

'CALL IN' OF DECISIONS OF THE CABINET

This form is to be used for the 'calling in' of decisions of the above bodies, in accordance with the procedure set out in Part 4 Section H.2 of the Constitution.

TITLE OF MEETING	Cabinet Committee
DATE OF MEETING	18 th October 2016
MINUTE No. AND TITLE OF ITEM	88 ITEM 15 Preferred Bidder to Secure the Future of Hornsey Town Hall

1. Reason for Call-In/Is it claimed to be outside the policy or budget framework?

This decision agrees the sale of the Hornsey Town Hall site to Far East Consortium.

Haringey Council, being the owners of the Hornsey Town Hall site, had unfettered opportunity to apply for new planning permission after the agreement with Mountview fell through. The Council took a decision not to do so prior to engaging with the procurement process.

Underpinning the foundations of the decision to sell is an expectation – or an intention – that only 4 units of affordable housing will be built on this site.

Consequently, we the undersigned contend that the decision to sell the Hornsey Town Hall site to Far East Consortium with the expectation that only 4 units of affordable housing will be built upon it, falls short of policy goals espoused within the Corporate Plan, the Housing Strategy and the Local Plan.

The decision delivers an outcome outside of the policy framework Priority 5 of our Corporate Plan "Creating mixed and inclusive neighbourhoods"

"Achieve a step change in the number of new homes being built ...to provide greater numbers of affordable housing...supporting low and middle income residents to get on the housing ladder ..."

This policy springs from a manifesto commitment to build mixed communities "across the borough". Whilst there is much land and many sites available in the centre and east of the borough, in order to deliver that policy in the west of the borough, sites like Hornsey Town Hall need to be utilised. As well as failing to deliver an appropriate level of affordable housing, the Cabinet decision regarding the sale of Hornsey Town Hall contained no safeguards whatsoever to ensure that the properties that were built would be marketed to the people of Haringey, before being available for purchase by anonymous overseas investors. There is negligible affordable housing, no provision for social housing and no guarantees for local people that they can buy the flats being built.

The decision is taken in contravention of key policy objective within the Housing Strategy

"[Haringey Council will] Put mixed communities at the heart of our approach. Not just a mix of homes across the borough, but a mix within each neighbourhood ... in Haringey this means focusing new affordable rented housing as much as possible in places where it is currently scarce ..."

Located in the heart of Crouch End, Hornsey Town Hall provides a vital opportunity for Haringey to deliver on this key objective within the Housing Strategy. The Town Hall and car park are both in the Council's ownership and Crouch End is an area where both social and affordable housing are scarce.

In order to achieve the Housing Strategy's objectives and enable the development of mixed communities, the Council has deliberately prioritised facilitating more market-rent homes and homes for sale in areas which are currently dominated by affordable rented housing. In Tottenham, for example, there is the new Spurs development, and the proposed tower blocks at Apex House and Wards Corner.

The Council has been prepared to reduce the social and affordable housing percentage in developments in the east of the borough to facilitate these mixed communities. It should be equally willing to deliver more affordable housing units in the west of the borough.

The housing proposed within the Hornsey Town Hall development presents a rare opportunity. The Strategy expects us to redress the existing local imbalance and deliver those same mixed communities we are creating in Tottenham, in the west of the borough as well. The Housing Strategy expects us to build a significant number of affordable housing units on the Hornsey Town Hall site.

Decision taken in contravention of Corporate Plan policy outcome "Value for money"

"We will get better value out of every pound spent"

Nowhere within the report upon which this decision is based is there clear evidence that the proposed sale of the Hornsey Town Hall site for the restoration of Hornsey Town Hall makes financial sense, or is the best or only financial option available.

The decision offers poor value for money for Haringey Council Taxpayers to whom this building ultimately belongs. When considering the proposed cost to refurbish the Town Hall and the potential profit to be made, the Council has substantially undervalued the land and the premium to be paid to the Council is well below what might reasonably be expected given land values in this area.

