

Report for: Cabinet 22 April 2025.

Item number: 10

Title: Acquisition of 29 Council homes at 76 Mayes Road, Wood Green, N22 6SY.

Report authorised by: Taryn Eves, Director of Finance.

Lead Officer: Robbie Erbmman, Delivery Director.

Ward(s) affected: Noel Park.

**Report for Key/
Non-Key Decision:** Key Decision.

1 Describe the issue under consideration.

- 1.1 This report seeks the approval for the acquisition of 29 council homes which will be delivered as part of the redevelopment of the Former Petrol Filling Station, 76 Mayes Road, Wood Green N22 6SY. The redevelopment of this near completed scheme is being undertaken by Weston Homes (the developer) and will create 54 market homes and 29 affordable homes along with 6 commercial units.

2 Cabinet Member Introduction.

I am pleased to recommend the Cabinet approves the acquisition of twenty-nine additional new council homes on the 76 Mayes Road site, providing much needed high-quality and affordable housing for those currently living in temporary accommodation.

We are seeing a homelessness emergency across the UK but felt acutely here in London. As of November 2024, 183,000 Londoners are estimated to be homeless and living in temporary accommodation arranged by their local borough. London boroughs are collectively spending £4million daily on temporary accommodation.

In Haringey, we have managed to keep our numbers in temporary accommodation relatively stable in contrast to others, despite an anticipated 13% increase by year end of approaches of people experiencing homelessness and asking the council for support. This is partly due to schemes like this, which provide stable long term accommodation for people to move into. Out of the twenty-nine affordable homes, eight will be two-bedroom and eleven will be three-bedroom, providing much needed accommodation for families on the wait list.

Housing contributes 50% of emissions in the borough. The houses on the Mayes Road site will help deliver on our ambition to reach net zero in the borough by

2041 through improved energy efficiency standards and the potential to connect to a District Energy Network (DEN) in the future.

3 Recommendations.

3.1 Recommendations to Cabinet will be as follows:

- 3.1.1 Approve the acquisition of 29 council homes at the Former Petrol Filling Station, 76 Mayes Road, Wood Green N22 6SY for the payment as set out in the Part B (Exempt) report and based on the draft Heads of Terms contained in the Part B (Exempt) report.
- 3.1.2 Approve the total scheme cost for the acquisition as contained in the Exempt Part B (Exempt) report.
- 3.1.3 Approve the use of Right to Buy (RtB) for the transaction. The total amount of RtB receipts is contained in the Part B (Exempt) report.
- 3.1.4 Grant delegated authority to the Director of Capital Projects and Property following consultation with the Head of Legal and Lead Member for Housing to finalise the Heads of Terms, agree the final legal documentation and complete the transaction.
- 3.1.5 To note these homes will be leased by the council to the Haringey Community Benefit Society (HCBS) who, in turn, will let these homes at Local Housing Allowance (LHA) thereby allowing the council to discharge its homelessness duty to Haringey households.

4 Reasons for decision.

- 4.1 The acquisition of these properties will result in 29 additional new council homes thereby assisting the council to house households in need of good quality housing.
- 4.2 Contained in the Part B (Exempt) report.
- 4.3 The proposed council homes are well located to enjoy the amenities of the High Street in Wood Green.
- 4.4 The homes are expected to be of a good standard and will allow the council to discharge its homelessness duty to Haringey households.

5 Alternative options considered.

- 5.1 **Not to acquire the homes.** This option was rejected because it would be a missed opportunity for the council to:
 - 5.1.1 Secure 29 new council homes.
 - 5.1.2 Contained in the Part B (Exempt) report.
 - 5.1.3 Assist in maintaining momentum and progress in the overall aspiration to provide affordable housing in the borough.

6 Background information

- 6.1 Re-engagement with the developer recently occurred in January 2025 concerning the council acquiring the proposed 29 affordable homes at the development.
- 6.2 The construction works are close to completion and an advised completion date of April '25 has been given by the developer. On visiting the site, members of the council's Housing Team expect completion to occur in June /July 2025.
- 6.3 The council homes will be purchased on a long leasehold (period to be agreed but to be no less than 250 years) and once acquired by the council the homes will be leased to the HCBS with the homes being let at LHA levels to Haringey households.
- 6.4 The developer's planning application (HGY/2020/0795) was approved in May 2021 for the provision of 75 homes (50 market and 25 affordable).
- 6.5 In September 2022, the developer submitted a Section 73 application (HGY/2022/2452) to increase the number of homes at the development to 83 (64 market and 19 affordable).
- 6.6 Through ongoing negotiations with the planning authority, the developer has proposed to increase the affordable housing to 29 homes resulting in 54 market and 29 affordable homes. Table 1 below sets out the proposed affordable housing tenures and mix.

