

Report for: Cabinet 15th March 2016

Item number: 13

Title: Disposal of land at Monument Way, Tottenham Hale

Report authorised by : Director of Regeneration Planning and Development

Lead Officer: Jon McGrath Assistant Director Corporate Property and Major Projects

Ward(s) affected: Tottenham Hale

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1. The Council currently owns land within the Chesnut Estate located to the north of Monument Way comprising Fairbanks Road, a small car park, a linear strip of grass and a brick wall and known as the Monument Way site (“Monument Way site”) and shown edged red on the site plan in Appendix A.
- 1.2. An opportunity has arisen to dispose of the Monument Way site to Newlon Housing Trust for the purpose of building affordable rented residential units.
- 1.3. This paper is asking Cabinet to approve the disposal of the Monument Way Site to Newlon Housing Trust and for approval to grant right to buy receipts to Newlon Housing Trust to enable a scheme with a proportion of affordable rent homes which is significantly above the current planning policy requirement.

2. Cabinet Member Introduction

- 2.1. Tottenham is a strategic area for the council and the transformation of Tottenham Hale will benefit the existing and new communities across Haringey and London. The Council’s strategy for the regeneration of Tottenham Hale includes a number of activities which allow growth to be positively managed. The Council is putting in place an appropriate planning policy framework through the Tottenham Area Action Plan and a delivery framework through the Tottenham Hale District Centre Framework and associated delivery strategies.
- 2.2. The Council has secured funding to support delivery through a variety of sources, including the Housing Zone and are identifying and/or working with development partners to see key sites coming forward. The regeneration activities will also deliver a social dividend, for example investment in a Tottenham Hale Health Centre and investment in green and open spaces.
- 2.3. There are significant challenges around delivery of affordable rent homes in Tottenham, Haringey and across London. The Monument Way site has been identified as being appropriate for affordable homes because the council owns

this site and it is a relatively straightforward site to develop, residents in the area have also expressed a preference for affordable rent homes to be located on this site . This is an opportunity to dispose of a small area of land which is surplus to the councils requirements to deliver affordable homes in Tottenham, this is a positive message to the community in Tottenham that the Council is delivering affordable rent homes at the start of the Housing Zone delivery programme.

3. Recommendations

3.1 It is recommended that members agree:

- a) To declare the Monument Way site (shown edged red on the site plan attached Appendix A) surplus to requirements.
- b) To authorise the disposal of the Monument Way site to Newlon Housing Trust for the sum set out in Part B of the report and on the terms set out in the Heads of Terms attached in Part B.
- c) To note the intention to acquire the piece of land at the end of Fairbanks Road (shaded green on the plan attached in Appendix A) from Holy Trinity School and part of the land shaded orange on the plan attached in Appendix A from Transport for London and to dispose to Newlon Housing Trust as part of recommendation b) and on the basis that the disposal is likely to contribute to the achievement of the promotion or improvement of the economic or social or the environmental well being of the area.
- d) That delegated authority be given to the Director of Regeneration Planning and Development after consultation with the Section 151 Officer and Cabinet Member for Housing and Regeneration to agree the final details of the Heads of Terms and contract documentations.
- e) To grant a sum of a maximum of £5,000,000 from right to buy receipts to Newlon Housing Trust as a contribution towards the provision of a minimum of 44 affordable rented units as set out in the Heads of Terms in Part B and subject to Newlon Housing Trust entering into a funding agreement and 100% Nominations Rights for the minimum of 44 affordable rented units.

4. Reasons for decision

- 4.1. The Monument Way site sits within the Tottenham Housing Zone. Officers consider the site suitable for affordable rent homes and is able to use right to buy receipts to maximise the affordable rent position. The site can be delivered relatively quickly and independently of other sites in the Housing Zone and is a priority since Council has an urgent demand for affordable rent homes.
- 4.2. It is proposed that the Monument Way site be declared surplus to requirements and can be disposed of to provide much needed affordable rent housing. This is the reason for the recommendation in 3.1 (a).

