

Report Title: **Tottenham Hotspur FC Stadium Redevelopment (Northumberland Development Project) – Revising the s106 Agreement to support a viable development scheme**

Report of: **Marc Dorfman, Assistant Director Planning, Regeneration & Economy**

Wards(s) affected: **Northumberland Park**

Report for: **Planning Sub-Committee**

1. Purpose

This report recommends a reduction in the £16m. s106 funding obligations on Tottenham Hotspur FC Ltd. that were considered and approved by the Planning Committee on 30 September 2010. The s106 agreement was linked to the grant of planning permission for the new Spurs Stadium and associated commercial and residential development that comprises the 'Northumberland Development Project' (NDP). That NDP Scheme, as currently consented, is not financially viable.

The s106 revisions being recommended in this report are part of a package of measures to help improve NDP Scheme viability and help secure a comprehensive redevelopment scheme. The NDP Scheme has the potential, when implemented, to be the catalyst for further phased regeneration in North Tottenham. Encouraging that regeneration is a Council priority.

The Council's Cabinet on 7 February 2012 is considering the wider package of public investment in North Tottenham and NDP Scheme viability. While the Sub-Committee should be aware of that, the decision on the s106 agreement is a matter for this Sub-Committee.

2. Summary

- 2.1 Tottenham Hotspur (THFC) has not been able to commit to building its new 56,250 seat stadium in Tottenham as its consented 'Northumberland Development Project' was not financially viable. Lengthy negotiations have been taking place between the Council, the Mayor of London and the Club to see how viability can be improved in the current challenging conditions in the financial and property markets.
- 2.2 The negotiations have resulted in a proposed range of measures to improve the viability of the whole scheme. If these measures are approved, and this report forms a key part of that process, the Club states that it considers the scheme can be viable and deliverable - though several conditions still need to be satisfied before that position can be assured.
- 2.3 Subject to approval to those measures (including approval to the recommended changes to the s106 agreement) and to securing the required development finance, the Club now proposes an indicative construction timetable for its three phase NDP Scheme as follows:
- Phase 1 (Northern Development) with the supermarket, Club and other commercial space - start in Autumn 2012 with completion in 2014;

- the new Stadium (Phase 2) - start in Summer 2013 with completion in 2016;
- Phase 3 (Southern Development) with housing and commercial space - subject to being granted full planning permission, start in 2016 following demolition of the existing Stadium.

2.4 While this programme can never, of course, be guaranteed, the Club considers that the whole Northumberland Development Project scheme, revised as proposed, has the reasonable prospect of being a viable and deliverable scheme in full. An independent assessment (on behalf of the Council) by Grant Thornton of the Club's financial figures and projections confirms this.

3. Recommendations

It is recommended that the Sub-Committee:

- 3.1 **Revise the s106 agreement** : Approves the heads of terms set out in Appendix 1 and summarised in the main report at paras. 4.28-4.50 for a new s106 legal agreement (to replace the s106 agreement dated 20 September 2011) between the Council, Tottenham Hotspur Football Club (and associated companies) and Transport for London related to the 'Northumberland Development Project';
- 3.2 **Authority to approve the detailed agreement** : Authorises the Assistant Director Planning Regeneration & Economy, in consultation with the Chair of the Sub-Committee, to approve the detailed wording of the new s106 agreement including agreeing minor changes to heads of terms as a result of continuing negotiations &/or detailed drafting;
- 3.3 **s106 agreement to relate both to the consented development and (if approved) the two current planning applications** : Agrees that, subject to the Sub-Committee's decisions in respect of the two THFC planning applications reported separately on this Agenda, the revised s106 agreement approved in Recommendation 3.1 above should relate to the original consented Northumberland Development Project scheme (granted planning permission on 20 September 2011) as well as the new planning applications (if approved by the Sub-Committee) for the Phase 1 (Northern) and Phase 3 (Southern) Developments.

Report Authorised by:  3/2/12

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Assistant Director Planning & Regeneration

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4. Detailed Considerations

Background

- 4.1 The Northumberland Development Project (NDP) Scheme by THFC was granted planning permission on 20 September 2011 following the completion of the s106 legal agreement. The heads of terms of the s106 agreement were approved by the Planning Committee on 30 September 2010.

- 4.2 The permission provides for the scheme to be undertaken in 3 phases. Phases 1 & 3 are subject to new planning applications to increase and change floorspace – see the separate reports on this Agenda (those proposed changes are reflected in the following floorspace totals so are still subject to approval by this Sub-Committee):
- **Phase 1 – the ‘Northern Development’** – a 46,688sqm. development (including the area of 401 car parking spaces) comprising a retail superstore (7,201sqm. net sales area), Club offices, Stadium related hospitality space and a ‘brand centre’ for marketing events on Stadium event days;
 - **Phase 2 – the ‘Stadium Development’** comprises the stadium, Club museum, Club retail store and raised outdoor public podium;
 - **Phase 3 – the ‘Southern Development’** comprises 285 residential flats plus 15,000 sqm. floorspace comprising a health & fitness club; a health centre and an education college (or similar types of use).
- 4.3 THFC now owns all the land required for the development apart from one third party interest and an area of land owned by the Council (terms have been agreed for the latter). The third party interest may need to be acquired compulsorily by the Council (a report on that will be presented as necessary to the Council’s Cabinet at a future date).
- 4.4 However, Tottenham Hotspur (THFC) has not been able to commit to building its new 56,250 seat stadium as the consented NDP Scheme is not financially viable. The Scheme faces a large funding gap – this is explained in a little more detail in paras. 4.12-4.20.
- 4.5 Lengthy negotiations have been taking place between the Council, the Mayor of London and the Club to see how viability can be improved in the current challenging conditions in the financial and property markets.
- 4.6 On 16 January 2012, the Mayor of London confirmed an £18m. package of funding to support North Tottenham’s regeneration. The Council’s Cabinet will consider the allocation of this funding on 7 February 2012 together with £9m. of Council funding in an overall £27m. package of investment in North Tottenham aiming to promote wider area regeneration and boost investor confidence.
- 4.7 Cabinet is being recommended to agree £3.5m. of the Mayoral funding is used to fund highway, parking and pedestrian route improvement works linked with the NDP Scheme – prior approval to this is important for this Sub-Committee’s consideration of the s106 revisions. A verbal report of the Cabinet’s decision will be given at the Sub-Committee meeting.
- 4.8 In January 2012, THFC became a private Company as a measure to help secure the required development finance.