Table 1 Proposed affordable housing tenures and mix

Unit Type	Shared Ownership	LAR	TOTALS
1B/2P	7	-	7
1B/2P M4(3)	3	-	3
2B/4P	5	2	7
2B/4P M4(3)	-	1	1
3B/5P	-	7	7
3B/5P M4(3)	-	4	4
TOTALS	15	14	29

- 6.7 The council as Planning Authority and the developer intend to agree a deed of variation to the S106 for an alternative tenure thereby allowing the HCBS to let these homes at affordable rents.
- 6.8 Contained in the Part B (Exempt) report.

Description of the site and design matters.

- 6.9 The site is located on a prominent corner plot at the junction of Mayes Road and Caxton Road. To the north and east, the site is bound by a vehicle ramp serving the Wood Green Mall main car park. To the north, beyond the vehicle ramp, is a community centre and to the west the development is bound by Caxton Road

with residential properties on the opposite side of the road as with Mayes Road to the south. A site location plan is contained at Appendix A.

- 6.10 The site has a PTAL of (5) very good and is well connected to public transport modes including several bus routes, Wood Green underground Station and shops and services within the wider town centre. The development is approximately a 4-minute walk from Barrat Gardens and Wood Green Common to the northwest.
- 6.11 The development is within a Controlled Parking Zone (CPZ) with surrounding residential streets subject to a combination of resident permit holder only restrictions, pay and display bays, single/double yellow line restrictions and marked on-street disabled parking bays.
- 6.12 Given the high PTAL, the development will be car free and designated permit free. The developer's S73 application seeks to increase the total of on-site cycle parking to 146 which will be made available to all residents at the development.
- 6.13 All the homes to be acquired by the council have been designed to comply with the standards set out in the London Plan notably:
- All units achieve or exceed minimum space standards
 - All units have a minimum floor to ceiling heights of 2.5m to principal rooms.
- 6.14 All dwellings meet the private amenity space in the London Plan through the provision of private balconies to homes and communal roof top terraces.
- 6.15 Several members of the council's housing delivery team have inspected a "standards" unit at the development and officers consider the proposed standard of workmanship and specification is to a good standard and acceptable for the requirements of the council.
- 6.16 A two-year making good defects period which will immediately follow handover has been agreed with the developer and a 10-year new build warranty (provided by the NHBC) will be granted to the council.
- 6.17 Via negotiation all eight M4(3) homes will include wet rooms as standard.
- 6.18 Floor plans showing the affordable homes are contained at Appendix B.

Draft Heads of Terms.

- 6.19 Contained in the Part B (Exempt) report.

Sale contract and analysis of the total scheme cost and purchase price

- 6.20 Contained in the Part B (Exempt) report.
- 6.21 Contained in the Part B (Exempt) report.
- 6.22 Contained in the Part B (Exempt) report.
- 6.23 An external firm of Monitoring Surveyors will be appointed by the council to certify the practical completion of the works (to allow handover to occur) and a defects rectification period of two years has been secured from the developer.

Future housing management and estate service charges

- 6.24 The 29 affordable homes are located within a single development block of 83 residential units and 6 commercial units. Given this arrangement, the developer will arrange for all services which are normally recoverable via a service charge.
- 6.25 Contained in the Part B (Exempt) report.
- 6.26 A list of services to be provided by the developer (via a management company) and recoverable via the service charge is included at Appendix D.
- 6.27 Contained in the Part B (Exempt) report.

Acquisitions and Disposal Policy

- 6.28 The Acquisitions and Disposal policy is contained in the Asset Management Plan February 2020 which was updated and adopted by Cabinet in February 2021. The policy sets out key 'Principles' and 'Tests' that determine alignment with the Borough Plan.
- 6.29 The policy also states that acquisitions will be considered to acquire completed new housing units being developed on private land, former council land and other private housing acquired individually or in groups, which will increase the council's stock of homes. The council will aim to acquire via negotiation in the first instance having carried out a RICS valuation, and having assessed the business case for acquisition, including affordability.
- 6.30 A desk-top valuation was undertaken to endorse the purchase price offer made by the council and a Red Book Valuation (RBV) has been commissioned for the purpose of supporting the eventual Cabinet decision. The terms of reference for the RBV are governed by the RICS.
- 6.31 This proposed acquisition will continue to follow the council's internal governance process by seeking noting and recommendation from the New Homes Board and Capital Property Board.
- 6.32 Contained in the Part B (Exempt) report.
- 6.33 The basis for this acquisition has been assessed and found to meet key criteria as set out in the council's Disposal and Acquisitions Policy, as outlined in the table below:

Assessment Criteria:	Test	Outcome
Business Case	Approved by Finance Department.	√
Deliverability	Delivery by third party developer as part of Development Agreement.	√
Valuations/ Development appraisal supports	Red Book Valuation for Open Market Value	√
Affordability	Demonstrated within the Business Case.	√
Legal assessment	Approval of Heads of Terms leading to documentation of transaction.	To be completed prior to exchange
Alternative options considered	Only alternative is not acquiring the homes.	√

Risk assessment	Council to ensure quality of workmanship and specification standards by appointing Project Monitoring Surveyor to ensure compliance with agreed specification.	√
Political	Transaction has been presented to The Leader and the Lead Cabinet Member.	√

Use of right to buy receipts

- 6.34 Legal advice has been sought on the council's liability for Stamp Duty Land Tax (SDLT) on the acquisition and leasing of the homes to the HCBS.
- 6.35 Given previous advice on SDLT (received from the council's inhouse legal department) it may be necessary to use RtB receipts to part fund the acquisition.

