



<b>Report for:</b>	<b>Cabinet – 15 July 2014</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Seven Sisters Regeneration, Tottenham – Apex House &amp; Wards Corner</b>		
<b>Report Authorised by:</b>	<b>Lyn Garner - Director of Regeneration, Planning &amp; Development</b>		
<b>Lead Officers:</b>	<b>Malcolm Smith – Interim Director, Tottenham Regeneration Programme Jon McGrath – Assistant Director, Property and Capital Projects</b>		
<b>Ward(s) affected:</b>	<b>Tottenham Green &amp; Seven Sisters</b>	<b>Report for Key Decision</b>	

## **1. Issue under consideration**

- 1.1 The Tottenham Strategic Regeneration Framework approved by Cabinet in March 2014 confirms that Seven Sisters is a key part of the regeneration vision. Two sites are key within Seven Sisters – Apex House (edged with a pecked black line on the plan in Appendix 1) and Wards Corner (edged with a solid black line on the same plan). Sitting adjacent to and above Seven Sisters Station, the redevelopment of these two sites will play a major part in transforming this important part of Tottenham with new retail space, new homes and improved public realm.
- 1.2 This report recommends approval to the next steps in securing the necessary investment in both sites to realise the regeneration potential.
- 1.3 In summary, these are to:
  - a) declare Apex House as surplus to the Council's service requirements;
  - b) move the Customer Service Centre (currently in Apex House) to Tottenham Green (subject to a future detailed report);
  - c) appropriate the Apex House site for planning purposes to support its redevelopment & regeneration potential;
  - d) promote the co-ordinated development of the Apex House and Wards Corner sites by disposing of a long lease in the Council's Apex House site to a wholly owned subsidiary company of Grainger plc (the developer of Wards Corner);



- e) agree 'in principle' the use of the Council's compulsory purchase powers, if required, to complete land assembly for the Wards Corner development;
- f) discuss with stallholders the possibility of a redeveloped Apex House site providing a relocation site for the Wards Corner market just yards from its current position; and
- g) approve changes to the 2007 Development Agreement with Grainger (Seven Sisters) Ltd. for the Wards Corner development.

## **2. Introduction by the Cabinet Member for Housing & Regeneration**

- 2.1 Seven Sisters forms a key part of the Tottenham Regeneration Programme. At the area's heart, the Wards Corner and Apex House sites (at the junction of High Road with Seven Sisters & West Green Roads and next to Seven Sisters Underground Station - with the possibility of a Crossrail 2 connection in years to come), provide the opportunity for major new investment to improve the area and act as a catalyst for further transformational investment in surrounding sites.
- 2.2 Our 2012 Strategic Property Review has shown that Apex House is no longer needed for service delivery. Improved services can be delivered by creating a new Customer Service Centre at Tottenham Green. Selling Apex House will reduce the impact on residents of public sector funding cuts by leveraging this asset to generate funds that will contribute to achieving Council priorities and act as a catalyst for regeneration.
- 2.3 The disposal accords with the Council's Corporate Asset Policy. It will release latent value, reduce running costs and generate a capital receipt that can support the capital programme and wider Council priorities including regeneration of the area.
- 2.4 Crucially, too, the recommended sale of Apex House to Grainger is consistent with the delivery of the residential-led Wards Corner scheme (for which planning permission has been granted) – though, with land still to be acquired, it is unlikely that construction at Wards Corner will be able to start before 2017. By selling the site to Grainger, Apex House, on the other hand, could be redeveloped much sooner (subject to planning permission) so we can start to see the area's transformation in line with our regeneration vision.
- 2.5 The Wards Corner scheme is also an important element of the regeneration vision and, without prejudice to any final decision on making a Compulsory Purchase Order, we want to signal our 'in principle' support for taking compulsory purchase action if that is necessary to assemble the site and deliver the new retail space and homes. Before we do that though, it is important that more time is given for acquisitions to be agreed by negotiation.
- 2.5 As a phased scheme, the Wards Corner and Apex sites could deliver over 290 new homes plus new retail space meeting the needs of both the existing market stallholders and new retailers. The Apex House redevelopment could provide a relocation site for the existing Wards Corner market and we are keen there is a full and open discussion with market stallholders about that possibility.



- 2.6 Of great importance too are the proposed improvements to street paving and public realm. Together these new developments will start to transform the appearance of this central part of Seven Sisters and will be another significant step towards realising our exciting and ambitious vision for Tottenham's regeneration.