- 4.3. The Council are not in a position to undertake the development themselves due to insufficient resources and have been discussing with Newlon Housing Trust, as a preferred partner, the opportunity to take forward the development.
- 4.4. Officers are recommending that the land is disposed to Newlon Housing Trust for the sum set out in the Heads of Terms in Part B and on the terms set out in the Heads of Terms in Part B. This is the reason for the recommendation in 3.1 (b)
- 4.5. The Council holds the freehold of most of the land within the Monument Way site except and is in the process of acquiring two parcels of land from adjoining owners. These land transfers will be dealt with in separate reports, the Council is recommending that members note the land assembly activities, this is the reason for the recommendation in 3.1 (c).
- 4.6. Draft Heads of Terms can be found in Part B, however terms cannot be fully agreed due to land assembly complications and abnormal costs which are at present not fully understood. These will be resolved in the final documentation; therefore the report is recommending that delegated authority be given to the Director of Regeneration Planning and Development after consultation with the Section 151 Officer and Cabinet Member for Housing and Regeneration to agree the final detail of the Heads of Terms. This is the reason for the recommendation in 3.1(d).
- 4.7. The Council will give a grant to Newlon Housing Trust from right to buy receipts in order to maximise the number of affordable rent units. The Council has previously agreed in principle that Right to Buy receipts can be allocated to development partners to increase the level of affordable housing within the Borough. However, in line with other Council expenditure any allocation above £500,000 needs to be agreed by Cabinet. This is the reason for the recommendation in 3.1 (e).

5. Alternative options considered

- 5.1. The alternative option is to not sell the site to Newlon Housing. This would result in not achieving a minimum of 44 new affordable rented residential accommodation in Tottenham Hale.
- 5.2. The Council could sell the site in the open market. However the land receipt is unlikely to be higher than that for a social rented development and would at best be policy compliant and therefore not achieve the same level of social housing the Newlon proposal provides.
- 5.3. The Council could undertake the development themselves. However the Council's new build programme, due to insufficient resource, is not in a position to undertake the development and Newlon as a preferred partner could take the development forward.

6. Background information

Strategic Context

- 6.1. Tottenham is a major regeneration area for Haringey and London. The Tottenham Strategic Regeneration Framework (SRF), approved by Cabinet on 18th March 2014, identifies Tottenham Hale as being London's next great neighbourhood and sets out an ambitious vision for the transformation of this area.
- 6.2. The Haringey Local Plan: Strategic Policies and emerging Tottenham Area Action Plan (AAP) (approved at Full Council on 23 November 2015 to be submitted for Examination in Public consequent to Regulation 19 in 2016) include ambitious targets of 5,000 homes and 4,000 jobs to be delivered in Tottenham Hale across a number of specific development sites.
- 6.3. The Monument Way site is part of site TH 10: Welbourne Centre & Monument Way in the AAP and has been identified as being suitable for housing and other uses. This report relates to the Monument Way site and not the Welbourne Centre site.

The Monument Way site

- 6.4. The Monument Way site comprises Fairbanks Road, a linear strip of grass and small car park with a brick wall on the southern boundary, shown edged red on the site plan in Appendix A. Fairbanks Road provides access into Chestnut Estate, which comprises two and three storey terraced housing managed by Homes for Haringey. The grassed area provides limited amenity and is used for dog walking and informal ball games; Fairbanks Road and the car park area is used for car parking.
- 6.5. To the south of the brick wall is a linear strip of land that provides a pedestrian footpath adjacent to a tree lined grass verge fronting Monument Way, currently not in the councils ownership.
- 6.6. The Council holds the freehold of most of the land within the Monument Way site except for the land shown shaded green which the Council is in the process of acquiring from Holy Trinity School (London Diocesan Board for Schools) and the land shaded orange which the Council is acquiring from Transport for London. The land in the Monument Way site is currently held in the Housing Revenue Account (HRA) and the land shown shaded green and orange when acquired will be held for general fund purposes. A condition precedent in the Heads of Terms will be to have completed all necessary land assembly prior to exchange.