The existing s106 agreement

- 4.9 The Planning Committee considered the NDP planning application in September 2010 and resolved to grant planning permission subject to signing the s106 agreement. **That agreement sets out funding obligations on THFC of just under £16m. (being payments to the Council, Enfield Council and Transport for London). There is also a range of other obligations which THFC is required to meet/fund directly itself which, apart from specific expenditure of £440,000, are not costed in the s106 agreement.**
- 4.10 The obligations in the existing s106 cover a range of matters, including:
- sustainability;

- highway & parking works;
- travel plan implementation & review
- public transport provision & improvements;
- environmental improvements;
- area management on event days
- heritage improvements;
- jobs & training provision;
- town centre management & regeneration
- targeted local benefits
- community events & open space projects
- affordable housing.

4.11 These obligations were recommended as part of the consideration of the original planning application for the NDP Scheme. Those obligations met the required test for planning obligations that, at the time of recommendation, they were:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

NDP Scheme viability & its importance in Tottenham

4.12 Since the original determination by the Planning Committee in 2010, THFC has made clear that the consented £400m+ NDP Scheme was not financially viable. A substantial funding gap exists between the cost of the new Stadium and associated development and the increased revenues, capital values, equity investment and borrowed funds that will be available to cover that major investment. THFC has supplied detailed financial information to the Council, on a commercially confidential basis, to demonstrate this position. The Council has been advised by Grant Thornton in assessing this information.

4.13 If viability is to be improved, action is needed on all of the following:

- the cost of the development has to be reduced;
- the realisable value of the development has to be increased;
- alternative funding sources towards elements of the scheme have to be found, eg. naming rights;
- investor confidence has to be increased.

4.14 The NDP Scheme has the potential to bring major economic benefits for Tottenham in terms of investment, jobs, new homes and additional spending power. These benefits also create the potential for the Scheme to be a catalyst for wider regeneration. Lengthy negotiations have therefore taken place over many months between the Council, the Mayor of London and the Club to see how the viability of the NDP Scheme can be improved and therefore to see how the Scheme can be made a reality. These negotiations have resulted in a proposed package of measures to improve scheme viability.

4.15 The focus of this report is on one element of this package - whether the s106 agreement should be changed to reduce the funding obligations on THFC.

4.16 As overall context, Appendix 3 outlines the range of measures that are being pursued to improve NDP Scheme viability.

4.17 **It is important to emphasise that all the negotiations on this package of measures have been undertaken on the basis that relevant measures will require approval by, as appropriate, the Council's Cabinet, this Planning Sub-Committee or other appropriate Committee.**

- 4.18 If the measures are approved, and this report is one part of that process, the Club states that it considers the scheme can be viable and deliverable - though several conditions still need to be satisfied before that position can be assured, eg. securing a Stadium naming rights sponsor.
- 4.19 An independent assessment by Grant Thornton (on behalf of the Council) of the Club's (confidential) financial figures and projections concludes that, if the NDP Scheme is revised as proposed and if THFC can successfully manage and mitigate key risks, it has a reasonable prospect of being a viable and deliverable scheme.
- 4.20 While the Grant Thornton report has to remain confidential due to the commercial information it contains, Grant Thornton state that:

"Taken together, it would appear that there are significant challenges and risks to delivery of this project, however this is not uncommon for a project of this nature. The revised financial model is also predicated on a set of more ambitious underlying assumptions in relation to revenues and a more complex funding strategy than existed in the previous financial model. However, the revised financial model does appear to have set out a strategy to address the funding gap contained in the previous model....."

"On the assumption that the Club can satisfy the challenges presented and mitigate the key risks then the overall plan does appear to have a reasonable prospect of supporting a viable and implementable Project."

Changing the s106 agreement

- 4.21 The Council's planning policies aim to promote development in appropriate locations and, as far as possible, in ways and for uses that will provide significant benefits for the wider area. Impacts of developments need to be mitigated adequately. In considering the form of a development, the mix and type of uses and the degree to which the impacts of that development are mitigated, it is reasonable to take into account the potential benefits, in planning terms, of the whole development.
- 4.22 Promoting regeneration in Tottenham has long been a Council priority but even more so since the riots last summer. Since then many local people have been saying to the Council that they want to see change and improvements happening in Tottenham. They want to see the image of Tottenham improved.
- 4.23 The Minister for Decentralisation and Cities' 'Statement on Growth' in March 2011 calls for local authorities to review existing s106 agreements on schemes that are unviable. Where necessary and possible, obligations should be modified to allow development to proceed provided this continues to ensure that the development remains acceptable in planning terms.
- 4.24 The Draft National Planning Policy Framework (July 2011) encourages local planning authorities to avoid non-essential conditions or obligations when they would undermine the viability of development proposals.
- 4.25 To secure major private sector investment in an area and capitalise on its potential 'catalytic' effect for continuing improvements and change, the development has first to be commercially viable. The Northumberland Development Project (NDP) Scheme with the new larger capacity Stadium, new retail and commercial floorspace as well as new homes, public space and heritage improvements, will create hundreds of new jobs many of which will be targeted to local people. The additional 20,000 new spectators to each football match in the approved new Stadium (plus participants at non-football events and conferences) will bring substantial new spending to the local economy that can benefit local businesses – both those supplying direct to the Stadium as well as those in the general area.

- 4.26 The potential benefits of this development are substantial. If the NDP Scheme as a whole cannot be delivered because it is not financially viable, then all the benefits stand no chance of being realised. Those potential benefits justify the review of the scale and range of existing s106 obligations. However, the potential adverse impacts of the scheme on the local area also need to be adequately mitigated.
- 4.27 While the £16m. of s106 funding obligations is a relatively small part of the overall Scheme cost, it is still a significant sum. Revising the extent of the obligations (or finding alternative funding for key elements) is an important part of the work that is striving to make the NDP Scheme deliverable, consistent with the principles of good planning and in the interest of stimulating regeneration in North Tottenham.