### **3. Recommendations**

3.1 It is **recommended** that Cabinet:

- a) Re-confirms the original decision by Cabinet on 14 October 2008 that Apex House N15 is surplus to service requirements;
- b) Notes that the Customer Service Centre at Apex House can be moved to Tottenham Green and a report on this will be presented to Cabinet in due course;
- c) Approves the appropriation of the Apex House site for planning purposes pursuant to Section 122 Local Government Act 1972 and subject to the powers provided by Section 237 Town and Country Planning Act 1990 for the reasons outlined in paras. 5.15-5.24 in the report;
- d) Agrees to sell pursuant to Section 233 Town and Country Planning Act 1990 a long leasehold interest in Apex House, N15 to a wholly owned subsidiary of Grainger plc (to be incorporated prior to exchange of contracts) based on the Heads of Terms set out in the private and confidential Appendix 3 to this report and authorises the Assistant Director Corporate Property and Major Projects to approve the detailed terms and conditions of sale (consistent with the terms set out in the private and confidential Appendix 3 to this report) after consultation with the Assistant Director of Corporate Governance and the Cabinet Member for Housing and Regeneration;
- e) Supports the provision (subject to planning permission) of ground floor retail space as part of the Apex House site redevelopment offering the potential to extend retail opportunities for local traders, including as a possible temporary or permanent relocation site for the Wards Corner market (subject to discussions with the traders and subject to any necessary variation of the Section 106 agreement in respect thereof) to enable easier continuity of trading;
- f) Notes the application by Grainger plc. to the Homes and Communities Agency for Build to Rent loan funding to support the potential provision of private rented homes in both the Wards Corner and Apex House schemes (together with affordable rented homes at Apex House) - subject to the grant of planning permission for Apex House;
- g) Notes the proposed tenure mix at any new development at the Apex House site would include a minimum of 39% affordable housing consistent with policy to broaden tenure mix in Tottenham – all of that housing being reserved for rented accommodation and capped at reasonable rent levels, ie 50% of market rent for family sized dwellings;
- h) Approves the variations to the Wards Corner Development Agreement dated 3 August 2007 with Grainger Seven Sisters Ltd. to reflect the changes as outlined in



this report (paras. 5.27-5.35 and in the private and confidential Appendix 3) and authorises the Director of Regeneration, Planning & Development and the Assistant Director of Corporate Governance after consultation with the Cabinet Member for Housing and Regeneration to approve detailed changes (including any additional changes) to the Wards Corner Development Agreement;

- i) Notes that, subject to the grant of planning permission, the redevelopment of Apex House will begin the desired environmental and economic transformation of Seven Sisters with Wards Corner following later when site assembly has been completed;
- j) Agrees in principle to the use of Section 226 Town and Country Planning Act 1990 compulsory purchase powers, if necessary, to acquire outstanding third party land interests in the proposed Wards Corner development site (the boundary of which is shown on the Plan in Appendix 2 to this report), where acquisition by agreement (by Grainger Seven Sisters Ltd. as developer) is not possible, subject to Grainger complying with its obligations in the Development Agreement including:
  - Grainger providing the Council with satisfactory details of the steps they have taken to seek to buy land by agreement;
  - confirmation by the Grainger plc Board, prior to Cabinet (at a future meeting) considering making a Compulsory Purchase Order, that all conditions (apart from the Site Assembly Condition) in the Wards Corner Development Agreement have been or can be satisfied on the basis of current scheme proposals;
  - Grainger entering into a Costs Indemnity Agreement with the Council to cover the Council's costs & liabilities in relation to compulsory purchase action; and the preparation of an Equalities Impact Assessment of the impact of compulsory acquisition;
- k) Subject to agreeing Recommendation j), authorises officers to serve information requisition notices to establish details of existing third party land interests in the proposed Wards Corner development site (see the Plan in Appendix 2);
- l) Authorises the Director of Regeneration, Planning & Development and the Assistant Director of Corporate Governance after consultation with the Cabinet Member for Housing and Regeneration to:
  - enter into a guaranteed Costs Indemnity Agreement with Grainger Seven Sisters Limited to cover all of the Council's costs and liabilities (both internal and external) in preparing for, making and seeking the confirmation of a Compulsory Purchase Order for the Wards Corner scheme; and
  - enter into any other necessary legal or contractual arrangements with Grainger Seven Sisters Ltd (or other subsidiary companies within Grainger plc) and/or the GLA to give effect to the Cabinet's decisions on the above recommendations.

