

**Report for:** Leader's Decision, 7<sup>th</sup> November 2016

**Title:** Outside Broadcasting Facilities Lease

**Report**

**authorised by :** Lyn Garner, Director for Regeneration, Planning and Development

**Lead Officer:** Helen Fisher, Tottenham Programme Director, 020 8489 3252,  
[Helen.Fisher@haringey.gov.uk](mailto:Helen.Fisher@haringey.gov.uk)

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

**Report for Key/**

**Non Key Decision:** Key decision

**1. Describe the issue under consideration**

- 1.1 The ability to provide exclusive, secure space for outside broadcast facilities on event days is a fundamental requirement for a football club to be able to compete in major sports competitions such as the Premier League, Champions League and to host NFL games.
- 1.2 Planning Sub-committee resolved to grant planning permission and listed building consent on Wednesday 16<sup>th</sup> December 2015 for Tottenham Hotspur FC's (THFC) new stadium led redevelopment scheme (the 'Northumberland Development Project' (NDP)). 'Stage 2' approval was received from the Mayor of London on 25<sup>th</sup> February 2016 and permission issued on 15<sup>th</sup> April 2016 following the Secretary of State's decision not to call-in the application. The consented stadium scheme does not contain outside broadcasting facilities within the structure or footprint of the stadium development.
- 1.3 As well as being a prerequisite for the participation in the sports competitions identified in para 1.1 above, television broadcasting also constitutes a key revenue stream for THFC and therefore an essential component of the funding package for the stadium development scheme.
- 1.4 Tottenham Hotspur FC ("THFC") currently have separate planning permission and a Licence with Haringey Council and Northumberland Park Community School (NPCS) to utilise space within NPCS and highways land on Worcester Avenue to use as outside broadcast space (including a 'Satellite Uplink Vehicle Area' and Event Day car parking). This Licence runs for the period 16<sup>th</sup> April 2014 – 30<sup>th</sup> June 2021.
- 1.5 Further information on the Club's requirements for a lease is set out at this paragraph of the Part B exempt information report.
- 1.6 The NPCS site is part of the Northumberland Park Regeneration Area site and is classified as a 'Category 1' asset within the Haringey Development Vehicle (HDV) procurement process. Early plans for the Northumberland Park

Regeneration Area include emerging proposals to relocate Northumberland Park Community School and The Vale Special School into high quality, new premises within the regeneration area. In this circumstance, the Council would want to relocate the Outside Broadcasting facilities in order to facilitate the redevelopment of the school site. The Council has therefore been working with THFC to look at potential alternative sites for the provision of stadium outside broadcast facilities. The lease (a redacted version is attached as appendix 1 – the redactions relate to the event fees and the proposed capital premium) sets out the parameters that allows the Council or HDV to insist on relocation of the outside broadcast facilities to an alternative location. This ability to ‘lift and shift’ the outside broadcast compound means that the Council or HDV is in control of the scale and parameters of any proposed redevelopment of the school site.

- 1.7 This report sets out the rationale and reasons for the Council agreeing to grant a 99 year lease to THFC for their outside broadcast facilities, including how the land has been valued and how ‘best consideration’ (under S123 of the 1972 Local Government Act) has been achieved (please see sections 6 and 9 below).
- 1.8 The ‘Satellite Uplink Vehicle Area’ is located on Highways Authority land and is not subject to the arrangements of the outside broadcast lease. The ‘Satellite Uplink Vehicle Area’ is subject to its own licence arrangements (set out in S115E of the Highways Act 1980) and a long term licence is currently being agreed between THFC and the Council.

