



Report for:	Cabinet on 20 January 2015	Item number	
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Title:	Site Acquisitions Fund – approval for decisions under Delegated Authority
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Report authorised by :	Kevin Bartle, Assistant Director - Finance (Chief Financial Officer) and Lyn Garner, Director of Regeneration, Planning and Development
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Lead Officer:	Malcolm Smith, Interim Tottenham Programme Director 020 8489 8440; malcolm.smith2@haringey.gov.uk
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Ward(s) affected: All	Report for Key Decision
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1. Describe the issue under consideration

1.1 As part of the 2014-15 budget process, Cabinet agreed on 11 February 2014 to create a budget of £1,900,000 to fund the revenue effects of an estimated £50m fund to acquire strategically important development sites associated with regeneration activities.

1.2 It has been identified that the timescales required for the Council to agree a purchase using the Site Acquisitions Fund may mitigate against the efficient use of this funding. Namely that relevant land or properties often become available at very short notice and there is a short timescale for the purchase to be completed.

1.3 The Council's Constitution requires any purchase of over £500k to be a key decision and approved by Cabinet. Part Three Section E of the Constitution gives delegated authority to the Director of Regeneration Planning and



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Development to acquire land or property with a capital value equalling or exceeding £250k but less than £500k. It is likely that the majority of strategic land acquisitions will exceed this value and hence would require Cabinet approval. As regeneration activity proceeds and gathers pace it is likely that more sites may become available that the Council would like to purchase in order to meet its regeneration objectives, especially related to the High Road West, Tottenham Hale and Wood Green areas. This could in turn lead to several urgent decisions being required in a short time period.

- 1.4 In order to ensure expediency of decision making, it is proposed that Cabinet extends the delegated authority given to the Director of Regeneration, Planning and Development to make decisions under Delegated Powers to acquire land and properties in certain defined circumstances, whilst still retaining an upper limit above which decisions still require separate Cabinet authority. The same level of legal, financial and commercial advice would still be required before a decision is made as would be necessary for a full Cabinet decision.

2. Cabinet Member Introduction

- 2.1. Following the approval of the Strategic Regeneration Framework (SRF), and Delivery Plan the Council is now moving into a sustained period of delivery of projects and programmes that will start to transform the physical, social and economic fortunes of Tottenham
- 2.2. It is likely that from time to time it will be important for the Council to acquire land or properties to facilitate a range of projects. These could include assembling sites for future housing or mixed use developments, and sites for local businesses which could be required to re-locate for schemes such as High Road West.
- 2.3. The recommendations set out in the report will allow, subject to all the necessary due diligence, for officers to respond swiftly in the market.

3. Recommendations

Cabinet agrees that:-

- 3.1 The Director of Regeneration, Planning and Development after consultation with the Cabinet Member for Housing and Regeneration and the Chief Financial Officer is granted delegated authority to purchase land and properties within the Borough subject to the following criteria being satisfied:
 - The land or property acquired must be for a purpose which is aimed at facilitating the delivery of projects within the approved Tottenham Strategic Regeneration Framework and Delivery Plan and be in accordance with the Council's statutory powers to acquire such property



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and geographically located in the 8 designated Tottenham wards, Northumberland Park, White Hart Lane, Bruce Grove, Tottenham Green, Tottenham Hale, Seven Sisters, West Green and St Ann's; or.

- The land or property acquired must be demonstrably consistent with the Council's regeneration objectives for the Wood Green Investment Framework area, within the area defined in map shown at Appendix 1, meet at least one of the criteria set out in 5.6 and be in accordance with the Council's statutory powers to acquire such property; and,
- The maximum value of any one purchase shall not exceed the sum of £2.5m (including all applicable fees and associated costs).
- The delegation to the Director of Regeneration Planning and Development is limited to the lifespan of the Corporate Plan for 2015/18; namely until 31 March 2018 and will be reviewed at the end of that period.

4. Options considered

4.1. Reliance upon the urgency procedures under Part Three Section E paragraph 5.01 and Part Four Section D paragraphs 16 and 17 of the Council's Constitution alone to authorise site purchases at short notice using this fund could prohibit the Council's ability to react to the short timescales for site acquisition. As the report sets out, the proposal to agree for Officers to make decisions under Delegated Powers (in defined circumstances) would allow for the most efficient use of the agreed funding.

5. Background information

Strategic Context – Tottenham and Wood Green regeneration

Tottenham

5.1 The Tottenham Strategic Regeneration Framework (SRF) outlines the vision for the regeneration of Tottenham over the next 20 years - that by the age of twenty, a child born in Tottenham today will have a quality of life and access to the same level of opportunity that is at least equal to the best in London. It sets out seven strategies for success, and vision for the character areas in Tottenham.

5.2 The SRF was approved by Cabinet in March 2014, and the SRF Delivery Plan was approved by Cabinet in July 2014 and launched at Tottenham Town Hall. The regeneration programme set out in the Delivery Plan is focused on four priorities:

- **People:** Improved access to jobs and business opportunities; world-class education and training; and a strong and healthy community;



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- **Place:** Better caring for the place and delivering improved public realm in all of the local centres that comprise Tottenham;
- **North Tottenham including High Road West:** a new stadium/leisure destination and a comprehensive estate regeneration and housing renewal programme; and
- **Tottenham Hale:** A key area of opportunity in South Tottenham, building on the delivery of a new station and a range of mixed use development.

