



## REPORT TEMPLATE

Agenda item:

[No.]

**Cabinet**

**On 18<sup>th</sup> March 2008**

Report Title: Legal Agreement with the Owners of the GLS site for Growth Area Funding

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Niall Bolger, Director of Urban Environment**

Wards(s) affected: **Tottenham Hale**

Report for: **Non-key Decision**

### **1. Purpose**

1.1 To inform Members that the ownership of the GLS site has been transferred from Ferryboat Properties Limited to Hale Village Properties LLP and to seek authority to enter into a funding agreement with Hale Village Properties LLP instead.

### **2. Introduction by Cabinet Member (if necessary)**

2.1 [click here to type]

### **3. Recommendations**

3.1 That Members note the change of ownership of the GLS site from Ferryboat Properties Limited to Hale Village Properties LLP and agree to the Council entering into an funding agreement with Hale Village Properties LLP for a total Growth Area Fund grant of £2,502,000.

Report Authorised by: **Niall Bolger, Director of Urban Environment**

Contact Officer: Toni McKenzie, Planning Project Officer, ext 5560

#### **4. Chief Financial Officer Comments**

4.1 The original funding/legal agreement was with Ferryboat Properties Ltd. However, because of the change in ownership of the GLS site from Ferryboat to Hale Village Ltd, the agreement has to be transferred to the latter. The legal agreement will formalise the Council's position as regards release of grant monies to the site owner as relevant works progress. The agreement should mirror the funding agreement the Council has with the DCLG. The GAF funding allocation for the GLS site is £2.502m over two financial years and must be spent by 31 March 2008.

4.2

#### **5. Head of Legal Services Comments**

5.1 5.1 The Council has entered into a Funding Agreement with DCLG for the grant mentioned in this report. The GAF Funding Agreement contains the conditions of the grant which the Council must comply with. It is therefore the accountable body for that grant to DCLG. In order to protect the Council's position and to ensure that the grant recipient complies with these grant conditions a separate funding agreement must be entered into with the grant recipient. The recipient in this case is the owner of the GLS site. On the 20 February members agreed to the funding agreement being entered into with Ferryboat Properties Limited the then freeholder of the GLS site. However on 14 December 2007 the GLS site was transferred to Hale Village Properties LLP (limited liability partnership), a special purpose vehicle set up for the purpose of redeveloping the site.

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

6.1 "ODPM, GAF, CIF, Second Round, Announcement of Funding" Report to CEMB 7<sup>th</sup> March 2006

"Legal agreement with the Owners of the GLS site for Growth Area Funding" Report to Executive Board 20<sup>th</sup> February 2007

6.2 [Also list reasons for exemption or confidentiality (if applicable)]

#### **7. Strategic Implications**

7.1 None to report

#### **8. Financial Implications**

8.1 The legal agreement will protect the Council's interest should a situation arise where CLG suspend or claw back payments.

#### **9. Equalities Implications**

10.1 The redevelopment of this site will bring enormous community and local benefits, including a new primary school and healthcare facilities.

## **10. Consultation**

10.1 Not applicable.

## **11. Background**

11.1 The Council authorised the drafting of the legal agreement in 20<sup>th</sup> February 2007. However, since then, a development vehicle has been created to oversee the redevelopment of the site and the site has been transferred to this organisation. Therefore the Council's legal agreement must now be entered into with the new company.

## **12. Conclusion**

12.1 The reasons for entering into this agreement remain unchanged. The only change is the company with which the agreement will be signed.

## **13. Use of Appendices / Tables / Photographs**

13.1 "Legal Agreement with the Owners of the GLS site for Growth Area Funding" Report to Executive 20<sup>th</sup> February 2007

Report Title: Legal Agreement with the Owners of the GLS site for Growth Area Funding

Forward Plan reference number (if applicable):

Report of: Andrew Travers, Interim Director of Environmental Services

Wards(s) affected: **Tottenham Hale**

Report for: Non- Key Decision

### 1. Purpose

- 1.1 For Members to authorise the implementation of a funding legal agreement between the Council and Ferryboat Properties Ltd, the owners of the GLS site, to protect the Council's position with regard to the Growth Area Fund (GAF) allocated to this project from DCLG, should the project not proceed.
- 1.2 The total sum of £2.502M is to be paid to Ferryboat Properties Ltd from the date of the signed agreement between the Council and Ferryboat Properties Ltd in phased payments until 31<sup>st</sup> March 2008. Payment of the funds is also subject to the conditions set out in a GAF Funding Agreement and GAF contract.