## **2. Cabinet Member Introduction**

- 2.1 The Council has high ambitions for North Tottenham. This is an area that will be transformed into a vibrant, mixed and sustainable community and new leisure destination for London – a place where people want to live, work and visit.
- 2.2 Our ambitions will be achieved through substantial place-shaping, the delivery of high quality infrastructure and thousands of additional new homes.
- 2.3 North Tottenham will be known for its mix of urban and landscape settings, strengthened local centre and with improved access to both a busy London high street and the abundant open spaces of the Lee Valley Park.
- 2.4 Tottenham Hotspur Football Club’s Northumberland Development Project, which was granted planning permission on 15<sup>th</sup> April 2016, is a game changer for north Tottenham and its delivery is a key catalyst for the area’s wider social, economic and physical change. As well as delivering over £600m of investment into north Tottenham, the new Northumberland Development Project also provides other, significant, community benefits. These include hundreds of new homes and jobs, the provision of a new health centre and more high quality public open space. The socio-economic and community benefits of the revised Northumberland Development Project will bring much needed regeneration to Tottenham and help meet the Council’s objectives as set out in both the Tottenham Strategic Regeneration Framework and the emerging Tottenham Area Action Plan. This, in turn, will lead to a net socio-economic and environmental benefit to London as a whole.

- 2.5 The revised Northumberland Development Project scheme will also bring a state-of-the art stadium that will have an increased capacity for football, American Football (NFL), concerts and community events and thus help realise the Council's vision for creating a new leisure destination in north Tottenham. Indeed, through hosting the world's most popular leagues, the Premier League and NFL - collectively viewed by over 5 billion people in 200 countries, the new stadium will raise the profile of Tottenham around the world.
- 2.6 Raising Tottenham's profile and hosting these events requires the ability to televise them through the provision of secure, long term outside broadcast facilities. The provisions set out in the report and the lease recognise the importance of Spurs' role in north Tottenham and the importance of securing the investment in the Northumberland Development Project scheme. The provisions also safeguard the Council's interests in relation to its land, achieving 'best consideration' both now and in the future (see sections 6 and 9 below) and in being able to deliver future change across the Northumberland Park regeneration area.

### **3. Recommendations**

The Leader agrees to:

- 3.1 the Council entering into a 99 year lease with Tottenham Hotspur Football & Athletic Co. Limited (the lease to be entered into is attached as appendix 1) for the provision of outside broadcasting facilities during event periods (a summary of the lease terms is set out in section six below) on the areas of the Northumberland Park Community School site labelled 1, 3, 4 and 5 on the plan attached at appendix 2 of this report, subject to:
- (a) approval by the Governing Body of Northumberland Park Community School;
  - (b) approval/licence to underlet to be obtained under the PFI lease;
  - (c) consent of Secretary of State under Education Act 2011 and Section 77 of the Schools Standards and Framework Act 1998.
- 3.2 delegating any minor amendments required to the lease to the Director for Regeneration, Planning and Development and the Assistant Director for Corporate Governance.

The Leader notes that:

- 3.3 A separate S115E Licence arrangement is being agreed between THFC and the council to allow the club to use land on the corner of Worcester Avenue and Park Lane as a Satellite Uplink Vehicle Area.

### **4. Reasons for decision**

- 4.1 THFC have confirmed in a letter dated 18<sup>th</sup> October 2016 to the Council (attached at appendix 3 within the exempt part of this report) the dependency

between the club being able to guarantee, long term outside broadcast facilities, and therefore media revenues, and their ability to raise funding required to complete their stadium redevelopment.

- 4.2 Failure to access these funds could delay or jeopardise the scheme. If this is the case it could have a significant impact on local businesses and residents. This could also impact on the Council's comprehensive regeneration plans, which benefit from the catalytic effect of the stadium redevelopment.
- 4.3 Dialogue between the Council and THFC, and subsequent feasibility analysis (attached as appendix 4 is a report from Wilson Owens Owens setting out the due diligence process informing this conclusion), has identified that space for outside broadcast facilities could be incorporated within a redeveloped NPCS site should the NPCS site be the subject of redevelopment proposals (as part of plans to relocate and enhance the school and comprehensive estate regeneration proposals that could come forward within the Northumberland Park regeneration area). This work has also indicated that there are other potential site options available within the area within which the provision of outside broadcast facilities are technically possible, however, for the reasons set out in appendix 4 these have all been deemed to be less deliverable and more sub-optimal locations.