#### **4. Alternative options considered**

- 4.1 The option to retain Apex House as a Council building was considered as part of the Strategic Property Review. The conclusion was that the building is no longer fit for purpose and is not needed for service delivery. The Customer Service Centre (currently in Apex House) is better located in Tottenham Green to help consolidate that area as



Tottenham's 'civic heart', complementing the environmental improvements currently underway there.

- 4.2 Retaining it as a Council building would mean that residents continue to experience inadequate customer service facilities and staff continuing to operate in a poor environment that does not support the Council's strategy for Smart Working. That would also mean the Council does not achieve the required financial efficiency in property costs, as well as increasing the risk of building condition issues creating pressure on revenue and capital budgets.
- 4.3 Apex House could be let as offices as part of the commercial investment portfolio but, certainly in the short to medium term, as the District Valuer has previously confirmed, there is limited demand for office accommodation of this size in this area. Moreover, retaining the building as offices would deny the opportunity for more intensive development on the site, especially for retail and residential uses, to capitalise on its prominent and highly accessible position. That would also deny the opportunity for such development to provide a stimulus for investment in surrounding sites to continue the area's transformation as envisaged in the Council's regeneration vision.
- 4.4 Apex House could be advertised for sale on the open market for redevelopment. However, there are significant benefits in the same developer handling both the Wards Corner and Apex sites (not least because of the potential to offer the Apex site as a relocation site for the Wards Corner market). So the Apex site can support delivery of the Wards Corner scheme and, with Grainger's offer for the Apex site being certified by the District Valuer as best consideration, there is no benefit in seeking an open market sale.
- 4.5 The council is currently bringing forward a small new build housing programme funded through the HRA. The council could consider developing out this site under its own programme and this would allow the council to bring forward 100% affordable housing if it chose to do so. However, such a development would be at considerable cost. The HRA is already fully committed to infill site development and this site would a minimum of £13m to be found in the General Fund in order to bring development forward. Given the pressures in the General Fund this is not being suggested as an option in this report.
- 4.6 The council could retain the site and sell it on the open market later (post Wards Corner development). While this may realise a higher value in the market, it is clear that such a sale could not take place for some time during which the Council would forgo savings, a capital receipt and would need to find alternative meanwhile uses for the building which is currently not fit for purpose as office accommodation as described above. The sale of Apex now to Grainger will assist the developer's bid for Build to Rent funding as described in paragraphs 5.10 – 5.12 of this report, a determination on which will take place in September 2014.

## **5. Background information**

- 5.1 The redevelopment of Apex House and Wards Corner, in the heart of Seven Sisters in Tottenham, is a key opportunity for Tottenham's regeneration. Providing new retail space, new homes & improved public realm, these sites can make a major contribution to uplifting the area.



- 5.2 This report recommends the steps to secure the earliest possible start in securing the physical regeneration of the area.

### **Apex House**

#### ***Sale of site for redevelopment***

- 5.3 Apex House, currently Council offices, occupies a prominent 0.39 hectare site adjacent to the Seven Sisters Underground Station and close to the mainline station (see the Plan in Appendix 1). Adjacent to it are public WCs and a clock tower on the High Road frontage.
- 5.4 The Strategic Property Review concluded that Apex House is surplus to requirements. It is possible to move the Customer Service Centre to Tottenham Green and for Housing staff to consolidate in other Council offices. Subject to a report to Cabinet later this year to set out and secure approval to the details of this relocation (and to consultation with staff and Unions), Apex House could be vacated in Spring 2015. The re-provision of the public toilets on the site can be considered as part of new ground floor retail uses in a redevelopment of the site.
- 5.5 As Apex House could be vacated in 2015, redevelopment could start in late 2015/early 2016, subject to the grant of planning permission. This is very likely to be before all the land has been acquired at Wards Corner
- 5.6 The early redevelopment of Apex House would be a significant stimulus for regeneration in the area. The recommended way forward is to sell the site to Grainger to enable a co-ordinated development with the Wards Corner site.
- 5.7 Grainger proposes a retail and residential redevelopment of the Apex site (subject to planning permission). Retail space, occupying most of the ground floor, could be for new retailers or could (subject to discussions with stallholders) be offered as either a temporary or permanent relocation site for the Wards Corner market. This could offer the benefit of continuity of trading in a position just yards from the current site rather than the market being disrupted by two moves (to a temporary site and then back to Wards Corner) as has been envisaged up to now. Alternatively, it could be the temporary relocation site.
- 5.8 The retail space could also include new WCs (subject to negotiation and planning permission) which should be managed and maintained more effectively by the retail operator than the current public conveniences are able to be.
- 5.9 Approximately 95 residential units above the retail space will be a mix of private and affordable rented homes. The affordable rented homes are likely to be a mix of 1, 2 & 3 bed units with a mix of capped and discounted rents in accordance with the GLA Framework Agreement.
- 5.10 Grainger has submitted a bid to the Homes and Communities Agency (HCA) for 'Build to Rent' loan funding, proposing that all the homes at Wards Corner and all the private units at Apex House will be privately-rented (subject to planning permission and, of course, Cabinet approval to the sale of the Apex site to Grainger). If that funding is not approved, Grainger may revert to building the private homes at both Wards and Apex for market sale.