Mitigating NDP Scheme impacts in a revised s106 agreement

- 4.28 The potential impacts that the existing s106 obligations cover relate to:
- traffic flow capacity & on-street parking impacts;
 - pedestrian route, cycling and public transport improvements to encourage greater use of non-car modes (and reduce traffic flow impacts);
 - managing the impacts on the local area that 50,000+ visitors to the Stadium can have;
 - TV reception in the local area.
- 4.29 The existing s106 agreement also includes a variety of measures that secure the timing of certain works, target benefits to local people, provides funding to increase the pupil capacity of local schools and provides for affordable homes.
- 4.30 Following a review of these obligations, there is scope to reduce the cost on THFC (to support NDP Scheme viability) while still enabling the NDP Scheme to be acceptable in planning terms:
- a) the essential **highway, parking and pedestrian route improvements** can be funded from £3.5m. being made available (via the Council) by the Mayor of London – so the key impacts of the scheme, focused on the Phase 1 Northern Development, will still be addressed (just funded from an alternative source). (THFC will remain liable for funding required by LB Enfield to deal with highway and parking impacts in that borough);
 - b) the Mayor of London is providing increased funding to Transport for London to support **passenger capacity improvements at Tottenham Hale Station** to replace the funding that THFC was due to provide;
 - c) the **target in the Stadium Travel Plan that 77% of trips to the Stadium are by non-car modes will continue to apply**. If that mode share target is not achieved in the first season after the new stadium is completed (THFC is obligated to carry out surveys), the existing obligation will remain on THFC to agree with the Council and fund additional transport measures until such time as that mode share target is consistently achieved for 5 consecutive seasons. The mode share target will still remain a key target;
 - d) the **area management obligations** in the existing s106 for Stadium event days **will continue to apply**;
 - e) **alternative funding** is available from the Council & Mayor of London (subject to being approved by the Council's Cabinet on 7 February 2012) **towards local measures to improve job skills training, supporting additional inward investment measures and promoting area-wide regeneration**. At the same time, it is recommended that, in the new s106 agreement, the **obligations on THFC be strengthened to offer more**

jobs to local people (the obligations on the 3rd. page of Appendix 1 in respect of permanent & construction jobs and apprenticeships being made available first to local residents have all been increased).

- 4.31 **School place funding** - The existing s106 agreement provides for £1.2m. to be paid by THFC for improvements to local schools linked to the proposal for residential flats in the Phase 3 Southern Development. £107,000 of this had been requested by LB Enfield to support schools in Enfield.
- 4.32 The new outline planning application for the Southern Development (reported separately on this Agenda) proposes to increase the number of flats to 285 (from 200). To boost development value and support overall NDP Scheme viability, it is proposed that all of these be open market homes. It is very likely that these will be overwhelmingly 1 & 2 bed flats so the 'child yield' will be lower than the consented scheme.
- 4.33 It is consistent with national, strategic and local policies for viability to be considered in assessing the requirement for planning obligations. It has been the case on several schemes, especially in the current difficult housing market, that, where scheme viability is an issue, it has not been possible to achieve the funding that the Council initially seeks towards off-site infrastructure provision, including school places. The same situation applies here. It is recommended that this funding requirement be deleted.
- 4.34 LB Enfield has been consulted on the proposal to delete the requirement for schools funding. Its response is awaited but there is no obligation in the current s106 agreement enforceable by Enfield on the Council to make available the £107,000 that Enfield had requested.
- 4.35 **Affordable housing** – The existing s106 agreement requires 50% of the 200 flats in the Phase 3 Southern Development to be affordable homes. Reported separately on this Agenda is the planning application by THFC to increase the number of new homes to 285. Funding affordable homes in a development results in a lower development value than if all the homes were open market as a Registered Affordable Housing Provider will, in general, pay less per sqft. than would be expected on the open market. While there is clearly a major need for new affordable homes in the borough, if the NDP Scheme as a whole is not viable then no new homes will be built (Phase 3 occupies the site of the existing Stadium).
- 4.36 While it is estimated that the Phase 3 Southern Development (comprising the residential flats) will be viable in itself (ie. it should generate a positive land value), a requirement for affordable homes in this scheme will reduce that value significantly. THFC is committing to use land value generated from this phase of the development to support the whole Stadium construction. Therefore, maximising that value enables a greater contribution to enabling the NDP Scheme as a whole to be viable.
- 4.37 A new s106 obligation on THFC is proposed that requires the use of land value from the 'enabling' development of new homes to support the Stadium construction.
- 4.38 It is consistent with Council planning policy that a greater tenure mix be promoted in the east of the borough where there is a marked concentration of social housing. The Northumberland Park ward suffers from entrenched deprivation and comprises 53% social housing compared to the borough average of just 30%. Only 30% of housing in this ward is owner occupied compared to 45% across the borough as a whole. In recent years there has been very little building of open market homes in the Ward while there have been far more intermediate and social rented new homes built. Therefore, the building of 285 open market homes, if the current planning

application is approved by the Sub-Committee after considering the separate report on this Agenda, will help broaden the tenure mix in this part of Tottenham.

- 4.39 For the above reasons it is recommended that the requirement for 50% affordable homes in the NDP Scheme is deleted from the s106 agreement. This is still consistent with the Council's planning policy which seeks 50% affordable housing subject to viability.
- 4.40 **No changes** are proposed to the measures in the existing s106 agreement relating to mitigating any impact by the development on **TV reception** in the local area and to dealing with **area management on Stadium event days**.
- 4.41 **The table overleaf summarises the key changes being recommended to the NDP Scheme s106 agreement with more details in Appendices 1 & 2.**
- 4.42 The recommended changes to the s106 obligations entail investment of £7.977m, including funding from the Mayor. The actual cost to THFC of the NDP Scheme is reduced by £16m. On top of that is the potential increased development value of the proposed additional floorspace and other detailed changes to the consented development (including those that are the subject of the two planning applications reported separately on this Agenda). Other proposed measures in the whole package should also help to boost investor confidence.
- 4.43 **The key NDP Scheme impacts will continue to be mitigated through the revised s106 obligations** - by a combination of continuing obligations on THFC and allocating alternative funding to specific measures. Appendix 2 lists those obligations that are proposed to be deleted from the s106 and the alternative means by which they will be provided as far as possible.
- 4.44 **On the basis that the key impacts are still being addressed, it is considered that the consented NDP Scheme remains acceptable in planning terms taking into account the factors set out in the previous paragraphs.**
- 4.45 Appendix 1 sets out the heads of terms for the new s106 agreement.
- 4.46 In summary, to help support a viable NDP Scheme, it is recommended that THFC be relieved of:
- paying any funding obligations direct to either the Council or Transport for London (with those obligations to be replaced, in part, by work to be funded by the Council & the Mayor of London);
 - undertaking some of the obligations that THFC were to fund directly.