## **5. Alternative options considered**

- 5.1 The Council could refuse to grant a lease to THFC and allow them to continue to operate under the current Licence. It could also delay the decision relating to this until firmer plans for the relocation of the outside broadcasting compound have been developed through a formal master planning process.
- 5.2 Whilst the above options may allow more flexibility in respect of the potential development of the NPCS site, this is likely to prevent THFC from obtaining the funding needed to progress their stadium redevelopment during 2016 and 2017.
- 5.3 Potential options for incorporating an outside broadcasting compound into a redeveloped site have been identified as being feasible (and have formed part of the requirements of the 'Outline Solutions' and 'Detailed Solutions' stages of the HDV procurement).
- 5.4 Therefore, the option to not agree the principle of granting THFC a new lease is not recommended.

## **6. Background information**

### Northumberland Development Project

- 6.1 THFC have been promoting the redevelopment of the existing THFC stadium and surrounding site since 2009. In 2012, following revisions to earlier planning applications, THFC secured a planning permission to develop a 56,250 seat stadium, a new supermarket, new commercial space and 285 new homes.

- 6.2 The first phase of this scheme, which included a new supermarket, THFC's administrative offices and new University Technical College, has been built. The Compulsory Purchase Order was confirmed in 2015 and following an unsuccessful judicial review, the remaining land acquired by agreement thereby ensuring that all land required to deliver the project has now been secured. The main operative planning permission and listed building consent for the stadium scheme (Refs HGY/2015/3000 & HGY/2015/3001) have now been lawfully implemented and construction is progressing accordingly.
- 6.3 In December 2015, Planning Sub-Committee granted planning permission for a revised NDP scheme (subsequently approved by the Mayor of London on the 25<sup>th</sup> February 2016). The revised scheme will increase the capacity of the stadium to 61,000 seats with an associated 'Tottenham Experience' museum and shop, deliver 585 residential homes (in four residential towers ranging from 16 – 32 storeys), a hotel, a new 'extreme sports' centre and a health centre.

#### Northumberland Park Regeneration Area

- 6.4 The Northumberland Park Regeneration Area sits in the Northumberland Park Ward in North Tottenham, a ward with high levels of deprivation. The area covers approximately 32 hectares and is characterised by the Council owned Northumberland Park (1020 properties) and Stellar House, Altair Close, Lindales and Bennetts Close (317 properties) housing estates to the north and east of THFC. There are a number of education assets within the area, the Northumberland Park Community School and Lee Valley Primary School are located to the east of THFC and St. Paul's and All Hallow's Infants and Juniors School is located to the south east of THFC. Large swathes of industrial land are located to the north of the housing estate. The regeneration area sits between the West Anglia Mainline line to the east and Tottenham High Road to the west.
- 6.5 The Tottenham SRF (2014) sets out the vision for Northumberland Park: "The ambitions for Northumberland Park are extremely high. The neighbourhood will be transformed into a mixed and sustainable community where people want to live, work and visit. It will retain its diverse north London character and have a strengthened community identity. The neighbourhood will be known for its mix of urban and landscape settings, with improved access to both a busy London high street and the abundant open spaces of the Lee Valley Park."
- 6.6 Fletcher Priest Architects were commissioned (Summer 2014) to work with the Council and the local community to develop a 'Northumberland Park Strategic Framework' which would:
- Develop **community consciousness** about the impacts of, and opportunities from, regeneration and help establish community engagement infrastructure
  - Establish a set of **Key Principles for Change** to guide a future regeneration plan or masterplans
  - Establish a set of **'Place' Structure Principles** to inform any future physical change
  - Set out the **potential capacity** for housing growth, commercial development, community infrastructure and open space in Northumberland Park

