

Report for: Leader Signing 24 November 2017

Title: Hornsey Town Hall (HTH) – Agreement to Contribute the Council’s Capital Receipt Towards Affordable Housing

Report authorised by: Lyn Garner, Strategic Director Regeneration, Planning & Development

Lead Officer: Saheeda Bowmer, Senior Project Manager

Ward(s) affected: Crouch End Hornsey, Highgate, Muswell Hill, Fortis Green and Alexandra

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

1. Describe the issue under consideration

1.1 In June 2015 the Council’s Cabinet agreed an OJEU compliant competitive tendering process for the Hornsey Town Hall site (“Site”), in order to secure a long term partner to maintain and operate the Hornsey Town Hall building and redevelop part of the Site.

1.2 This tendering process concluded in Summer 2016 and on 18th October 2016 the Council’s Cabinet approved Far East Consortium International Ltd (FEC) as the preferred bidder. On 8 February 2017 the Council entered into a Development and Lease Agreement with FEC and the Council is expected to receive £3.5m in land premium for the Site. FEC has submitted a planning application for the scheme and is due to go before the Planning Sub-Committee on 11th December 2017.

1.3 FEC’s planning proposal currently includes 11 affordable housing units and the outcome of recent viability discussions has confirmed the developer will be funding these units. There is now an opportunity for the Council to invest its £3.5m capital receipt in more affordable housing in wards in the west of the borough, such as Crouch End, Hornsey, Highgate, Muswell Hill, Fortis Green and Alexandra and this additional £3.5m is likely to achieve at least another 15 affordable housing units.

1.4 This report seeks authority to use up to £3.5m of the Council’s land receipt from the Site to fund affordable housing in this area, which will boost the affordable provision linked to this project.

2. Cabinet Member introduction

2.1 The complexity and expense of restoring Hornsey Town Hall has meant that securing affordable housing on the site has not been a key driver of our ambitions for the building. However, as a council, we are committed to creating as much affordable housing as possible in Haringey. We are proud that almost three quarters of all new homes built on major developments in the borough during the past five years are

affordable, and we will always explore every option for maximising affordable housing wherever possible.

- 2.2** We have been in robust negotiations with preferred bidder FEC and welcome the fact that their planning application for the site was recently amended to show 11 affordable homes on the Hornsey Town Hall site and that after robust discussions FEC will fund these affordable homes. There is an opportunity for the Council to use its land receipt to deliver more affordable homes in the west of the borough, which when added to the on-site homes is likely to create more than 25 new affordable homes in this area.

3. Recommendations

3.1 The Leader is asked to:

- 3.1.1 Agree that up to £3.5m, which is the total capital receipt the Council is due to receive for the long lease of the Site, be used to fund affordable housing in wards in the west of the borough, such as Crouch End, Hornsey, Highgate, Muswell Hill, Fortis Green and Alexandra.
- 3.1.2 Give delegated authority to the Strategic Director of Regeneration, Planning and Development in consultation with the Section 151 Officer to decide the final amount to be spent, the number and type of affordable housing to be provided.

4. Reasons for Decision

- 4.1** Hornsey Town Hall is an iconic building right at the heart of Crouch End which must be restored and preserved for future generations of Haringey residents. Finding a plan for the Town Hall which restores the stunning historical features, opens up the building to the public, enables community use and gives the building a sustainable financial footing has been a challenging task because of the deteriorating condition of the building and significant community focus required for the building. As a result of this, securing affordable housing on this Site has been difficult however there is an opportunity for the Council to commit its land receipt from the Site to fund affordable housing in this area.
- 4.2** The Council's commitment to fund affordable housing in this area using its land receipt should be set out clearly in advance of Planning Committee meeting on 11th December 2017, therefore this recommendation is not going to Cabinet on 12th December and is instead coming forward through a Key Decision Report for Leader Signing.

5. Alternative options considered

- 5.1** The alternative option that have been considered for the Hornsey Town Hall project can be defined as follows:
- Option A - Do nothing: The Council's land receipt for the Site goes into the Council's capital strategy to fund other priorities across the borough.