Option D in the report was never seriously considered as to whether this would provide a more cost effective route to renovate the Town Hall. When taken on its own merits, the Hornsey Town Hall car park site is perfectly capable of delivering a housing development 40% of which is affordable. No evidence was available within the report to challenge the belief that the viability of such a development would also allow for the regeneration of the Town Hall. There was neither a viability report requested, nor a viability report submitted that argued that this site could not deliver closer to the 40% of affordable housing that the policy required and renovate the Town Hall. There were no costings in the public report regarding the value of the land, and no clear justification for the £27m cost to renovate the

Town Hall.

Decision taken in contravention of Local Plan Policy SP2

The procurement was predicated upon a decision taken in direct contravention of Local Plan Policy SP2, placing the Executive in direct conflict with its own planning and development management department. The Council intends for only 4 affordable units to be built on this site. If the Council does not respect its own policies, how can it legislate to ensure others will? Irrespective of when this decision was taken, it was still in contravention of policy and was the foundation underpinning all further actions leading to the decision to sell.

Haringey's Local Plan Policy SP2 – Housing - states

“The need for affordable housing outstrips supply, with a shortfall in provision of 11,757 homes over the period 2015 to 2031. As a proportion of the total net housing requirement for all tenures (20,172) over the same period, this equates to 59%.

“Subject to viability, sites capable of delivering 10 units or more will be required to meet a borough wide affordable housing target of 40%, based on habitable rooms.”

This site belongs to the Council and changing the planning consent was within our gift. Consequently, it was an overt act to ignore the existing planning policy – at that time a 50% affordable housing requirement. This decision has caused loss to the people of Haringey who are in need of affordable housing. Furthermore, there is no certainty as to whether or not the community aspect of the proposal can be delivered to justify the decision to deprioritise the provision of affordable housing and to deprioritise receiving the best financial return.

We contend that the decision to sell fails to deliver within the four above policy frameworks, though it does achieve part of Priority 4, with regards to the regeneration of Hornsey Town Hall.

However it is not logical to meet one policy objective at the cost of all others. For the council to prioritise one policy objective over another there must be a clear benefit and clearly defined deliverables attached with this.

Furthermore, if the council contends that it is acceptable to deliver on one policy by breaching another, then it is incumbent upon the Council to prove its assertions that the former policy can be delivered in full.

The report placed “an unprecedentedly low score” for the financial offer (18%), whilst prioritising the Community Offer (21%). However, the report does not set out any clear process for communicating and agreeing that offer with the local community; fails to describe what that offer would look like or how that community offer would be delivered.

Finally

The report consists of a number of inconsistencies that the Cabinet may have relied upon when coming to its decision.

The report highlighted the fact that the preferred bidder could deliver their proposals using the existing planning consent [a scorable part of the bidding process]. During the Cabinet

meeting, it was explicitly said that the planning strategy of the preferred bidder had no risk, and that this was one of the deciding factors in their success.

However, then the report (6.29) asserts that the successful bidder will require "planning amendments" to deliver their aspirations - without fettering the scale or scope of that planning application. In addition, the report and Cabinet members are simultaneously asserting that the Council was bound by the existing planning consent which it used as the basis for the original procurement.

If the preferred bidder can apply for new planning consent, why could the Council not do so? Nowhere within the report does it contradict the assertion that the existing planning consent can be changed. And nowhere within the report does the Cabinet express a desire to do so.

There was also a differing view amongst experts as to whether the existing planning consent was suitable for the running of a hotel, however, since the report talks about "planning amendments", one could assume that it is not.

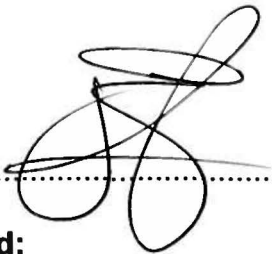
This is, at a minimum, confusing and inconsistent. A report on such a vital issue should be clear and transparent regarding these matters.