- 6.7 In February 2015, following eight months of consultation and engagement with the local community, the Council published the Northumberland Park Strategic Framework which set out the potential for change in the area. This included recommending the principle of relocating Northumberland Park Community School and The Vale Special School to a new location be explored further, in order to provide world class education facilities as well as releasing the existing site for mixed use, residential led development.
- 6.8 The Strategic Framework has informed the **Tottenham Area Action Plan (AAP)** which underwent its Examination in Public (EiP) in September 2016. The AAP sets out planning, infrastructure and development objectives that will guide the comprehensive physical, social and economic regeneration of the area.
- 6.9 The ability to provide exclusive, secure space for outside broadcast facilities on event days is a fundamental requirement for a football club to be able to compete in major sports competitions such as the Premier League, Champions League and to host NFL games. The Council has therefore been working with THFC on a new lease which contains provisions to allow the Council or proposed HDV to relocate (lift and shift) the Outside Broadcasting facility to ensure that redevelopment of the NPCS site can proceed.

The key regulations relating to outside broadcast facilities

- 6.10 THFC have provided the Council with information from the relevant sports organisations (the Premier League and UEFA) relating to the stipulations and requirements for outside broadcast facilities. The lease sets out the following event periods and space requirements for the relevant events:

Event Type	When must outside broadcast facilities be available?	Space requirements	Event Category
UEFA (Champions League)	<ul style="list-style-type: none"> <li>From 9.00am, two days before the match</li> <li>Until 12.00pm, the day after the match</li> </ul>	<ul style="list-style-type: none"> <li>1500m<sup>2</sup> for play off and group stages</li> <li>2800m<sup>2</sup> for all subsequent stages</li> </ul>	Category A Event
UEFA (Europa League)	<ul style="list-style-type: none"> <li>From 9.00am, two days before the match</li> <li>Until 12.00pm, the day after the match</li> </ul>	<ul style="list-style-type: none"> <li>1500m<sup>2</sup> for group stages</li> <li>2800m<sup>2</sup> for all subsequent stages</li> </ul>	Category B Event
Premier League (Premier League), FA (FA Cup) and Football League (League Cup) and all other association football matches	<ul style="list-style-type: none"> <li>From 9.00am, one day before the match</li> <li>Until 12.00pm, the day after the match</li> </ul>	<ul style="list-style-type: none"> <li>1500m<sup>2</sup></li> </ul>	Category C Event

Event Type	When must outside broadcast facilities be available?	Space requirements	Event Category
World Cup and European Championship	<ul style="list-style-type: none"> <li>From 9.00am, four days before the match</li> <li>Until 12.00pm, the day after the match</li> </ul>	<ul style="list-style-type: none"> <li>2800m<sup>2</sup></li> </ul>	Category D Event
NFL (American Football) & Other Events	<ul style="list-style-type: none"> <li>From 9.00am, two days before the game</li> <li>Until 12.00pm, the day after the game</li> </ul>	<ul style="list-style-type: none"> <li>2800m<sup>2</sup></li> </ul>	Category E Event
Concerts	<ul style="list-style-type: none"> <li>From 9.00am, two days before the concert</li> <li>Until 12.00pm, the day after the concert</li> </ul>	<ul style="list-style-type: none"> <li>2800m<sup>2</sup></li> </ul>	Category F Event

6.11 There are 19 home Premier League matches per season. Should the Club perform well in the League and other tournaments there could be an additional 3 to 12 home games per season. A further 16 'major events' (defined as hosting more than 10,000 spectators) are permitted (via the Planning Consent) to be hosted each year at the stadium. These would be up to 6 concerts and up to 10 other major events, for example, NFL.

### The proposed lease arrangements

6.12 The lease (attached as appendix 1) sets out the details of the agreement between THFC and the Council for outside broadcast facilities. The principal terms are set out below:

Parties:

6.13 Haringey Council; The Governing Body of Northumberland Park Community School; Tottenham Hotspur FC.

Term:

6.14 99 years. Because of the existence of the PFI lease of the school (and the underlease from the PFI provider to the school) until 2025, there will be an initial lease for a term until the PFI lease and school lease expire and thereafter a further lease for the balance of the 99 years. Both leases will be granted now even though the term of the second lease does not start until 2025. If the PFI lease and the school lease fall away for any reason, there is an obligation on

the Council to grant a new lease to THFC for the period from that date until the term of the second lease starts in 2025.