- 5.11 Any privately-rented homes will be let and managed by Grainger to ensure a high standard of management and maintenance.
- 5.12 The recommended sale of Apex House to Grainger is not dependent on the HCA approving the Build to Rent funding. However, should the sale of Apex to Grainger not go forward it is highly unlikely that the bid will succeed causing further delay to the Wards Corner scheme.
- 5.13 Grainger's offer for the purchase of the Apex site has been certified by the District Valuer as 'best consideration'. Details of the offer and additional information are set out for Members only in the private and confidential Appendix 3 to this report.
- 5.14 Subject to Cabinet agreement, the sale contract for Apex House could be exchanged in Autumn 2014. Grainger then proposes to make a planning application to redevelop the site by January 2015, with sale completion taking place following the grant of an unencumbered planning permission. Construction works could then start in late 2015/early 2016, with first occupation of retail space and residential units in 2017 and completion in 2018.
- Appropriation of the Apex House site***
- 5.15 It is recommended that Cabinet agrees to appropriate the site, prior to disposal, for planning purposes pursuant to Section 122 of the Local Government Act 1972 and subject to the powers provided by Section 237 Town and Country Planning Act 1990. This will support the regeneration potential of the site as the effect of appropriation is that it enables any impacts of the redevelopment scheme on nearby properties on Rights of Light to be dealt with via compensation arrangements with third party owners/occupiers (rather than being able to seek to use injunction rights).
- 5.16 The use of this appropriation power needs to be justified by a clear 'public interest' case that overrides the individual rights of potential affected 3<sup>rd</sup>. party owners and occupiers of nearby properties.
- 5.17 Until a detailed design has been prepared for the redevelopment of Apex House, it is not known for certain whether it will have any impact on the current Rights of Light enjoyed by nearby residential and commercial properties – especially those on Seven Sisters Road to the north of the Apex House site. However, initial designs indicate there could be an impact. Clearly, any overshadowing or impact on sunlight & daylight will be assessed at the planning application stage and any undue impact (assessed in planning terms) will need to be addressed in the scheme design. However, even if the scheme is considered acceptable in planning terms, there could still be an infringement of statutory Rights of Light which are assessed in relation to specific technical criteria.
- 5.18 Appropriation powers can be used under s122 of the Local Government Act 1972 where the land is no longer required for the purpose for which it is held. As Apex House is surplus to the Council's requirements then, subject to Cabinet agreeing Recommendation 3.1a), that criterion is satisfied.
- 5.19 The justification for recommending the site be appropriated for planning purposes rests on the need for regeneration in this part, and the whole, of Tottenham. The Council has undertaken extensive community consultation since 2011 which has established the



strong community support for change and renewal across Tottenham. This is reflected in the Council's Local Plan Strategic Policies and the Tottenham Strategic Regeneration Framework (SRF) approved in March 2014. The SRF sets the vision for Tottenham 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'*.