Development Proposal

- 6.7. The site allocation for site TH 10: Welbourne Centre & Monument Way in the AAP describes the site as "being suitable for comprehensive redevelopment of the Welbourne Centre site for secondary town centre uses (which could include a health centre) at ground floor level, and residential above with limited new residential development to the south of Chesnut Estate". The AAP Design Guidelines state the development along Monument Way should be more in keeping with the surrounding context.

6.8. A range of development options to meet the outputs in the AAP were developed and reviewed in the development of the DCF, informed by an extensive and bespoke programme of stakeholder consultation and community engagement, this is set out in Appendix 1 of the Cabinet Report Tottenham Hale District Centre Framework and Delivery Strategies on 9 February 2016. Through development of the DCF it has been established that the full development capacity in the AAP for this site cannot be achieved, the outputs from the Monument Way site and Welbourne Centre site in the DCF represent a realistic development capacity for the site.

6.9. There has been specific engagement with the residents in Chesnut Estate as it is one of the only sites which has a direct interface with an existing residential community. Through this process the Council has noted a number of priorities for residents regarding the Monument Way site:

- **Affordability:** Residents would support a development providing affordable rent units
- **Density and building height:** Residents were concerned with building heights along Monument Way and as a result the DCF proposals show building height being in keeping with surrounding context.
- **Open Space:** Residents were concerned with the loss of green space within the estate and as a result the proposals were amended so that three of the four possible plots are developed, retaining the fourth plot as open space.
- **Brick Wall:** Residents living in Chesnut Estate value the brick wall and the protection it gives from the noise of vehicles on Monument Way. The council will work with Newlon Housing Trust to carry out detailed options for the new public realm along Monument Way including proposals for whether or not to retain the wall.
- **Footpath and cycle route:** A new footpath and cycle route has been created as part of the TfL Gyratory works, this is part of the cycle network in the area. New development would need to include a cycle route and footpath.
- **Parking:** Residents have expressed concern with potential loss of parking. The new development at Monument Way will reprovide some parking spaces along Fairbanks Road but there will be in a net loss in parking spaces. A parking study carried out during the development of the DCF shows that overnight parking within Chesnut Estate is not at full capacity so there is capacity for some loss of parking spaces. This will be explored in more detail and discussed with residents during detailed design.

6.10. The new public realm, including open spaces, around Monument Way and the Welbourne site will be some of the first spaces in the the Green and Open Spaces Strategy to be delivered. The Green and Open Spaces Strategy sets out a vision for a network of high quality green spaces across Tottenham Hale and a series of new and improved links making it easier to access the Lea Valley. Cabinet approved the recommendation to note the draft DCF delivery strategies and grant delegated authority approve the final version on 9 February 2016.

Newlon Housing Trust

- 6.11. The proposal from Newlon Housing Trust will provide a minimum of 44 affordable rent units on the site, this is much needed social housing for the Borough which will support the Council's Housing need. This supports the Council's priorities as set out in the Corporate Plan.
- 6.12. Newlon Housing Trust are a strong local partner and have their headquarters located at Hale Village N17, as Newlon are locally based they will be able to provide a responsive management service to residents. They are already one of just two significant RSL partners in the Tottenham Hale area and have a strong track record of providing housing in the area.
- 6.13. The Council has established that a grant of up to £5,000,000 from right to buy receipts is required in order to maximise the number of affordable rent units. This will represent 30% of the development costs for the development which is the maximum allowable for the Council to fund from right to buy receipts for affordable housing. Newlon Housing Trust will be funding the remainder of the scheme themselves.