6. Background information

HTH Procurement & Planning

- 6.1** On 8 February 2017 the Council entered into a Development and Lease Agreement for the Site with FEC following a Competitive Dialogue Procedure and this Development Agreement is conditional on FEC obtaining planning permission for their scheme. Once the Development Agreement becomes unconditional the Council will grant a long lease of the Site for a sum of £3.5m.
- 6.2** FEC has now made a planning application for the Site, which includes 11 affordable units that they will be funding in addition to their other investments at HTH, which include removing the town hall building from Historic England's 'Heritage at Risk' register, substantially refurbishing the town hall and Broadway annexe, launching a community focused arts centre in the building, guaranteeing continued public access to the town hall and improving the town hall square.
- 6.3** The Cabinet approval of FEC as preferred bidder for the Site, made on 18th October 2016, was subject to a call-in to Overview & Scrutiny Committee (OSC) and this meeting took place on 8th November 2016. One of the recommendations made at OSC was for the Council's land receipt for the Site (£3.5m) be allocated to affordable housing, therefore the commitment being sought in this report would implement the recommendation made at OSC.

Affordable Housing

- 6.4** The Council is committed to ensuring that its residents have access to high quality homes that will support them in leading happy and fulfilling lives. There is clear evidence that the quality and affordability of your home affects your life chances, your health, your children's attainment at school and the quality of your family relationships.
- 6.5** To achieve this ambition for high quality and affordable homes, there needs to be a step change in the number of homes being built in the borough to tackle the housing crisis head on and provide more homes.
- 6.6** In seeking to build successful mixed communities, the Council is trying to tackle not just income inequality, but asset inequality. The Council is working hard to create genuinely affordable homes in the areas with the highest house prices and rents and will also do more to provide wrap-around support to those in housing crisis, providing not just homes but better life chances for families left behind by the market.
- 6.7** This report seeks authority to spend the £3.5m land receipts that the Council will receive for the Site to fund affordable housing and it is expected at least an additional 15 units can be achieved using this receipt.

7. Contribution to strategic outcomes

- 7.1** The regeneration of the Hornsey Town Hall complex site is set within the context of the Council's Corporate Plan 2015-2018: Building a Stronger Haringey Together.

Proposals for the redevelopment and future use of the Hornsey Town Hall site have been assessed in the context of the Corporate Plan to ensure such proposals address the Council's priorities.

- 7.2** The Hornsey Town Hall project has the potential to play a key role in the council delivering its Corporate Plan priorities, particularly priority 4 (Drive growth and employment) and priority 5 (Create homes and communities).
- 7.3** In relation to priority 5, the existing planning consent and the preferred bidder's proposals include provision for new residential development on the site which will create new desirable homes and via preservation of the heritage and by providing a long-term sustainable operation of the building this will ensure the proposals support the local area and community.
- 7.4** The wider strategic context of Hornsey Town Hall being listed on Historic England's Buildings at Risk register also highlights a broader strategic context and driver for the project.

8. Statutory Officers comments

8.1 Comments of the Chief Finance Officer and financial implications

8.1.1 The total capital receipt due to the Council for the long lease of HTH is £3.5m.

8.1.2 The Council's Capital Programme for 2017/18 does not include this as income from the Capital receipt.

8.1.3 The level of underspending within the capital programme is such that the inclusion of this item within the programme can be accommodated without breaching the budget and policy framework.

8.2 Comments of the Assistant Director of Corporate Governance and legal implications

8.2.1 The Council may spend the £3.5m on funding affordable housing as this capital receipt has not been allocated to fund other projects. The terms and conditions of the funding will need to be agreed and legal advice must be obtained prior to entering into any agreement.

8.3 Equalities and Community Cohesion Comments

8.3.1 The Council has a Public Sector Equality Duty under the Equality Act 2010 (as amended) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- 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.

8.3.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and

sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.3.3 This decision commits £3.5 million to affordable housing. As identified in the setting of the Housing Strategy in 2016, all protected groups will benefit from more housing of different tenures. In particular, female lone parents, people with mental health issues or physical impairments and Black households are more likely to experience homelessness and therefore will benefit from additional affordable housing.

8.3.4 Details on inequalities in access to housing based upon protected characteristics can be found here:
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=7846&Ver=4>

8.4 Strategic Procurement Comments

8.4.1 There are no procurement implications of the Council using its capital receipt from going into a long lease of the HTH site to fund more affordable housing.

9. Use of Appendices

None

10. Local Government (Access to Information) Act 1985

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