Summary of Key Changes to the s106 Agreement

Obligation category	Existing s106 agt.		New s106 agreement		Notes
	£	Funded by or action by	£	Funded by or action by	
Highways, transport, parking & env. imps.	£13.341m. £ for other measures not specified	THFC	£3.5m. £3.5m. £0.5m. <u>£0.477m.</u> £7.977m.	Mayor (via LBH) Mayor LBH THFC	New agreement focuses on essential measures. £5.364m. of costs deleted for non-essential works. (LBH funding subject to approval by Cabinet 7 Feb. 2012)
Heritage	£0.24m. and £ for works not specified	THFC	£ for works not specified	THFC	Obligation for £0.24m. deleted but other heritage obligations remain.
Energy	£ not specified	THFC	£ not specified	THFC	Obligation remains to provide CHP plant. (Separate funding from Mayor/LBH to enable CHP plant to be capable of serving wider district subject to detailed approval by Mayor/LBH Cabinet -not part of s106)
Temporary uses on vacant land	£ not specified	THFC	£ not specified	THFC	Obligation remains.
Emp. & skills	£0.4m.	THFC	£ not specified. Emp. obligations on THFC strengthened	THFC	Funding obligation is deleted but target for local jobs is increased. (Note: Emp. & skills programme for Tottenham (using £1.5m. funding from Mayor) being developed by Council)
Regeneration, inward inv. & community projects	£0.885m.	THFC	-	-	Obligations deleted. (Note: Separate funding for area-wide regeneration masterplan subject to Cabinet approval 7 Feb. 2012 - not part of s106)
Provision of public space & toilets	£ not specified	THFC	£ not specified	THFC	Obligation remains – no. of community events to be held increased (Note: Separate funding from LBH subject to Cabinet approval 7 Feb. 2012 – not part of s106)
Area and street managt.	£ not specified	THFC	£ not specified	THFC	Obligations remain
Affordable housing	(50%)	THFC	(0%)	THFC	Obligation deleted
Education	£1.2m.	THFC	0	-	Obligation deleted
Monitoring	£0.37m.	THFC	0	-	Obligations deleted (Note: Council to use existing revenue resources)
Use of 'enabling' development value	-	-	(Value from development in Phases 1 & 3 to support Stadium)	THFC	New obligation
Healthcare	-	-	Offer of space	THFC	New obligation
Total	£16.436m.	THFC	£0.477m. £7.5m.	THFC Mayor/LBH	

- 4.47 The Mayor of London and Transport for London agree with the recommended changes. The Mayor is providing £3.5m. to Transport for London towards capacity improvements at Tottenham Hale Station (replacing up to £3m. that would have been payable by THFC). The Mayor is providing a further £3.5m. to the Council (to replace funding from THFC) to undertake specific highways works, change and extend Controlled Parking Zones and improve pedestrian routes at the same time as the construction of Phases 1 and 2 of the NDP Scheme.
- 4.48 THFC will remain liable to enter an agreement with LB Enfield to fund a Controlled Parking Zone and other highway measures in LB Enfield linked to the Phase 2 Stadium Development.

Proposed new obligations

- 4.49 It is also proposed that new obligations are put into the new s106 agreement to reflect, not just the change of funding for the works that the Council & TfL will be undertaking, eg. the highway measures and Station improvements, but also the wider area initiatives that, subject to Cabinet approval on 7 February 2012, will be led by the Council. These initiatives are important in their own right but also because they should serve to boost institutional investor confidence in the NDP Scheme. For example, it is proposed that the Council works with Network Rail, the Mayor and TfL to seek the building of a new ticket hall entrance at the southern end of the platforms at White Hart Lane Station and, eastwards from that, a transformed public realm linking to the new Stadium.
- 4.50 At the same time it is proposed to strengthen the obligations on THFC regarding local employment and the offer of apprenticeships (during construction and in the completed development) targeted to Tottenham residents.

5. Finance Comments by the Director of Corporate Resources

- 5.1 The Council commissioned Grant Thornton to examine both the original and revised business plans produced by the club, which are commercially confidential.
- 5.2 The original business plan showed a large funding gap between the build costs and the level of debt that the club was prepared to or able to raise.
- 5.3 The revised funding strategy presented by THFC contains no funding gap with the reduction in s106 commitments and the public sector funding package forming part of the improved position along with significant changes in the level of senior debt utilised in addition to enhanced positions related to naming rights, external income and equity investment.
- 5.4 Overall Grant Thornton concluded that the revised business plan incorporating the s106 amendments has a reasonable prospect of delivery if the Club can successfully manage and mitigate the key risks. Without the reduction in s106 the project would carry a significant level of additional risk and this would make it more difficult for the Club to attract external debt finance and less likely that the scheme would proceed.
- 5.5 It is important to note that the revised business plan depends on the public sector funding package being agreed by both Cabinet and Full Council as part of the ongoing budget process, as well as GLA support being finalised. The additional monies from the Council and GLA will address some of the infrastructure issues previously covered by s106 commitments.

- 5.6 Due regard needs to be taken on the legal comments elsewhere in this report regarding the position that the council needs to be satisfied that the proposals do not breach state aid issues and appropriate advice on this will need to be obtained before proceeding.
- 5.7 It is also important to note that although the decision with regard to s106 contributions should allow the Northumberland Park project to progress to the next stage, this in itself does not guarantee that the project will be implemented as the Club still need to arrange debt finance and a naming rights sponsor at the levels envisaged in the revised business plan to make the scheme viable.