**Premises:**

- 6.15 The demise will be the existing electrical/communications cabinets together with rights to use the existing outside broadcast compound and event day car parking (the space for event day car parking ceases if the NPCS site is redeveloped).

**Permitted use:**

- 6.16 The permitted use is "the siting of electrical and telecommunications equipment and parking of vehicles containing equipment for use in connection with outside broadcasting of events". "Events" are not limited to football events and may include concerts or NFL games. In all circumstances vehicles must be related to outside broadcasting and not, for example, concert set up or other activities which do not relate to broadcasting. Event day car parking is separately specified and will fall away once the lift and shift is operated.

**Event rent and premium:**

- 6.17 The current licence fee and proposed rent for the new lease is set out at this paragraph of the Part B exempt report.
- 6.18 The event rent ceases to be payable after THFC have paid the premium which falls due when the existing outside broadcast compound is replaced with the new permanent arrangements. If no permanent arrangements are ever implemented, then the event rent (the fee for each event period) will carry on for the period of the 99 year lease.
- 6.19 The premium and the basis of the calculation is set out at this paragraph of the Part B exempt report.
- 6.20 The premium must be paid to the Council (or to HDV if the site has already been transferred to HDV) when the new lease of the permanent OB space has been granted.

**Assignment and alienation:**

- 6.21 THFC cannot assign or underlet the lease other than to an entity which is the stadium owner or operator. There is a covenant that the lease must be transferred to whichever entity is the stadium owner from time to time and that entity must covenant with the Council to comply with the terms of the Lease. The consent of the Council is not required for any transfer of the Lease to the stadium owner.

**Repairs:**

- 6.22 THFC is responsible for repairing and maintaining the equipment cabinets and making good any damage to the compound when it is used for outside broadcast purposes. The Council is responsible for the general maintenance of



the outside broadcast compound but THFC are obliged to contribute 50% of the general maintenance costs.

### Lift and Shift Parameters

6.23 The lease contains provisions which allow the Council or proposed HDV to relocate (lift and shift) the Outside Broadcasting facility to ensure that redevelopment of the NPCS site can proceed (if this were to happen in future). The area where the outside broadcast compound can be relocated to is set out in Plan 4 of appendix 1 (the area shaded pink). The key provisions relating to the lift and shift of the outside broadcast compound are set out below:

### **Site Requirements:**

6.24 To give the Council or HDV certainty as to what must be delivered as part of the relevant phase, THFC have provided the 'Site Requirements' which must be catered for in any proposed new demise and OB compound before any lift and shift can be operated. These requirements are set out in full in Schedule 6 of the outside broadcast lease (appendix 1 to this report).

6.25 The terms of the lease provide that any redevelopment of NPCS will mean that the outside broadcast compound would need to be relocated. Therefore the requirements for the outside broadcast compound must be taken into account as part of the design and planning process for HDV's development.

### **Minimum Specification Requirements:**

6.26 In addition to the Site Requirements, which relate to the actual land itself, THFC have also specified requirements which relate to the design or construction of the new premises or compound. These are defined in the lease as Minimum Specification Requirements e.g. surfacing materials and electrical supply. Any planning permission for redevelopment of this part of Northumberland Park must be capable of enabling these requirements to be achieved. The Minimum Specification Requirements are set out in Schedule 6 of the outside broadcast lease (appendix 1 of this report). As the detailed design of the space is a number of years away, the exact details of how the premises and compound shall be delivered will be agreed by the parties during the planning process.

6.27 The obligation to provide a site which meets the Site Requirements and achieving a planning consent which permits the Minimum Specification Requirements to be constructed will be passed onto the HDV when established.

### **THFC Consultation**

6.28 Prior to making any planning application, the Council must provide information relating to the design and location of the proposed new location of the outside broadcast compound to THFC. The Council shall then consult with THFC as to whether or not the proposed design meets the Site Requirements and the Minimum Specification Requirements.

