housing, Communities and Local Government (MHCLG) to receive grant funding of £2,747,057 from the Brownfield Land Release Fund to support the delivery of Council development schemes at 505-511 Archway Road, Dawlish Road, Grasmere Court and Selby Urban Village by releasing brownfield land. There are no specific equalities implications arising from this specific decision. It is noted that receipt of funding will support the Council in its delivery of its Housing strategic objectives, including to supply more council homes at council rents, which is likely to have an overall positive equalities impact for those with protected characteristics.

## **9. Use of Appendices**

Appendix 1: Draft Brownfield Land Release Fund Grant Funding Agreement

## **10. Local Government (Access to Information) Act 1985**

None.