Risks

- 6.14. There is a cost risk in that Newlon have requested that the Council provide an indemnity towards all their costs should the Council pull out of the deal. The heads of terms allow for this up to obtaining planning consent for the development and up to a maximum sum set out in Part B.
- 6.15. The Council can only provide a maximum of 30% of Right to Buy receipts towards this project. Should this be insufficient to support the project it is proposed to provide Housing Zone Grant to ensure the project is deliverable.
- 6.16. Following the announcement in the Comprehensive Spending Review of proposed changes to the housing sector and the introduction of new affordable housing product the GLA will no longer be able to provide grant for affordable rented products, though support for shared ownership is expected to continue. In addition to this the implications of the new NPPF planning regulations are not yet clear. There is a risk that the Monument Way site will be required to deliver a different tenure mix to reflect new planning regulations.

7. Contribution to strategic outcomes

- 7.1. The recommendations in this report are related to a number of Council wide corporate policies and priorities and will help deliver the Council's priorities as set out in the Corporate Plan 2015-2018: building a stronger Haringey together and in the draft Housing Strategy. In particular, the affordable rented homes in this proposed development will support delivery of the Council's target for affordable housing in the Borough.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1. The Council has previously agreed in principle that Right to Buy receipts can be allocated to development partners to increase the level of affordable housing within the Borough. However, in line with other Council expenditure any allocation above £500,000 needs to be agreed by Cabinet.
- 8.2. In allocating Right to Buy receipts, the Council needs to assure itself that 2 criteria are satisfied. Firstly, Right to Buy receipts can only represent a maximum of 30% of the total cost of providing affordable housing, so for example for every £1m invested in Affordable Housing, £300,000 is the maximum that can be funded from Right to Buy receipts.
- 8.3. Secondly the Council needs to ensure that it receives value for money, effectively meaning that the Council contribution via Right to Buy receipts, is only funding additional Affordable Housing Units and not units that could have been provided anyway.
- 8.4. In order to ensure that these conditions are satisfied, the Council will need to verify the viability assessments supplied by Newlon. However, the initial position shows a total scheme cost as set out in Part B, thus a maximum of £5,000,000 of Right to Buy receipts could expect to be allocated. As the scheme costs will change as the project progresses, it would be advisable for Cabinet to provide Delegated authority for this amount to be varied as necessary.
- 8.5. With respect to Right to Buy receipts, the Council has retained around £10,000,000 over the last 3 years, representing the proportion of the sales income the Council is allowed to retain. The other options the Council has for these receipts is to fund its own new build programme or return them to Central Government. The scope of the Council new build programme means that the Right to Buy receipts are very unlikely to be used internally in the timescale (3 years) before they have to be returned to government anyway. Hence this scheme represents good value for money for the Council in that it will increase the availability of affordable housing by using funding that the Council would not otherwise be able to utilise.
- 8.6. The Construction Procurement Group (CPG) have no reasons preventing Cabinet from approving the report recommendations.

Legal

- 8.7. The Council holds the part of the Monument Way site that it owns for housing purposes. The Council can dispose of the land under section 32 of the Housing Act 1985 but it must first obtain the consent of the secretary of state. The Council may dispose of vacant land under Consent A3.2 of the General Housing Consents 2013.
- 8.8. Part of the site includes Fairbanks Road and any public highway and paths may need to be stopped up if the development is to proceed, The stopping up should form part of the planning process.

8.9. The part of the site shown shaded green and shaded orange on the plan are still to be acquired by the Council. Once acquired the Council will hold the land for general fund purposes. The Council may dispose of such land under section 123 of the Local Government Act 1972. The Council can dispose this land in any manner it wishes but must obtain the best consideration that can reasonably be obtained otherwise it must obtain the consent of the secretary of state. The General Disposal Consent 2003 allows the Council to dispose under value provided the under value is less than £2m and where it considers that the disposal would help it secure the promotion or improvement of the economic, social or environmental well being of its area. The Council must also have regards to its community strategy.