- 6.29 The Council shall be entitled to design the new premises and compound to exceed or improve upon the Minimum Specification Requirements (provided that it shall be responsible for the costs of any such improvements).
- 6.30 The Council must then provide a copy of any planning permission obtained (which itself is happy with) to THFC within 30 working days of receipt and then THFC have 30 working days in which to confirm whether the planning permission is acceptable to it.

**Lift and shift timing and arrangements:**

- 6.31 Once both parties have agreed the planning permission is acceptable, THFC and the Council/HDV shall agree:
- the costs of the works to construct the new premises and outside broadcast compound (the "Build Works") including (if required) the split of any costs and a payment programme. THFC cannot be obliged to pay more for the costs of achieving the Minimum Specification Requirements. Any upgrades of these will be at HDV's cost;
  - who will carry out the different elements of the Build Works (including programme); and
  - who will discharge any conditions in the planning permission or s106 Agreement which relate to the new premises or outside broadcast compound.
- 6.32 If the above cannot be agreed, either party can refer the matter to an expert for determination.
- 6.33 Once the Council/HDV has:
- agreed the above matters with THFC;
  - provided satisfactory evidence of its title to the new demise and outside broadcast compound to THFC; and
  - fulfilled any pre-commencement planning conditions which fall to the Council/HDV to fulfil,
- the Council/HDV is entitled to serve the Works Notice. This notice confirms that the new demise and outside broadcast compound are ready for the Tenant to start its works (which will comprise whatever has been agreed as stated above plus works to construct new ducting and cabling).
- 6.34 THFC is granted a licence of the relevant area to carry out its works and the lease contains provisions obliging the parties to co-operate to allow THFC's works and any works by the Council/HDV on the wider development to be carried out at the same time.
- 6.35 Once THFC's works are completed, there may be a period where the site is handed back to the Council/HDV, to allow the works allocated to the Council/HDV to carry out to be completed or to allow works to adjacent land to be completed.

- 6.36 At any time once the new demise and outside broadcast compound are completed, the Council/HDV may serve a 'Relocation Notice' on THFC requiring them to vacate the existing premises and outside broadcast compound and move to the new ones by a specified date. The notice must expire at least eight weeks later and at least eight weeks of any notice period must fall wholly within the closed season (typically end of May until mid-August in each year). This is to give THFC sufficient time to test the new cables and the new premises, outside of the football season, to ensure their continuous ability to operate.
- 6.37 Where less than eight weeks of the notice period fall within the closed season, the Council/HDV may request that THFC takes such steps as THFC considers possible (having regard to what is technically and operationally feasible) to reduce the period required to carry out the remaining works/testing. Any costs associated with such request would be borne by the Council/HDV.
- 6.38 On or before expiry of the Relocation Notice (subject to the grant of the new lease), THFC shall remove its apparatus (including electric cabinets) from the current Premises and the outside broadcast compound and hand back to the Council/HDV the same with capped services and a level and useable surface. THFC is not obliged to remove any underground apparatus and the Council/HDV may dispose of those as it sees fit.

#### **Certainty of cost contributions from THFC:**

- 6.39 Subject to any improvements which are payable by the Council (see paragraph 6.31 above), THFC shall be responsible for the costs of achieving the Minimum Specification Requirements on up to two 'relocations' (one temporary, one permanent) under the Lift and Shift. Any further relocations will be at the cost of the Landlord (which will likely be the HDV by this point).

#### **Long term maintenance arrangements:**

- 6.40 Until the lift and shift is operated, THFC shall continue to maintain the current premises and the outside broadcast compound. Following the lift and shift, THFC shall be responsible for maintaining the premises (which contain its cabinets only). The Council/HDV shall be responsible for maintaining the outside broadcast compound (excluding any underground apparatus belonging to THFC, for which it will remain responsible). THFC will contribute 50% of the costs of such maintenance, but if THFC cause any specific damage to the OB compound themselves, it is obliged to repair this.
- 6.41 Where the Council/HDV carries out the works to create the new premises and outside broadcast compound, THFC shall not be obliged to repair any inherent defects in such works. The Council/HDV shall not be entitled to recover any costs from THFC for repairing such defects either.