6. Comments by Head of Legal Services

- 6.1 A Section 106 agreement was completed on 20th September 2011 in accordance with the heads of terms approved by the (then) Planning Committee on 30th September 2010. The financial viability of the project is clearly a material consideration when considering what measures to mitigate the impacts of new development upon existing community facilities, and/or to provide new infrastructure for residents in new developments.
- 6.2 The financial viability of the project has been considered by the Council's independent consultants Grant Thornton who have confirmed that there appears to be a reasonable prospect of a viable and implementable Project following the amendments to the s106, the public sector support measures and the additional development proposed. In addition there is Ministerial support for the review of S.106 agreements on unviable schemes and the draft NPPF also supports the removal of non-essential obligations which would undermine viability.
- 6.3 The policy tests which planning obligations must meet in order to be lawful states that planning obligations must be: 1) necessary to make the development acceptable in planning terms, 2) directly related to the development, and 3) fairly and reasonably related in scale and kind to the development.
- 6.4 The obligations set out in this report meet the key tests and have been agreed in principle with the Applicant, THFC and the Mayor.
- 6.5 The proposed s106, to replace the earlier agreement, takes into account the additional development proposed by the two amendment applications before Planning Sub-Committee together with the alternative funding identified in this report. Obligations on the Council in the new s106 agreement will be subject to compliance with state aid regulations – appropriate advice on this is being obtained from Counsel.

7. Equalities Implications

- 7.1 The NDP Scheme will bring new investment, jobs and new spending power into Tottenham. It should also provide a catalyst for further investment in an area that experiences substantial deprivation. The development, together with the complementary public sector investment outlined in this report, provides the potential to improve economic, social and physical conditions in the area to the benefit of residents and businesses. The adverse impacts of the NDP scheme will still be mitigated as far as is practicable seeking to maximise the net benefits for the area of this major investment.

8. Use of Appendices

- Appendix 1 – Heads of Terms for the legal obligations proposed to be **RETAINED OR ADDED** to the **NEW** s106 Agreement for the 'Northumberland Development Project'
- Appendix 2 – Obligations in the existing s106 Agreement for the 'Northumberland Development Project' that are proposed to be **DELETED**
- Appendix 3 – Range of measures to improve NDP Scheme viability

9. Local Government (Access to Information) Act 1985

Background Papers

- s106 Agreement dated 20 Sept. 2011 between THFC, the Council, Transport for London and other parties
- Letter from the Mayor of London 16 January 2012 'North Tottenham Regeneration Funding'

LEGAL OBLIGATIONS PROPOSED TO BE RETAINED OR ADDED TO THE NEW s106 AGREEMENT FOR THE 'NORTHUMBERLAND DEVELOPMENT PROJECT'

Heads of Terms

Parties:

- Haringey Council ('Council')
- Transport for London ('TfL')
- Tottenham Hotspur Ltd. ('THFC' – including all companies below)
- Stardare Ltd.
- Star Furnishing Co. Ltd.
- Tottenham Hotspur Football & Athletic Co. Ltd.
- Paxton Road Ltd.
- White Hart Lane Stadium Ltd.
- Park Lane House Ltd.
- Tottenham Hotspur Finance Co. Ltd.
- Tottenham Hotspur Property Co. Ltd.
- Other related companies as necessary

Site: 'Northumberland Development Project', Tottenham N17 – Land bounded by High Road, Park Lane, Northumberland Park & Worcester Avenue

Powers: s106 Town and Country Planning Act 1990 (as amended)

Obligation	Timing/Trigger
GENERAL	
<p>Indicative Phasing Plan :</p> <ul style="list-style-type: none"> ▪ Phase 1 Northern Development: construction start date 2012; completion date 2014 ▪ Phase 2 Stadium Development: construction start date 2013; completion date 2016. ▪ Phase 3 Southern Development: construction start date 2016: completion date 2019. ▪ For the avoidance of doubt none of the above dates shall constitute a binding obligation on THFC to commence works by the dates provided. ▪ THFC shall notify the Council of any changes to the indicative dates in the Phasing Plan. 	
<p>The completed development to achieve 44% carbon emissions reduction of 2006 Building Regs., residential flats to achieve Level 4 Sustainable Homes Code and rest of development to achieve BREEAM 'Very Good'.</p> <p>Each phase of the development shall be constructed so as to enable connection to a CCHP plant to be brought forward in the surrounding area.</p>	Completed NDP scheme to achieve these targets
THFC to undertake survey to identify any adverse impacts to television reception in local area as a result of the development and undertake mitigation as far as practicable	Undertake surveys upon commencement of development and mitigation works within 3 months of letting of Stadium contract
THFC to appoint a Travel Plan Co-ordinator for the lifetime of the whole development, submit to the Council where relevant updated Travel Plans for approval, and comply with approved Travel Plans.	From the commencement of development
Prior to occupation of each phase THFC shall provide electric charging points (no. & location of points to be approved by the Council) to serve parking spaces to be provided for that phase	Prior to occupation of each phase

Obligation	Timing/Trigger
Council to work with THFC and TfL in seeking the agreement of Network Rail to the construction of a new southern ticket hall and entrance to White Hart Lane Station directly accessible from Whitehall Street by 2016 and to the re-naming of White Hart Lane Station to a name to be agreed with THFC.	From signing the s106 Agreement
THFC to use reasonable endeavours to procure that the Considerate Constructors Scheme is implemented and complied with throughout the construction of the whole development	From commencement of development
THFC to pay Council & TfL legal costs	Prior to completion of the Agreement
HERITAGE	
THFC to commission a Heritage Management Plan (for all heritage assets within scheme) & submit to Council for approval. THFC to bind successors in title to the provisions of the Management Plan.	Within 6 months of the date of the s106 Agreement.
<p>Nos. 744-750 High Road – THFC to complete a survey identifying external enveloping works &, subject to Council approval, complete the external works.</p> <p>Complete the full restoration of these buildings for new uses.</p>	<p>Submit the survey to the Council within 18 months of the date of the s106 Agreement and complete the external works within 1 year of the Council's approval of the survey.</p> <p>Complete the works prior to first major event at the new Stadium or within 5 years of the date of the s106 Agreement (whichever is earlier) or such longer period as may be agreed by the Council</p>
THFC to lay out and open for public use for not less than 364 days a year the Heritage Public Access Space in the vicinity of 744-750 High Road	Prior to occupation of the Completed Stadium or within 5 years of the date of the Agreement (whichever is earlier)
<p>Nos. 796 & 810 High Rd. - complete a survey identifying external enveloping works for 796 High Road &, subject to Council/Eng. Heritage approval, complete the external works within 1 year of that approval.</p> <p>THFC to seek tenants for 796 & 810 High Road – if no tenants within 3 years of starting the development, THFC to complete all repairs and internal works for THFC's own occupation.</p> <p>THFC to secure the removal of both buildings from EH 'at risk' register</p>	<p>Submit the survey to the Council/Eng. Heritage for approval within 6 months of the date of the s106 Agreement and complete the external works within 1 year of that approval.</p> <p>THFC to occupy buildings on completion of works if no tenants</p> <p>Within 5 years of the date of the s106 Agreement.</p>
<p>Nos. 797, 799, 806, 807, 818, 820 & 822 High Road – THFC to complete a survey to set out repair and restoration works needed together with a timetable for carrying out the works. Subject to Council approval, carry out the works within 5 years of the date of the s106 Agreement.</p>	Submit survey for Council approval within 9 months of the date of the s106 Agreement and complete the works within 5 years of the date of the s106 Agreement.
USE OF DEVELOPMENT VALUE TOWARDS STADIUM CONSTRUCTION COST	
THFC will demonstrate to the Council how land/development value achieved by THFC from the Northern Development contributes towards the delivery of the new Stadium as proposed in the viability report submitted by THFC dated 15 Dec. 2011	Prior to letting the Stadium construction contract
THFC will demonstrate to the Council how any land/development value estimated as likely to be generated by the Southern Development contributes towards the delivery of the new Stadium as proposed in the viability report submitted by THFC dated 15 Dec. 2011.	Prior to letting the Stadium construction contract
OBLIGATIONS TRIGGERED BY THE NORTHERN DEVELOPMENT	
TRANSPORT, HIGHWAY WORKS AND PARKING	
<p>Subject to agreeing a construction timetable for the Northern Development:</p> <ul style="list-style-type: none"> ▪ THFC to commission utility service diversions and dedicate appropriate land in its ownership adjoining Northumberland Park for public highway use; ▪ Subject to the required utility service diversions having been 	<ul style="list-style-type: none"> ▪ Utility service diversions to be contracted prior to start of highway works ▪ Northern Development not to be occupied until