- 5.20 The Council, with a wide range of public, private and community sector partners, is pursuing a comprehensive regeneration programme. Physical regeneration of key sites is an important element of that programme.
- 5.21 In a highly accessible location next to the Underground and mainline Seven Sisters Station and many bus routes, Apex House is a perfect example of a site that has the potential to deliver the high quality development and the new homes, jobs and great places demanded by the SRF (consistent with London and local planning policies). A residential-led, mixed use redevelopment will make a substantial contribution to promoting or improving local economic, social and physical well-being.
- 5.22 While redevelopment schemes should always relate well to their surroundings and minimise impacts on nearby properties (and that will be thoroughly assessed as part of the design and planning application process), they also have a role in 'signalling the future'. With the potential provision of new, &/or securing existing local, jobs plus more than 90 new homes in mixed tenure, the redevelopment of the site is likely to bring substantial benefits for economic, social and environmental conditions in the area.
- 5.23 Given these significant benefits and with strong overall community support for regeneration and change in Tottenham, it is considered that there is a clear and compelling case in the public interest to pursue redevelopment protected from possible restraint by injunction. Appropriating the land for planning purposes will achieve that while still enabling any interference with Rights of Light to be addressed via compensation.
- 5.24 In making this recommendation, regard has been had to the extent to which this may impact upon the human rights of owners and residents that may be affected and to balance those against the overall benefits to the community and the regeneration of the area that redevelopment will bring. Members will need to be satisfied that interference with rights under Article 1 and Article 8 of the First Protocol to the European Convention on Human Rights is justified in all the circumstances and that a fair balance would be struck in the present case between the protection of rights of individuals and the public interest. Officers consider that the balance in this case weighs substantially in favour of the public interest and, accordingly, recommend that the Apex House site is appropriated for planning purposes.

### **Wards Corner**

- 5.25 Redevelopment proposals for Wards Corner have planning consent, and a Development Agreement dated 3 August 2007 is in place with Grainger Seven Sisters Ltd., for 196 flats, retail space and new public realm. Just over 40% of the site is currently owned by Grainger & the Council with about 28% owned by London Underground Ltd. The rest (c32%) is in third party ownership which, together with the LUL land, must be acquired before the proposed redevelopment can start. Further efforts are needed to seek to





- acquire the outstanding plots by agreement but it is possible that compulsory purchase will be needed to secure all of the land. Until that is achieved, there can be no progress 'on the ground'.
- 5.26 The redevelopment timetable now is for construction to start in 2017 with completion in 2019.
- 5.27 Grainger has requested the Council's agreement to vary the Wards Corner Development Agreement by increasing the profitability threshold above which Grainger pays 'overage' and repays the 'interim gap funding' (a combination of funding previously provided by the Bridge New Deal for Communities and committed to in the Development Agreement by the Council), as well as extending the 'long-stop' date of the Agreement.
- 5.28 The Development Agreement, entered into in 2007, reflected market conditions at that time. It specified minimum profit thresholds and gap funding to support the scheme.
- 5.29 The gap funding comprises a £1.5m. grant provided under the Bridge New Deal for Communities and the additional value of Council land (£0.5m.) under an option agreement to sell that land to Grainger Seven Sisters Ltd. The combined sum is repayable to the Council (with interest and a possible 'additional consideration'), subject to conditions, when a minimum profit level is realised on the completed development.
- 5.30 Grainger is requesting that this minimum profit level be increased to reflect current property market conditions (the exact percentages are detailed in the private and confidential Appendix 3).
- 5.31 Grainger is also requesting to be allowed the same increase in profit percentage before they are required to share any 'overage' with the Council.
- 5.32 It is accepted that the minimum profit level specified in the Development Agreement is below current market practice. To support the development moving forward, it is recommended that the minimum profit level before the gap funding is repaid and 'overage' is shared should be increased (as set out for Members only in the private and confidential Appendix 3 and in which there is additional comment).
- 5.33 Agreeing to this will support scheme delivery by allowing the scheme to demonstrate a likely return closer to current market practice. In turn, this should help the developer secure full development funding from financial institutions – which is needed to satisfy another pre-condition in the Development Agreement.
- 5.34 The Development Agreement specifies a long-stop date (the 'Relevant Date') by when the agreement would be terminated should certain conditions not have been satisfied. The Agreement provides for this date to be extended by agreement and one extension has previously been agreed to August 2014. Progress has been slower than hoped on the scheme but this report sets out the steps that should enable it to move forward. It is considered therefore that the long-stop date for the Agreement should be extended by a further 3 years from 3 August 2014 to 3 August 2017.
- 5.35 There are other relatively minor changes proposed to the Development Agreement, including:



- changes to reflect the recommended Compulsory Purchase Costs Indemnity Agreement;
- flexibility for Grainger to target new homes in the scheme for market sale &/or private renting; and
- deleting references to off-site affordable housing provision following the decision by the Planning Sub-Committee in 2012 that there is no requirement for that linked to the Wards Corner development.