8.10. The Council is proposing to grant a sum of a maximum of £5,000,000 to Newlon Housing Trust and in return Newlon will construct a minimum of 44 of affordable rented units on the site. That funding must be no more than 30% of the development costs (as defined in the Agreement with the Secretary of State for Communities and Local Government dated 27 June 2012 (as subsequently varied on 14 June 2013) pursuant to Section 11(6) of the Local Government act 2003. In order to protect that funding Newlon must enter into a funding agreement that is acceptable to the Council and the Council will be able to nominate tenants for these units through a nominations agreement.

Equality

8.11. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;

- Advance equality of opportunity between people who share those protected characteristics and people who do not;

- Foster good relations between people who share those characteristics and people who do not

8.12. An updated version of the Equality Impact Assessment for the Tottenham Hale Delivery Framework accompanies this report (Appendix C), which draws on the plans for Monument Way and the impact on different groups of residents.

8.13. The Equality Impact Assessment concludes that the impact of the disposal of the Monument Way site and development for a scheme which delivered a level of affordable rent units which is considerably higher than current policy requirements is generally considered to be positive as it delivers much needed affordable rent homes in Tottenham Hale as well as provides an opportunity to improve the amenity along Monument Way.

8.14. There should be positive outcomes for groups sharing the protected characteristics, in particular younger residents, disabled residents and BME residents, whose need for affordable housing is proportionally higher. Residents with the protected characteristics will also benefit from the improved amenity, including through increased accessibility for disabled residents and parents/carers with buggies. Within the overall Tottenham Hale Development Framework, a robust process for monitoring and evaluating development will be used to ensure that the intended benefits for all groups of residents, including those from the protected groups, are felt.

8.15. The EqIA also notes that there is potential for disruption arising from the proposed development that will require mitigation. Disruption is likely to impact in particular on residents of the Chesnut Estate.

8.16. The overall Tottenham Hale Delivery Framework recognises the need for engagement with residents and service users likely to be impacted by development proposals, including the need to engage with groups that share the protected characteristics and may be harder to engage. Delivery partners are expected to engage positively and proactively with the community and to support the community throughout the period of development including minimising the impact of disruption from construction works wherever possible.

8.17. The Regeneration Team is working with Homes for Haringey to liaise with hard to reach groups on the Chesnut estate and surrounding areas. A number of priorities have been identified in consultation with the residents in Chesnut Estate (see 6.9) which have already influenced the emerging design and which has also identified some mitigating actions specific to this scheme:

- The target of delivering affordable rent homes
- The delivery of a scheme whose massing respects the building height of the existing estate
- The retention of one of the possible four development plots for open space and inclusion of new play spaces in the refurbishment of Chesnut Road
- The decision on whether to retain the brick wall or not will be made in consultation with residents
- Parking capacity will be part of a separate study and tested through the planning process
- Monitoring and oversight arrangements will be ongoing as part of the DCF communication strategy
- Residents in Chesnut Estate and surrounding areas will continue to be engaged through the pre application stage and detailed design stage
- The construction method statement will be developed in consultation with residents and will aim to minimise disruption caused by the development