2. Variation of Action Proposed

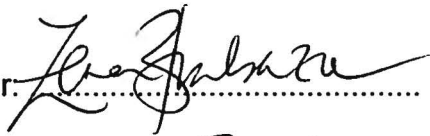
We are asking the Overview and Scrutiny Committee:

1. To agree that the agreement to sell to the preferred bidder is predicated upon an expectation that only 4 affordable units will be built on the Hornsey Town Hall site
2. That the Council deciding to build only 4 affordable units on the Hornsey Town Hall site falls outside of the policy framework of:
 - i. The Corporate Plan; and/or
 - ii. The Housing Strategy; and/or
 - iii. The Local Plan
3. To agree that – since this is a decision taken outside of the policy framework – there are insufficient guarantees that the expected mitigations used to justify taking this decision can be delivered
4. To refer the report back to the Cabinet or Full Council as it wishes and we ask the Committee:
 - to instruct the Cabinet to renegotiate the level of affordable housing to be built on the site, increasing it to AT LEAST 30% (by habitable room) before completing the sale, because it will not be possible to do so afterwards.
 - to instruct the Cabinet to add a clause to the proposed contract that confirms the exact details of the community offer within the Town Hall; clarity about public access to the building (including the chamber), the piazza and the green prior to the completion of the sale.
 - to instruct the Cabinet to add an additional condition to the contract to ensure that the preferred bidder keeps to their word with regards to the height and density of the proposed housing development. At the Cabinet committee, it was asserted that the ultimate choice of the preferred bidder was in large part predicated upon them being able to deliver the project using the existing planning consent “without increased massing”.


Signed:


Councillor:  (Please print name): EJLÓFOR

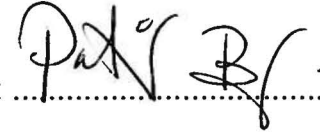
Countersigned:

1. Councillor:  (Please print name): ZENA BRAZON


2. Councillor:  (Please print name): M. BLAKE

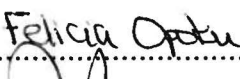
3. Councillor:  (Please print name): GORDON BULL

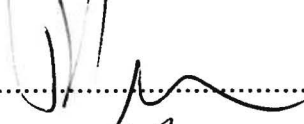
4. Councillor:  (Please print name): CHARLES ABJE


5. Councillor:  (Please print name): PAT BERRYMAN


6. Councillor:  (Please print name): ANNE STEUNSTI

7. Councillor:  (Please print name): KISOROS DIAKIDES

8. Councillor:  (Please print name): FELICIA OPORU

9. Councillor:  (Please print name): NOAH TUCKER

10. Councillor:  (Please print name): REG RICE

11. Councillor:  (Please print name): VINCEVIC CARRO

12. Councillor: (Please print name):

Date Submitted: 24 October 2016

Date Received: 24 October 2016
(to be completed by the Democratic Services Manager)

Notes:

1. Please send this form to:

Michael Kay (on behalf of the Proper Officer)
Democratic Services and Scrutiny Manager
5th Floor
River Park House
225 High Road, Wood Green, London N22 8HQ
Tel: 8489 2920
Fax: 020 8881 5218

This form must be received by the Democratic Services and Scrutiny Manager by 10.00 a.m. on the fifth working day following publication of the minutes.

2. The proper officer will forward all timely and proper call-in requests to the Chair of the Overview and Scrutiny Committee and notify the decision taker and the relevant Director.
3. A decision will be implemented after the expiry of ten working days following the Chair of Overview and Scrutiny Committee's receipt of a call-in request, unless a meeting of the Overview and Scrutiny Committee takes place during the 10 day period.
4. If a call-in request claims that a decision is contrary to the policy or budget framework, the Proper Officer will forward the call-in requests to the Monitoring Officer and /or Chief Financial Officer for a report to be prepared for the Overview and Scrutiny Committee advising whether the decision does fall outside the policy or budget framework.