#### Valuation and Best Consideration

- 6.42 The Council is required to ensure itself of 'best consideration' (by complying with its duties under S123 of the 1972 Local Government Act) in relation to the terms of the outside broadcast lease in respect of a) the fee per event period as

of today; b) the capital premium payable in the event of the lift and shift taking place.

- 6.43 The lease sets out a fee per event period THFC must pay.
- 6.44 The event fee is referred to in this paragraph of the Part B exempt information report.
- 6.45 The report from the District Valuer Service (attached within the private and exempt part of this report) confirms that this fee represents best consideration to the Council. In addition the fee is index linked to the Retail Price Index.
- 6.46 The District Valuer's "red book" valuation is set out in this paragraph of the Part B exempt information report.
- 6.47 The Council has separately been advised by Bilfinger GVA in relation to the Council achieving best consideration in the circumstances where the outside broadcast facilities are relocated from their current location in the future to an alternative location on Council or HDV owned land. This advice has established that an index linked capital premium will be payable to the Council in these circumstances. An indexed link capital premium is preferable to the arrangement which provides for fees for each event period as it de-risks the Council's financial position through providing clarity and certainty to the Council as to the minimum financial return it can expect for the remaining lease term (rather than an unknown number of events which may, or may not, take place in future.)
- 6.48 The index linked capital premium is set out at this paragraph of the Part B exempt information report.
- 6.49 Further information on the basis of this calculation is set out at this paragraph of the Part B exempt information report.
- 6.50 The capital premium negotiated by GVA reflects a value based on obtaining planning for a residential development for the land which reflects best consideration. This approach is on the basis that this is likely to be the most favourable outcome for the site in line with the Council's current planning policy. The base figure has been index linked to the Land Registry House Price Index in order that this figure is protected until the relocation takes place. GVA have confirmed their approach reflects best consideration in a letter dated 28<sup>th</sup> October 2016.

## **7. Contribution to strategic outcomes**

- 7.1 THFC's Northumberland Development Project is in line with two of the Council's key priorities: Priority 4 (Drive growth and employment from which everyone can benefit) and Priority 5 (Create homes and communities where people choose to live and are able to thrive). Retaining THFC within the borough and supporting the development of a larger stadium is a vital element of the wider regeneration plans held by the Council. The level of increased footfall, inward investment and increase in land values delivered by the Northumberland

Development Project will act as a catalyst for further Council led public and private investment in north Tottenham, bringing the physical, economic and social improvements that are much needed in one of the country's most deprived wards.

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

## **9. Finance and Procurement**

### Finance comments

- 9.1 There are a number of financial implications from this report. These focus around the various lease arrangements and the potential impact of the HDV as the land in question is a category 1 site within the proposals.
- 9.2 As set out in this report, the current licence arrangements generate income (based on event fees – please see Part B exempt information report for further details ) which goes to the school and it is proposed to continue with the current fee income basis until such time as the school is relocated except that this will be under a new lease agreement rather than a licence arrangement.
- 9.3 After this event, the lease income (based on the current licence event fee income) would go directly to the Council (as landlord) unless the land has been transferred to the HDV in which case income would flow to the HDV as landlord.
- 9.4 The index linked capital premium is set out at this paragraph of the Part B exempt information report.
- 9.5 The District Valuer's "red book" valuation is set out in this paragraph of the Part B exempt information report.
- 9.6 The Council is required to receive "best consideration" for any General Fund land disposals and the Borough Valuer has confirmed that the premium proposed represents best consideration.
- 9.7 If the land is transferred to the HDV then there will be a subsequent revaluation of the land prior to disposal into the vehicle and there is the possibility that the land would be valued higher or lower than the current premium proposed at that time.
- 9.8 The report makes reference to a PFI lease and it is understood that permission will be need to be sought from the PFI vehicle to grant the leases in question. It is not clear at this stage whether there are any financial implications arising from this.
- 9.9 The proposals in fact grant two leases. An initial lease coterminous with the end of the current PFI arrangements and then a reversionary lease for the remainder of the 99 years. The premium is actually not payable on the granting of the leases but on the event of relocation of the existing outside broadcasting facilities to a permanent site.