### **Acquiring Third Party Land for the Wards Corner Scheme**

- 5.36 During the 5 years that it took to secure an unencumbered planning permission, Grainger's principal focus was on that rather than negotiating with landowners to buy their land. Grainger is now re-establishing its efforts to acquire land by agreement. Grainger is negotiating with London Underground Ltd. to acquire the necessary leasehold interest in its land. There are approximately 24 other third party freehold or leasehold interests that need to be acquired plus other rights over land and potential residential tenants who may need assistance with rehousing. It is necessary to give time for that negotiation process to be pursued before giving detailed consideration to the need for compulsory purchase.
- 5.37 The Development Agreement enables Grainger to request the Council to use its compulsory purchase powers. A period of at least 6 months is proposed for Grainger to seek to negotiate further land acquisitions by agreement. If land parcels remain to be acquired then, subject to a formal request by Grainger in accordance with the Development Agreement, a report will be presented to Cabinet in March 2015 (at the earliest) to consider the need to make a Compulsory Purchase Order.
- 5.38 As it is possible that all land interests will not be acquired by agreement, it is sensible to start the process of assembling the information that will be necessary to inform that possible future consideration by Cabinet of the need for compulsory acquisition. It is recommended therefore that authority is given to serve statutory information requisition requests to establish the details of third party land ownerships.
- 5.39 This report recommends that Cabinet declares 'in principle' support for the use of compulsory purchase powers to promote the redevelopment of this site. This needs to be considered in relation to the criteria governing the use of such powers. Compulsory purchase using s226 of the Town and Country Planning Act 1990 has to be justified by demonstrating that the redevelopment scheme for which the land is proposed to be acquired is likely to contribute to the promotion or improvement of the economic, social &/or environmental wellbeing of the area. In addition, there needs to be a clear and compelling case in the public interest that is considered to override the individual human rights of those affected.
- 5.40 The Wards Corner redevelopment scheme:
- is a key element of the regeneration strategy for the Seven Sisters area;
  - is consistent with the planning policy framework for the area; and
  - will deliver very substantial regeneration benefits that will promote or improve economic, social &/or environmental wellbeing of the area.
- 5.41 As previously stated in this report, the mixed use retail and residential redevelopment scheme at Wards Corner is consistent with the Local Plan Strategic Policies, UDP



detailed policies and the Tottenham Strategic Regeneration Framework. The scheme has planning permission. There is a substantial need for new homes (the scheme will provide 196 1 & 2 bed units) that will help broaden the tenure balance within Tottenham with a high percentage of households living in social housing – the proposed homes will be built for market sale &/or well managed private renting. This is likely to improve social wellbeing as well as the new residents spending money in the local economy supporting economic wellbeing.

- 5.42 The new retail space will provide a much better environment for the existing market (unless it is agreed with the traders that it relocates to the redeveloped Apex House site which can also provide the same quality of space) plus space for new retailers. The current market has around 50 stallholders whose jobs could be secured in the re-provision of market space and the extra space for new retailers could provide in the region of 140 jobs. Given the relatively high levels of unemployment in Tottenham, these jobs are likely to provide significant economic and social benefits.
- 5.43 From an environmental perspective, the redevelopment of the site will bring substantial public realm improvements, especially along the High Road frontage, which acts as a significant gateway to Tottenham both from the south and west by road and, as a key entrance/exit to Seven Sisters Underground Station. The Seven Sisters Station area is an important public transport hub which may increase even more in significance with the possibility in the future of Crossrail 2 stopping here. The new development itself will also greatly improve the appearance of the area and be a clear signal of investors' confidence that will help underpin continuing investment in other regeneration sites consistent with the planning policy framework.
- 5.44 When considering a future report on possible compulsory purchase and before resolving to make a compulsory purchase order, Cabinet will need to consider the extent to which the Wards Corner scheme accords with the following key criteria:
- a) acquisition is necessary to facilitate the carrying out of development, redevelopment or improvement on, or in relation to, the land being acquired;
  - b) the redevelopment scheme fits with the planning policy framework for the area;
  - c) there is a compelling case in the public interest for the land to be acquired which outweighs the interference with the human rights of those with an interest in the land;
  - d) the development will contribute to the promotion or improvement of the economic, social &/or environmental well-being of the local area;
  - e) the development is viable and there is a reasonable prospect that the scheme can be implemented within a reasonable timescale;
  - f) all reasonable steps have been taken to seek to acquire the land by negotiation and agreement.
- 5.45 For the reasons set out above, it is considered that these tests are fully capable of being met by the consented Wards Corner redevelopment scheme.
- 5.46 Cabinet is recommended, therefore, to signal its agreement in principle to the use of compulsory purchase powers should it not be possible for the developer to acquire by



agreement in a reasonable timescale all the land needed for the scheme. Future consideration by Cabinet of the need to make a Compulsory Purchase Order should be subject to:

