

Appendix 3 – Extracts of Cabinet Minutes re Mallard Place (Chocolate Factory Phase 2)

Acquisition of

323. THE ACQUISITION OF TWO HEAD LEASES AND GRANT OF A NEW LEASE AT THE CHOCOLATE FACTORY, WOOD GREEN

The Cabinet Member for Finance and Strategic Regeneration introduced the report which set out the proposed acquisition of two head leases and the granting of a new lease at the Chocolate Factory and Mallard Place Wood Green which would enable the Council to fulfil its aspirations in regards to the cultural corner in Wood Green.

This decision formed part of the Council's regeneration ambitions and was part of the Wood Green Action Plan. It was noted that the proposed acquisition of the leasehold interest also offered the Council a unique opportunity to take control of the Council freehold land in this vicinity, in order, to enable the regeneration of this area.

This decision would enable the Council to develop the area acquired from Workspace in accordance with planning consent to build 137 new homes as part of the Council Housing Delivery Programme on the Chocolate Factory site. The Council were ready to build the first phase of new houses at this site by next summer and these were expected to be completed by the summer of 2023. The proposal also enabled the Council to develop a further 66 homes on the Mallard Place site at a later phase. Workspace would be provided on both sites to support employment. This proposal was in line with the Borough Plan and met Disposals and Acquisitions Policy which was agreed by the Council earlier this year.

It was noted that Area 51, which was based at Mallard Place, and currently provided education for young Adults who had severe or profound learning disabilities and would continue as part of the Cultural quarter.

This decision was a positive step to support good economic recovery and the Council's housing programme.

The following information was provided in response to Councillor Cawley- Harrison's questions:

- Workspace were able to take forward their own refurbishment on their own part of the site and this agreement was also allowing them, to continue with their current arrangements with artists for employment space.
- The employment space that the Council can use on the land, which becomes wholly Council owned, would be for the Council to develop over time. This was not restricted in use and assurance was provided that further cultural employment provision would be considered in the future. The meeting was

advised that the primary and most important development for this site was the first phase of the housing scheme

- In relation to the surrounding areas which had significant developments coming forward, and query about the Station Road Re-use and Recycling Centre site, and the plans for future development, the Cabinet Member was not aware of any plans to relocate the Recycle and Reuse centre in the present arrangements. It was further confirmed by the Assistant Director for Capital Projects and Property that the Recycling and Reuse site was owned by the Waste Authority and there were no propositions or proposals being considered, at this time, for the development of this site.

Further to considering the exempt information at item 24,

RESOLVED

1. To acquire part the leasehold interest from Workspace of the land shown coloured green on the red line plan in Appendix A and known as the Chocolate Factory for a sum set out in Part B to this report; and
2. To acquire the whole of the leasehold interest from Workspace of the land set out in blue in the red line plan in Appendix A and known as Mallard Place for a sum set out in Part B to this report; and
3. To the extension of the remainder of the existing term up to a maximum of 250 years of the existing lease of the part of the Chocolate Factory site remaining in Workspace ownership and shown coloured red on the plan attached at Appendix A for a sum of £1.00 A; and
4. To the transfer of the freehold land shown coloured orange on the plan attached at Appendix B to Workspace for a sum of £1.00; and
5. To the acquisition of the freehold land shown coloured yellow on the plan attached at Appendix B from Workspace for a sum of £1.00; and
6. All in accordance with the Heads of Terms attached in Appendix D.
7. To give delegated authority to the Director of Housing Regeneration & Planning after consultation with the Cabinet Member for Finance and Strategic Regeneration to agree any minor variations to the Heads of Terms and the final terms of the documents.

Reasons for decision

The opportunity to acquire the two leasehold interests offers value for money to the Council and is a unique opportunity to take control of part of the Chocolate Factory site and Mallard Place site in the vicinity in order to effect the regeneration of the area. The retention of part of the demise in the Chocolate Factory Lease will also enable

Workspace to take forward the planning consent on their site increasing investment into the area.

By acquiring the part of the Chocolate Factory leasehold interest the Council would then benefit from controlling part of the site and allow the new housing to be delivered (and employment space) on its own land. The site would form part of the Council's five-year housing supply by the acceleration of housing delivery on the portion of land for which there is a planning consent. The development would provide a more appropriate mix and better percentage of housing on the site including Council rented homes as well as private homes through the acquisition of the leaseholds.

The acquisition would mean that the Council can move swiftly to implement delivery of council homes on Council land with a start on site within 18 months for the land on the Chocolate Factory site. Some minor elements of the design of the scheme would require amending through a S73 application as would the s106 associated with the existing permission. This accelerated delivery is fully in line with the Council's Good Economy Recovery Plan and the accelerated delivery of the units will help stimulate employment opportunities in the local economy, which will complement the employment and skills initiatives being brought forward part of the wider plan.

By acquiring the lease for Mallard Place site and with a frontage to Coburg Road there will be an opportunity to deliver housing, mixed use floorspace, and quality public realm on this site and others fronting onto Coburg Road as part of the regeneration of this area.

Alternative options considered

An option considered was for the Council to acquire the whole of the consented area (minus the Chocolate Factory building). This opportunity was discounted on the basis of additional risk to the Council in taking on private development, notably a large element of employment space, in the current marketplace.

Another alternative option is to sell the Council freehold or grant Workspace a long lease on the whole of the consented area. However, this was discounted on the basis that the scheme would produce a lower level of affordable residential units and the opportunity to acquire the site and provide Council rented accommodation on Council land.

The option proposed provides the most viable option and provides an opportunity for the Council to build Council rented accommodation on a Council site with planning consent, rather than relying on a private development with a more modest affordable element. This option can also be delivered more quickly than those discounted.

A further alternative option would be for the Council not to agree to the acquisition of the two leasehold interests from Workspace. This would mean that the consented scheme for the whole of the Chocolate Factory site would not be implemented. Therefore, the site would remain in its current use, the planning consent could lapse, or the site could be sold onto another owner. The new homes and employment space together with the refurbishment of the existing Chocolate Factory would be unlikely to

go ahead or would be delayed for some time. This may have implications for the Council's five year housing supply.