- 9.10 There are potential tax implications arising from the transaction. Any supply of land is exempt for VAT purposes which means that VAT on costs incurred would not be reclaimable. However, the Council may still be able to reclaim VAT as long as total exempt supplies during the financial year do not breach its partial exemption threshold in force for that particular year. Any breach of the PE threshold means that all VAT on costs relating to exempt transactions would no longer be reclaimable. Expert advice will need to be sought in respect of these particular transactions.
- 9.11 Under the current licence arrangements THFC are responsible for the maintenance of the existing site and going forward, if a permanent solution is found then they will only be responsible for 50% of the maintenance costs (unless damage caused from events) with the Council or HDV (to be established) being responsible for the other 50%.
- 9.12 The event fee is referred to in this paragraph of the Part B exempt information report.

## **10. Legal**

- 10.1 The areas to be let are on the Northumberland Park Community School site and the site is held for education purposes and is still occupied by the school. The school will give its consent by being a party to the Lease. To grant the Lease, the consent of the Secretary of State is first required under the Education Act 2011 as there is a school on the site and also under Section 77 of the Schools Standards and Framework Act 1998 as the area to be let is a part of the school's playing field.
- 10.2 The Leader should note that the Academies Act 2010 gives the Secretary of State the discretion to make a transfer scheme in relation to land. Where the local authority holds a freehold or leasehold interest in land that a school occupies, the Secretary of State may on request make a scheme in relation to land that essentially necessitates the transfer of such land.
- 10.3 The Northumberland Park Community School site is the subject of a PFI Agreement (currently suspended) entered into between the Council and Haringey School Services Limited. As part of that arrangement the Council entered into a lease and sublease arrangement. Under the terms of underlease the Council must not underlet, share possession, occupation or grant licences of the whole or part of the school premises. Prior to entering into any lease the Council must obtain the consent of Haringey School Services Limited.
- 10.4 The Council is entering into a lease for a term of 99 years and therefore must, under section 123 of the Local Government Act 1972, obtain best consideration reasonably obtainable for the areas to be let.

10.5 The lease will be outside the security of tenure provisions of Part II of the Landlord and Tenant Act 1954 to protect the Council's position where the Council wishes to break the tenancy under the "lift and shift" provisions.

## 11. Equality

11.1 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

11.2 Finding a long-term solution to securing outside broadcasting space for THFC events is critical to enabling the Northumberland Development Project to go ahead. This development is an essential part of the wider Tottenham Regeneration programme, that aims to bring social, economic and environmental benefits for all groups of residents living in the area. The White Hart Lane and Northumberland Park areas that neighbour the THFC stadium have some of the highest levels of deprivation in the borough and are set to benefit most from the opportunities that the regeneration plans will bring. Equalities considerations are informing the Tottenham Regeneration Programme and equality impact assessments accompanied both the 2012 A Plan for Tottenham and the 2015 High Road West Masterplan Framework

11.3 The existing license covering outside broadcasting space includes the use of the Northumberland Park Community School. This arrangement will continue in the interim under the proposed new lease, and therefore is expected to have the same minimal impact as per now. However, once a decision has been reached over the potential relocation and expansion of the school as part of the future Northumberland Park regeneration plans, then it may then become necessary for the Council to undertake a full equality impact assessment into the different options for alternative sites available for the outside broadcasting space.

## 12. Use of Appendices

- Appendix 1. Outside Broadcast Facilities Lease
- Appendix 2. The areas to be let
- Appendix 3. Letter from THFC (18<sup>th</sup> October 2016) – contained within the exempt part of this report
- Appendix 4. Due Diligence report (Wilson Owens Owens)
- Appendix 5. Valuation Report for land at Northumberland Park Community School, Trulock Road, London N17 0PG (Prepared by DVS) - contained within the exempt part of this report
- Appendix 6. Letter from Bilfinger GVA (28<sup>th</sup> October 2016) - contained within the exempt part of this report

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

13.1 n/a