9. Use of Appendices

Appendix A – Site Plan

Appendix B – Draft Heads of Terms – In Part B

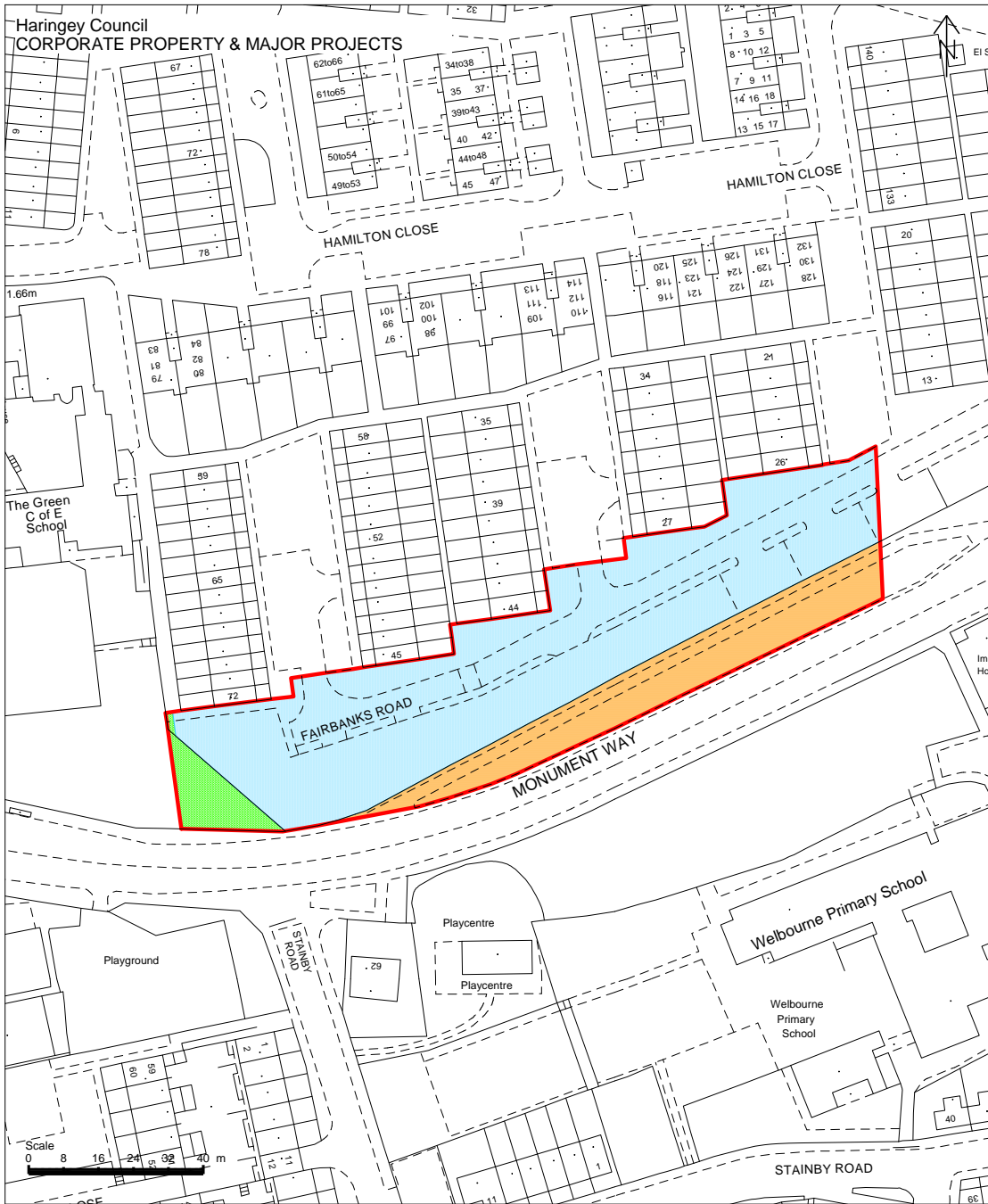
Appendix C – Equality Impact Assessment

10. Local Government (Access to Information) Act 1985

- 10.1. Tottenham Strategic Regeneration Framework (SRF), approved by Cabinet on 18th March 2014
- 10.2. Haringey Local Plan: Strategic Policies
- 10.3. Tottenham Area Action Plan (Pre submission version January 2016)
- 10.4. Tottenham Hale District Centre Framework and supporting strategies, adopted by Cabinet 9 February 2016

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Appendix A – Site Plan



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Development Site
 Fairbanks Road
 Tottenham
 LONDON
 N17

Red verging - Development site
 Blue shading - Haringey Council ownership
 Green shading - Holy Trinity School ownership
 Orange shading - TfL ownership

Site Area : 0.5849 hectare

Overlay : HSS - misc.

Scale 1:1250

Plan produced by Janice Dabinett on 18/02/2016

Drawing No. BVES A4 2778b