7 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes.

- 7.1 This acquisition, as part of the council's broader Housing Delivery Programme will play a role in achieving the outcomes under the CDP theme: 'Homes for the Future'. In particular, the targeted outcomes to achieve 'an increase in the number and variety of high-quality and sustainable homes in the borough'.
- 7.2 The provision of these 29 homes, for letting at affordable rents, helps to support the council's Corporate Delivery Plan which sets out that a reduction in temporary accommodation is a key outcome within its vision to create a borough where everyone has a safe, sustainable, stable and affordable home (CDP p34, Homes for the Future)
- 7.3 The acquisition will support housing growth.

8 Carbon and Climate Change.

- 8.1 The council as Planning Authority considered the approved scheme acceptable in energy, carbon reduction, overheating and sustainability terms.
- 8.2 The development will deliver improvements beyond Building Regulations (relevant at the time of planning approval) through improved energy efficiency standards in the residential element.
- 8.3 The S73 application predicts a reduction of CO2 emissions from the Baseline development (Part L 2013 compliant) showing an improvement of approximately 87% in residential carbon emissions.
- 8.4 The potential to connect to a District Energy Network (DEN) has been secured via a S106 obligation and PVs will be installed to the residential element of the development.

9 Statutory Officers comments.

Finance

- 9.1 This specific scheme is not currently contained in the HRA plan. However, the plan contains some number of non-designated contingency schemes, making room for opportunistic acquisitions.
- 9.2 The total cost makes the scheme affordable and can be contained within the HRA capital programme budget/MTFS.
- 9.3 The units will be leased to HCBS and let by HCBS at Local Housing Allowance (LHA) rates which means the HRA will bear the cost of services to tenants.
- 9.4 There is a risk that LHA may not increase in line with service charge inflation in the future. In such instances this may lead to additional cost pressure on the HRA.
- 9.5 Further finance comments are contained in the exempt report.

Procurement

- 9.6 Strategic Procurement note the contents of this report and confirm there are no procurement related matters preventing Cabinet approving the Recommendations stated in paragraph 3 above.
- 9.7 Strategic Procurement will work with the service to ensure value for money is achieved through the procurement activity, including delivery of social value aligned with the Procurement Strategy and the council's priorities.

Assistant Director of Legal & Governance

- 9.8 The Assistant Director of Legal and Governance has been consulted in the preparation of this Report.
- 9.9 The Council has the power under section 120 of the Local Government Act 1972 to acquire land for any purpose for which it is authorised under any enactment to acquire land or for any of its functions. The property is to be acquired for housing purposes and held within the Housing Revenue Account. Under section 17 of the Housing Act 1985 a local housing authority may for the purposes of providing housing accommodation (inter alia) acquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings.
- 9.10 Before disposing of housing land s32 of the Housing Act 1985 requires the Council to have the consent of the Secretary of State. The Secretary of State has issued the General Housing Consents 2013 setting out circumstances in which consent is given without specific application; any disposal outside the terms of that Consent requires specific consent from the secretary of State.
- 9.11 The General Housing Consent permits the Council to grant up to 5 leases of its housing land for up to seven years to bodies in which it has an interest; which description includes the HCBS by virtue of the Council's ownership of a share in it. Each such lease can include a portfolio – a batch - of properties.

Equality.

- 9.12 The council has a Public Sector Equality Duty (PSED) 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.
- 9.13 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation.
- 9.14 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 socioeconomic status as a local protected characteristic.
- 9.15 The decision in question is regarding the acquisition of 29 council homes to provide decent, safe and well-built accommodation for households which will assist the council to discharge its homelessness duty to Haringey households.
- 9.16 The scheme will increase the supply of council rented homes having 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 people from ethnic minority backgrounds are over-represented among those living in temporary accommodation. Furthermore, individuals with these protected characteristics, as well as those who identify as LGBTQ+ and disabled people are known to be vulnerable to homelessness.
- 9.17 The scheme is therefore likely to have a positive impact on equality by providing good quality rented accommodation for Haringey residents with a range of protected characteristics, including the locally adopted socio-economic characteristic.

Appendices:

Exempt Report - Acquisition of 29 Council homes at 76 Mayes Road, Wood Green, N22 6SY

Appendix A - Site location plan.

Appendix B - Floor plans of the affordable housing.

Appendix C - Draft heads of terms – Exempt.

Appendix D – Draft service charge heads of costs.