5.3 To take this forward, the Council is developing an Area Action Plan for Tottenham which will set out the planning policy context and provide for regeneration in Tottenham to come forward in a coordinated fashion, with sites being considered together and delivered alongside the required social, community and physical infrastructure.

5.4 The Council has submitted a bid for Tottenham to become designated as a Housing Zone, which offers an opportunity to accelerate investment in Tottenham, and to secure additional resources to help secure the delivery of key infrastructure, homes and jobs for Tottenham. Haringey Council's resource contribution to this process, in addition to officer time, is primarily in the use of the site acquisition fund and in agreeing to dispose of Council owned sites as part of a pooling of public sector land assets to unlock development.

Wood Green

5.5 Cabinet approval was obtained in October 2014 for a Wood Green investment framework. This will drive and shape major regenerative change in the town centre, including new residential development (with appropriate supporting infrastructure), a strategy for public realm improvement, higher quality retail and leisure environments with dwell time spaces, new links to Haringey Heartlands and Alexandra Palace, and maximising the potential of new transport interchanges with Crossrail 2 stations and the Council's own town centre assets.

5.6 The Council's ambitions for the area are:

- to increase capacity and variety of uses in the town centre;
- to bring back into use underused brownfield land and maximise capacity for housing and employment growth;
- the provision of additional open space, play areas and community facilities to meet the needs of the resident population;
- physical and visual integration of the Heartlands with the wider area to benefit local communities and ensure sustainable development;
- decommissioning the gas holders and decontamination of the land to bring forward development;



- preparation of a business relocation strategy to provide impetus for land assembly;
- improvement of pedestrian linkages to Wood Green and Haringey Heartlands; and
- provision of green infrastructure projects to address environmental issues.

5.7 The Cabinet report noted that as a significant landlord and property owner, the Council will use its assets in Wood Green to drive growth, unlock sites for residential and commercial development, demonstrate momentum and leverage investment.

Site Acquisitions Fund

5.8 The Site Acquisitions Fund was established as part of the 2014-15 budget process. Examples of how this fund will be used include:

- Purchase of land or properties that become available on the open market that are likely to need to be acquired at a later date, where an early purchase could save money due to avoided Compulsory Purchase Order costs or where prices are likely to increase as regeneration proceeds;
- Purchase of properties that may otherwise be purchased by developers to increase their control in later negotiations with the Council;
- Purchase of sites adjacent to existing Council land or buildings that would enable the Council to bring forward better options for redevelopment.
- Purchase of properties that can be used to decant residents from regeneration estates whilst works take place.

5.9 To date the only expenditure from the Site Acquisitions Fund has been for the purchase of 38-46 Station Road and 5 River Park Road in Wood Green during September 2014. This purchase was to ensure the Council has substantial control and greater flexibility over redevelopment options for this part of Station Road, ensuring that the Council is able to bring forward a development scheme in a comprehensive manner and avoiding piecemeal development, which is typically associated with development sites where ownership is fragmented. This decision was approved via Leader signing due to the urgent nature of the purchase.

5.10 Both the Tottenham Regeneration and Wood Green investment frameworks set out the need for the Council to unlock sites, the Site Acquisitions Fund is key to enabling this.

5.11 Experience in the past months has demonstrated that the Council needs to move quickly in order to acquire desired sites, with bids needing to have



been submitted in a period of days to stand a chance of success. Requiring full Cabinet approval before making such a bid means that the Council would lose the opportunity to make these bids.

6. Comments of the Chief Financial Officer and Financial Implications

6.1 The existing budget of £1.9m for paying the capital financing costs related to servicing an Acquisition Fund was agreed by Cabinet in February 2014 as part of the 2014-15 budget process. As these costs generally only become applicable in the year after the original capital outlay, there are expected to be no charges in 2014-15 and this is reflected in budget monitoring projections.

6.2 The only purchase against the fund in 2014-15 to date has been for 38-46 Station Road and 5 River Park Road in Wood Green. This purchase, at a cost of £3.25m, was authorised by a Leader decision for reasons of urgency. The revenue costs of funding the purchase will begin in 2015-16.

6.3 Any decision made under Delegated Authority would still need to demonstrate the purchase price represents good value as evidenced by expert valuation advice. The Chief Financial Officer will need to approve any purchase and will check an appropriate level of due diligence has taken place before giving such approval.

6.4 Although any decision taken under Delegated Authority will be reported in accordance with the constitutional requirements, there will be an additional summary of the spend position on this fund on a yearly basis as part of the Financial out-turn report. At the time of writing, £1.9m would fund a total Acquisitions Fund of £50m, however the total amount that could be funded is dependent on applicable interest rates and thus the annual report will update on the available headroom.

7. Assistant Director of Corporate Governance and Legal Implications

7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and confirms that the legal implications are as set out in the body of this report.

8. Reasons for Decision

8.1 This report will allow properties to be purchased in support of the Tottenham and Wood Green Regeneration schemes in a more timely and effective way than is currently possible and in doing so enable the objectives of the Tottenham Strategic Regeneration Framework and Wood Green Investment Framework to



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be met. In doing so the Council's and Communities aspirations for the areas can be achieved with the delivery of Regeneration schemes which maximise the number of jobs, homes and benefits for local people.

9. Use of Appendices

- Appendix 1 – Wood Green regeneration area

10. Local Government (Access to Information) Act 1985

10.1 Not applicable.