Obligation	Timing/Trigger
<p>completed, the Council will undertake in accordance with an agreed timetable and start date highway improvements on Northumberland Park & High Road (estimated cost of highway works, including fees, £1.06m.);</p> <ul style="list-style-type: none"> ▪ the Council to consult on and implement a Controlled Parking Zone to deter on-street parking by supermarket shoppers (estimated cost, including fees, £0.33m.). 	<p>[xx] months after the completion of utility service diversions;</p> <ul style="list-style-type: none"> ▪ Consultation to start no later than 3 months after the start of construction of the Northern Development
<p>THFC will repay to the Council the cost of the highway and CPZ works incurred by the Council related to the Northern Development up to a maximum of £1.39m if it abandons its plan to bring forward a Stadium in Tottenham</p>	<p>If the Stadium construction contract is not let by September 2018 (or such later date as may be agreed between THFC and the Council)</p>
TEMPORARY USES FOR VACANT PHASE 2 LAND	
<p>THFC to implement approved temporary land uses – including publicly-accessible open space, sport, leisure uses and landscaping – on the cleared land not required for the Northern Development</p>	<p>Submit proposals to Council within 3 months of start of construction of the Northern Development and then make plg. applns. as necessary. Complete approved uses within 6 months of Council approval of the proposals or grant of any planning permission and maintain in operation until the letting of the Stadium contract</p>
EMPLOYMENT, SKILLS & INWARD INVESTMENT	
<p>THFC to ensure that all contractors and occupiers of Development to reflect principles & objectives of the Haringey Guarantee Programme</p>	<p>From start of development</p>
<p>THFC and contractors to liaise with Council, Foundation and training agencies on job opportunities & skill needs</p>	<p>From start of development</p>
<p>THFC to aim to ensure all new permanent jobs and construction jobs are made available first to Haringey residents (& to agree a mechanism with the Council for advertising jobs)</p>	<p>From start of develpt.</p>
<p>THFC to use reasonable endeavours to achieve via its contractors and sub-contractors employed to construct the Development a target of 50 apprenticeships are offered to residents of the Tottenham Area in construction and related skills during the period of construction and to liaise with the College of Haringey, Enfield and North-East London in securing the offer of those apprenticeship places.</p>	<p>From start of development</p>
<p>THFC to provide 10 non-football (non-construction) apprenticeships a year for 6 years & 75 jobs a year for 6 years for Tottenham Area residents (for the avoidance of doubt these jobs may be provided from any phase of the development)</p>	<p>From start of develpt.</p>
<p>THFC to organise supply chain workshops – 4 a year for 8 years to advise Tottenham businesses how to obtain contracts arising from the Develpt. (programme to be agreed with the Council)</p>	<p>From the start of the Development</p>
<p>A10/1010 Town Centre Management Programme – THFC to ensure supermarket operator will provide a dedicated person to act as a town centre manager with responsibility for agreeing with the Council and implementing the Town Centre Management Programme on the A10/1010 corridor between the North Circular Road (in Enfield) and Monument Way (in Haringey) (with the projects to be agreed between the Council and LB Enfield. Supermarket operator to guarantee performance of the programme and funding for 6 years from occupation of the Supermarket.</p>	<p>Upon occupation of the Northern Development.</p>
OBLIGATIONS TRIGGERED BY THE STADIUM DEVELOPMENT	
TRANSPORT AND ACCESSIBILITY	
<p>THFC commit to enter into a s278 agreement with Enfield to fund CPZ and highway/signage improvements (estimated cost £477,000) and the</p>	<p>Before the start of Stadium construction</p>