### 2. Introduction by Executive Member (if necessary)

2.1

### 3. Recommendations

- 3.1 That Members agree to the Council drafting and entering into a funding agreement with Ferryboat Properties Ltd for a total GAF grant sum of £2,502,000.

Report Authorised by: **Graham Beattie, Interim Director Urban Environment**

Contact Officer: Shifa Mustafa, Asst Director of Environmental Services, ext 5538

### 4. Director of Finance Comments

- 4.1 The Council was successful in obtaining grant of £9.202m from the Growth Areas Fund (Round 2) including £2.502m for the GLS site. The funding is allocated over two financial years and must be spent by 31 March 2008. The legal agreement will formalise the Council's position as regards release of grant monies to site owners as relevant works progress. The agreement should mirror the funding agreement the Council has with the DCLG.

## **5. Head of Legal Services Comments**

5.1 The Council has entered into a Funding Agreement with DCLG for the grant as mentioned in this report. The GAF Funding Agreement contains the conditions of the grant which the Council must comply with. It is therefore the accountable body for that grant to DCLG. In order to protect the Council's position and to ensure that the grant recipient, Ferryboat Properties Limited complies with these grant conditions a separate funding agreement must be entered into. Ferryboat Properties Limited is the freeholder of the GLS site which will be the subject of the works funded by the grant.

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

6.1 "ODPM, GAF & CIF, Second Round, Announcement of Funding" – Report to CEMB  
7<sup>th</sup> March 2006

6.2 The information contained in this report is commercially sensitive in that there is information relating to the financial or business affairs of any particular person (other than the authority).

## **7. Strategic Implications**

7.1 This site is within the Tottenham Hale Urban Centre master plan area and therefore forms an integral part of the regeneration of the area as a whole.

## **8. Financial Implications**

8.1 If the legal agreement is not signed, the Council is at risk of being liable for any GAF spent should DCLG suspend or claw back any payments.

## **9. Legal Implications**

9.1 The legal agreement will protect the Council's interests should a situation arise where DCLG claws back spent funds or suspends the payments.

## **10. Equalities Implications**

10.1 The enabling and decontamination works paid for by these funds will bring a large underused site within the Tottenham Hale Urban Centre masterplan area back into use for the general public. Facilities proposed include a primary school, health facilities and affordable housing with a deprived neighbourhood with an ethnically diverse population.

## **11. Consultation**

11.1 Public consultation has taken place for the Tottenham Hale Urban Centre Masterplan and for the outline application for the whole site.

## **12. Background**

12.1 The Council successfully bid for £2.502m for the GLS site from the Growth Area Fund (GAF) Round 2. The grant will be used to:

- Provide direct pedestrian and vehicular access through an improved and refurbished bridge under Ferry lane, which is a busy road to the south of the

site for the existing communities from the Ferry Lane Estate into the Hale Village development;

- Construct a seamless pedestrian concourse from the current road level into the site;
- Remove the existing underground air raid shelters;
- Carry out enabling works which provide for potential bridge links across the railway to the west and across the River Lea to the east; and
- Unculvert a watercourse to provide an enhanced setting and element of open space, a Sustainable Urban Drainage System which will contribute to enhancing the setting and open space provision within the Lee valley Regional Park, within which this culvert lies.

12.2 Although the grant is from Central government, the Council is acting as administrator for the grant, as with the other GAF projects. The Council entered into a funding agreement for this grant with DCLG on 11<sup>th</sup> July 2006. However, as the site is in private ownership in this case, the Council must enter into a legal agreement with the owners to release the money as the works progress. The legal agreement will protect the Council's position should a situation arise where the money is clawed back or suspended by DCLG.

12.3 The agreement will be drafted but will reiterate the conditions stipulated in the GAF Funding Agreement which has been signed by the Council with DCLG. It also emphasises the Council's position regarding issues around potential clawback and suspension of funds.

12.4 The general principles within the agreement are as follows:

- It will have the same time limit as the DCLG agreement for consistency;
- It will deal specifically with the development and works associated with the grant itself;
- It will deal with systems for dispute resolution;
- It will make reference to the DCLG agreement, where applicable. For example, the milestones agreed in the DCLG agreement also apply in this agreement.

### **13. Conclusion**

13.1 A signed legal agreement between the Council and the owners of the GLS site is required to ensure the Council's legal and financial positions regarding the funds are secure.

13.2 The agreement is the most effective way of securing the Council's position and, therefore, it is strongly recommended that Members authorise the signing of the agreement.

### **14. Use of Appendices / Tables / Photographs**

Not applicable.