- Grainger Seven Sisters Ltd. providing satisfactory details of the steps they have taken to seek to buy land by agreement;
- confirmation by the Grainger plc Board that all conditions (apart from the Site Assembly Condition) in the Wards Corner Development Agreement have been or can be satisfied on the basis of current scheme proposals;
- Grainger Seven Sisters Ltd. (with an appropriate guarantor) having entered into a Costs Indemnity Agreement with the Council to cover the Council's costs & liabilities in relation to compulsory purchase action; and
- the preparation of an Equalities Impact Assessment of the impact of compulsory acquisition.

## **6. Comments of the Chief Finance Officer and financial implications**

- 6.1 The existing Council funding to the wider Seven Sisters Project, as detailed in para. 5.29, is repayable on completion of the Wards Corner site dependant on profit level achieved.
- 6.2 The capital receipt for Apex House has been certified as 'best consideration' by the District Valuer.
- 6.3 The capital receipt received from Apex House can be used to support wider Council priorities, although in the short term it is recommended to be ring-fenced against the cost of providing a new Customer Service centre. A future report will need to more clearly specify what these costs are likely to be but it is likely that the existing capital budget of £3m for the 're-provision of civic functions' will not be sufficient to provide replacement facilities in Tottenham and Wood Green.
- 6.4 The existing budget is profiled as follows:  
2014-15 - £100K  
2015-16 - £1,000K  
2016-17 - £1,900K
- 6.5 The disposal will also free up the running costs of Apex House, these are currently budgeted at £154,800 of which £40,000 will be realised on vacation of the building, ie energy costs and cleaning costs and the remainder on disposal, i.e. NNDR costs. Savings achieved here will help to meet pre-agreed savings targets as part of the Accommodation Strategy, net of any increased costs related to running of the new customer service centre.
- 6.6 The report seeks approval "in principle" to make a CPO should one be needed in order to assemble the land interests required for the Wards Corner development which the developer cannot acquire by agreement. At this stage of the process, the onus is on the developer to assemble the land. The costs of the CPO (if it is needed), including professional fees and the costs of acquiring and transferring land interests, will be paid by the developer under an indemnity agreement with the Council. A report will be presented



to a future Cabinet meeting should a CPO be considered necessary. The financial implications of making a draft Compulsory Purchase Order will be detailed in that report.

## **7. Comments of Assistant Director of Corporate Governance and legal implications**

- 7.1 The Assistant Director of Corporate Governance has been consulted on the content of this report. The report recommends the disposal of Apex House to a subsidiary of Grainger plc without going to the open market. In this situation the Council may treat with Grainger on the basis that it owns some of the adjoining land and the Council has entered into a Development Agreement with Grainger to regenerate Wards Corner as set out in this report. However, in dealing with Grainger the Council must comply with its statutory obligation when disposing of Apex House. Members should note that the disposal will stand alone and will not be dependent upon or linked (in a legal sense) to the Wards Corner development.
- 7.2 Apex House is held for general purposes but is recommended to be appropriated for planning purposes as set out in the report. The Council may then dispose of Apex House under Section 233 of the Town and Country Planning Act 1990. Under this section the Council can secure the best use of the land or secure the construction of any building which is necessary for the proper planning of the area; and obtain best consideration. Disposing of Apex House subject to obtaining planning permission would secure the first condition.
- 7.3 Best consideration means obtaining the highest amount of money that can be obtained on the open market. There is no requirement that the Apex House site must be marketed so long as best consideration is obtained. If the Council wishes to sell under value it must obtain the specific consent of the Secretary of State.
- 7.4 The report recommends appropriating the land which, if approved, will give Grainger the benefits provided by Section 237 of the Town and Country Planning Act 1990. However, as the Council will retain residual liability to pay compensation to any third parties whose rights are affected, the Council must obtain an indemnity from Grainger in respect of all potential liability.
- 7.5 The Town and Country Planning Act 1990 provides statutory authority for the compulsory acquisition of land for development and other planning purposes (s226), the disposal of land held or appropriated for planning purposes (s233) and the overriding of easements and other rights (s237).
- 7.6 The Cabinet is not at this stage being asked to authorise the making of a Compulsory Purchase Order pursuant to Section 226 in respect of the Wards Corner site. It is merely being asked to indicate that it is 'in principle' minded to do so in the event that the necessary land is not and cannot be acquired by agreement. However, in doing so, the Cabinet should be satisfied at this stage that the relevant criteria for making a Compulsory Purchase Order are satisfied and that is justifiable in all the relevant circumstances. There will in any event need to be a further report to Cabinet seeking authority to proceed to the making and serving a Compulsory Purchase Order should the need arise.