Obligation	Timing/Trigger
Council will work jointly with THFC & LB Enfield to explore the opportunity to deliver cost savings via co-ordinated implementation with the CPZ in LB Haringey	
Council to consult on and implement a Controlled Parking Zone to deter on-street parking by Stadium spectators on event days (estimated cost, including fees, £0.65m.)	Following the letting of the Stadium construction contract
Council to undertake highway/environmental works and improvements on Worcester Avenue , (estimated cost, including fees, £500,000)	Following the letting of the Stadium construction contract in accordance with an agreed timetable and start date to ensure the works are completed prior to the opening of the Interim Stadium
Council to undertake pedestrian route and crossing improvements in the vicinity of, Northumberland Park Station (at an estimated cost of £0.2m.)	Following the letting of the Stadium construction contract in accordance with an agreed timetable and start date to ensure the works are completed prior to the opening of the Interim Stadium
<p>THFC to operate a Stage 1 Shuttle Bus to Victoria and Piccadilly Line Stns. and implement an extended service (Stage 2) if necessary as a result of the Event Day Monitoring Programme.</p> <p>The Council and TfL will work with THFC to identify and provide appropriate access, parking and waiting arrangements on adopted public highways, including the use of bus lanes, to encourage the fullest possible use of the Stadium Shuttle Bus services</p>	From the opening of the Interim Stadium
THFC to implement all approved measures within the Stadium Travel Plan , including the Home Supporter Coach Travel Initiative, the Retention of Visitors Measures Plan and Transport, Marketing and Communications Strategy	From the opening of the Completed Stadium
THFC to fund and implement additional measures approved by the Council if, at the end of the first football season following the opening of the Completed Stadium, less than 77% of the spectators at the Stadium travelled by non-car mode for the main part of their journey. Surveys to be repeated each season and additional measures submitted to the Council for approval and then subsequent funding by THFC and implementation by THFC, the Council or others as appropriate (with THFC providing required funds to the Council or others as necessary) until such time as the non-car transport mode share has consistently been 77% or higher for 5 consecutive seasons.	
Council to promote stopping up of Bill Nicholson Way & Paxton Rd. and any TROs (including for Worcester Avenue) required for the new Stadium.	Stopping up orders to be progressed on a programme designed to secure confirmed orders in 2012
TfL to use best endeavours to fund and implement passenger gateline capacity improvements (including a 3 rd . escalator) at Tottenham Hale Station (NOTE: This obligation has yet to be agreed by TfL)	Works to be completed by 2016
AREA AND STREET MANAGEMENT	
THFC to operate and fund measures within an approved Local Area Management Plan (covering a geographical area to be agreed by the Council) to minimise adverse environmental impacts and nuisance to residents and businesses which are otherwise likely to be adversely affected by the use of the Stadium for Major Events	From the opening of the Completed Stadium
GENERAL	
THFC will complete the Podium and Public Access Space and allow public access at all times on 364 days a year (and to public toilets that shall be open for public use from 8am-8pm - or longer as necessary for Stadium Events) in accordance with a management plan approved by the Council	Prior to the opening of the Completed Stadium
THFC to procure that the Foundation will develop a programme for a minimum of 12 community events a year to be run (in consultation with the Council) on the Podium and Public Access Space	For 6 years from the opening of the completed Stadium

Obligation	Timing/Trigger
THFC to host monthly free educational visits to the Stadium during construction and when completed for local schools and community groups	From start of construction of Stadium
THFC to give priority to 2,500 Haringey and 2,500 Enfield residents in allocating additional season tickets	For 1 st season at the Completed Stadium
THFC to ensure priority booking (24hrs. in advance of general release) for all events at the Completed Stadium for 2,500 Haringey and 2,500 Enfield residents	From the opening of the Completed Stadium
THFC will not charge any Haringey or Enfield resident to be on a waiting list for season tickets	From the opening of the Completed Stadium
THFC to continue existing scheme of offering free tickets to local children through achievement attained on Foundation programmes	From the opening of the Completed Stadium
Council to use reasonable endeavours to secure the re-naming of the section of White Hart Lane east of the Station to the High Road to a name to be agreed with THFC.	From signing the s106 Agreement
Council will seek Network Rail's agreement to fund selective door opening at Northumberland Park Station to facilitate stopping for longer trains	From signing of s106 Agreement
Council will actively promote with Network Rail and the Department of Transport the upgrade of the West Anglia Mainline to provide enhanced match day rail services	From the signing of s106 Agreement
Council will promote with Network Rail, the Department of Transport and any future rail operator the replacement of existing rolling stock as part of the franchise tender to provide an increase of at least 20% in rail passenger capacity on services serving local Stations on match and non-match days	From the signing of s106 Agreement
Council and TfL will work expeditiously to complete analysis of existing and predicted traffic flows and depending on results implement a scheme to optimise traffic signalling and flows in the A10/A1010 corridor from the North Circular to Monument Way taking all transport modes into account	From the signing of s106 Agreement
OBLIGATIONS TRIGGERED BY THE SOUTHERN DEVELOPMENT	
TRANSPORT	
THFC to procure the operation of a Car Club (size, membership criteria and no. of Car Club parking spaces to be agreed with the Council) for 3 years from first occupation of the residential development and provide marketing literature for 3 years to publicise the Car Club. THFC to pay the cost of membership for one year of all first residential occupiers living in the development who elect to join the car club	From occupation of the residential development
HEALTHCARE	
THFC to offer to lease to the successor body to the Central North London Primary Care Trust (or an agreed alternative public sector healthcare provider) at least 1,000sqm. floorspace (GIA) in the Southern Development fitted out to an agreed specification with the PCT or proposed lessee to be suitable for use as a healthcare centre . The lease to be offered should be for a minimum of 25 years (unless otherwise agreed between the parties) on market terms but with the inclusion of a rent-free period for the first 6 months of the lease. It is at the PCT successor's discretion whether to take up the offer of a lease.	Lease to be offered prior to the start of construction of the Southern Develpt. and be kept open for a minimum period of 9 months following the start of construction of the Southern Develpt.

APPENDIX 2

OBLIGATIONS IN THE EXISTING S106 AGREEMENT for the Northumberland Development Project that are proposed to be DELETED

Obligation	In kind	Direct funding	To	Alternative provision?
GENERAL				
THFC to pay an Annual Monitoring Contribution (for Travel Plans, THPT Plan, LAMP & Public Access and Open Space Management Plan)		£300,000	LBH	Council's existing resources
THFC to pay s106 Monitoring Contribution		£70,000	LBH	Council's existing resources
OBLIGATIONS TRIGGERED BY THE NORTHERN DEVELOPMENT				
HERITAGE				
THFC to agree with the Council a specification for a Conservation Area Heritage Study , agree a list of potential consultants to undertake the study, commission/complete the Study and submit to the Council	£40,000			Council's existing resources or external fund bids (when possible)
THFC to make £200,000 available to the Council to offer as 50% heritage improvement grants to third party property owners within the Study area.		£200,000	LBH	
REGENERATION & COMMUNITY				
Community Open Space Projects Fund – open space projects in Northumberland Park Ward		£50,000	THFC Foundn.	Council's existing resources or external fund bids (when possible)
Community Inclusion and Cohesion Contribution – Foundation to agree projects with Council and MP to be delivered over 3 years in the Tottenham Area. Funding to be £200,000 over 3 years (with £100,000 in 1 st . year) (on top of existing Foundation project spend of £258,000pa. which will be maintained)		£200,000	THFC Foundn.	To be developed by Council & partners as part of Tottenham Regeneration Strategy.
EMPLOYMENT, SKILLS & INWARD INVESTMENT				
THFC to fund Families into Work Programme Contribution (training and job brokerage in Northumberland Park Ward) -		£100,000	LBH	To be developed by Council & partners as part of Tottenham Regeneration Strategy.
THFC to fund Job Brokerage Contribution – measures to be targeted to residents in the Tottenham Area and the Upper Edmonton Ward of LB Enfield		£200,000	LBH	To be developed by Council & partners as part of Tottenham Regeneration Strategy.
THFC to fund Social Enterprise Contribution – local training and job brokerage by 2014		£100,000	Foundn./ LBH	To be developed by Council & partners as part of Tottenham Regeneration Strategy.
THFC to fund Inward Investment Contribution – for the Council to promote inward investment for new & improved homes, jobs, business support and social and community infrastructure in or benefitting the Tottenham Area		£60,000	LBH	Council and GLA's existing resources as part of Tottenham Project Team.
THFC to fund Regeneration Contribution for the Council to provide a Tottenham Planning and Regeneration Officer to develop and promote transport, development and regeneration programmes.		£175,000	LBH	Council's existing resources
Tottenham Investment and Delivery Plan – agree a spec. with the Council for work aiming to promote new residential and commercial development together with supporting infrastructure and public realm improvements in the Tottenham Area . THFC to commission work directly or fund the Council to commission. 50% of spend to be on projects within Northumberland Park Ward or within 0.5mile radius of new Stadium.	£400,000			Tottenham Regeneration Strategy being prepared by Council, GLA & partners in 2012.

Obligation	In kind	Direct funding	To	Alternative provision?
TRANSPORT AND ACCESSIBILITY				
THFC to fund highway works & improvements on Northumberland Park, High Road and Lansdowne Road		£1,861,000	LBH	Works to be funded by Council (with resources from the Mayor) as part of North Tottenham regen. prog.
THFC to fund consultation and implementation of a Controlled Parking Zone to deter on-street parking by supermarket shoppers		£415,000		Works to be funded by Council (with resources from the Mayor) as part of North Tottenham regen. prog.
OBLIGATIONS TRIGGERED BY THE STADIUM DEVELOPMENT				
TRANSPORT AND ACCESSIBILITY				
THFC to fund the Council to implement a range of highway, pedestrian route, signage, cycling, bus priority and bus stop improvements along the High Road and other streets		£4,531,000	LBH	To be considered as part of Tottenham Regen. Strategy.
THFC to pay the Northumberland Park Bridge Contribution to improve pedestrian access to Northumberland Park Station		£200,000	LBH	Works to be funded by Council (with resources from the Mayor) as part of North Tottenham regen. programme
THFC to pay for selective door opening at Northumberland Park Station to accommodate longer trains		£25,000	LBH (Network Rail)	Discussions to be held with Network Rail
THFC to fund implementation of a Controlled Parking Zone to deter on-street parking by Stadium spectators		£745,000	LBH	Works to be funded by Council (with resources from the Mayor) as part of North Tottenham regen. programme
THFC to pay to the Council funding towards the cost of residents' parking permits		£70,000	LBH	Scheme to be developed funded by Council (with resources from the Mayor) as part of North Tottenham regen. Programme
THFC to fund pedestrian improvements on the TLRN High Road between Bruce Grove & Seven Sisters		£310,000	TfL	Some route imps to be part of TH Gyrotory scheme improvements 2012-14 funded by TfL & Council.
THFC to fund Cycle Superhighway improvements on the TLRN High Road from Monument Way to Bruce Grove		£120,000	TfL	To be considered for inclusion in future TfL/Council funding bids
THFC to contribute in phases to passenger gateline capacity improvements at Tottenham Hale Station		Up to £3,000,000	TfL	Mayor contributing part of cost to TfL to undertake project (drawing in other funds as necessary)
OBLIGATIONS TRIGGERED BY THE SOUTHERN DEVELOPMENT				
TRANSPORT/ENVIRONMENTAL IMPS.				
THFC to fund improvements to Park Lane and Worcester Avenue		£1,587,900		Council to fund improvements to Worcester Ave.
AFFORDABLE HOUSING				
THFC to ensure 50% of the habitable rooms in the residential flats are in affordable housing tenure with at least 25 3 bed flats and 18 4 bed flats.	N/K			All flats to be open market to support scheme viability
EDUCATION				
THFC to pay the Education Contribution to the Council for capacity or other improvements in local schools – Haringey to then pay £107,000 to LB Enfield.		£1,200,000 (minimum)	LBH	Council's existing resources or external fund bids (when possible)
TOTAL	£440,000	£15,519,900		

Range of Measures to improve NDP Scheme viability

1. Revising the s106 agreement to reduce substantially the funding obligations on THFC coupled with the Mayor of London passing £3.5m. to the Council to undertake related highway, parking and pedestrian route improvements – this issue is the subject of this report.
2. Transport for London promoting passenger capacity improvements at Tottenham Hale Station – the Mayor of London has committed to provide £3.5m. to TfL towards this.
3. Increasing development value by building additional commercial floorspace in the Phase 1 Northern Development and additional homes and commercial floorspace in the Phase 3 Southern Development – the planning applications for both proposals are considered in separate reports on this Sub-Committee Agenda.
4. Building all the homes in the Phase 3 Southern Development for open market sale – this issue is considered in the separate report on the planning application on this Agenda.
5. The provision of £10.5m. public sector funding to contribute towards the wider community elements related to the NDP Scheme that will bring specific community benefits for the wider area and help to stimulate wider area regeneration.
6. Measures and funding to stimulate the regeneration of the wider North Tottenham area to provide a stronger start for the ‘catalytic’ regeneration that it is anticipated the NDP Scheme will support including the construction of a new southern ticket hall at White Hart Lane Station and an improved visual and pedestrian link along Whitehall Street between that new southern entrance and the new THFC Stadium using funds being made available by the Mayor of London. Initial proposals for taking forward this wider regeneration were considered by Cabinet on 7 February 2012 and a verbal update on the decision can be given at the Sub-Committee meeting.
7. Consider a greater number of non-football events in the new Stadium.