- 7.7 The making of an 'in principle' decision now does, however, give rise to the risk of Blight and Purchase notices which can give rise to compensation liabilities. The proposed costs indemnity agreement that Grainger will provide will need to cover this financial risk to the Council.
- 7.8 The Council in appropriating the land under Section 122 needs to be satisfied that the land is no longer required for the purposes for which it is currently held and that there is a compelling case in the public interest for doing so. Once appropriated, work carried out pursuant to Section 237 is akin to compulsory acquisition and permits the carrying out of development if done in accordance with a planning permission notwithstanding that it involves interference with interests or rights to which the provision applies namely restrictive covenants and easements adversely affecting other land. This power extends to those deriving title from the Council. In effect it protects the development from restraint by injunction although compensation remains payable for the interference.
- 7.9 The Council when appropriating land for development purposes needs to be satisfied that the Section 226 compulsory acquisition tests are satisfied and that there is a compelling case in the public interest for doing so.

## **8. Equalities and Community Cohesion Comments**

- 8.1 The regeneration of Seven Sisters, consistent with the Council's vision for Tottenham, will provide new homes and new retail units, including new space for the existing market at Wards Corner. The Council's regeneration vision has strong community support across Tottenham as a whole though the redevelopment of the Wards Corner site will inevitably involve disruption for existing residents and traders. Every effort will be made to minimise that and secure change by agreement.
- 8.2 This report has indicated the possible need, at a later date, to consider taking compulsory purchase action to acquire all the land needed for the Wards Corner redevelopment scheme. Compulsory purchase should only be taken as a last resort where there is a compelling case in the public interest that is considered to override the human rights of the individual owners and occupiers affected. That case, together with an Equalities Impact Assessment, will need to be set out in a future report to Cabinet to inform any decision on taking compulsory purchase action.

## **9. Head of Procurement Comments**

- 9.1 None necessary as this report relates to an existing Development Agreement at Wards Corner and the disposal of land at Apex House. There are no procurement implications arising from the proposals in this report given that they are land transactions.

## **10. Policy Implications**



- 10.1 The proposals are consistent with the Council's Corporate Asset Policy, as set out in the Asset Management Plan, and the Council's Tottenham Strategic Regeneration Framework.

## **11. Reasons for Decision**

- 11.1 This report recommends approval to the next steps in securing investment in two key sites at Seven Sisters to help realise the regeneration potential and contribute towards the delivery of the Council's vision for Tottenham.

## **12. Use of Appendices**

- Appendix 1 – Apex House and Wards Corner site plan
- Appendix 2 – Wards Corner Site – Site Boundary for Land Acquisition
- Appendix 3 – Exempt Part of Report, including further financial and legal implications

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

- 13.1 Appendix 3 to this report is exempt.

## **14. Background Papers:**

- Cabinet 14th October 2008 – Accommodation Strategy
- Cabinet 21st December 2010 - Administrative Buildings Portfolio – Review of Plan
- Cabinet 7th February 2012 – Haringey Strategic Property Review
- Wards Corner Planning Application documents & related planning permission dated 12 July 2012
- Wards Corner Seven Sisters Development Brief January 2004
- Draft Sites Allocation Document 2014 – LB Haringey
- Wards Corner Development Agreement 3 August 2007 (Note: This is Private & Confidential and is not for public disclosure)



APPENDIX 1

APEX HOUSE AND WARDS CORNER SITES, SEVEN SISTERS, TOTTENHAM



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**Wards Corner & Apex House sites**  
**Seven Sisters**  
**Tottenham**  
**LONDON**  
**N15**

Solid black line - Wards Corner 0.8336 hectare  
 Pecked black line - Apex House 0.3952 hectare

CPM no.            Site Area : (hectares)  
 Overlay : Prop Ter + Corp Admin Bldgs  
 Plan produced by Janice Dabinett on 15/05/2014

Scale 1:1250  
 BVES Drawing no. A4 2393M





## APPENDIX 2

### WARDS CORNER SITE – Site Boundary for Land Acquisition

