

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON FRIDAY, 19TH JANUARY, 2018, 14:00

PRESENT:

Councillor Claire Kober, Leader of the Council

225. FILMING AT MEETINGS

The Leader referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

226. URGENT BUSINESS

None

227. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

228. ALLOCATION OF RIGHT TO BUY RECEIPTS AND CAPITAL FUNDING TOWARDS THE DELIVERY OF AFFORDABLE RENTED HOUSING AND INFRASTRUCTURE AT MONUMENT WAY

The Leader considered a report which sought approval for an additional allocation of £700,000 from Right to Buy receipts for the delivery of affordable housing at Monument Way.

RESOLVED

- (i) To approve the further additional allocation of a sum of up to £700,000 of RTB receipts as top up to the £5.8m of grant funding (previously approved by Cabinet on 15th March 2016 and the Cabinet Member for Housing, Regeneration and Planning on 5th October 2017) making a total grant funding from RTB receipts of up to £6.5m subject to such funding being capped at a maximum of 30% of the total development costs to be provided by Newlon Housing Trust and subject to the Council having 100% Nominations Rights for the 54 affordable rented units.
- (ii) To grant delegated authority to the Director of Regeneration after consultation with the Cabinet Member for Housing, Regeneration and Planning, the Chief

Finance Officer and the Assistant Director of Corporate Governance to agree the final amount, the terms and conditions for providing the Right to Buy grant funding capped at a maximum of 30% of the verified development costs.

- (iii) To note the existing authority delegated to the Director of Regeneration, Planning and Development after consultation with the Cabinet Member for Housing, Regeneration and Planning, the Chief Operating Officer and the Assistant Director of Corporate Governance to agree the final amount, the terms and conditions for providing the grant funding up to a value of £1.5m, as agreed by the Leader on 14th February 2017, and to note the allocation of a sum of £1.328m to fund infrastructure works as set out in paragraph 4 of this report, as agreed at Capital Board and subject to the Council's budget setting process being concluded within this specified budget.

Reasons for decision

Right to Buy Funding

There is an acute shortage of housing supply, particularly of affordable housing, in Haringey. The borough has engaged with Registered Providers and identified a development pipeline of sites where input of Right to Buy (RTB) receipts to grant fund up to 30% of total development costs will help address this shortage by enabling a higher proportion of affordable rented homes to be developed than may otherwise be the case.

The Monument Way site sits within the Tottenham Housing Zone. The Council considers the site suitable for affordable rented homes. The site can be delivered relatively quickly and independently of other sites in the Housing Zone.

The Council are not in a position to undertake the development themselves due to insufficient resources and have been working with Newlon Housing Trust, as a strategic Registered Provider partner, to take forward the development as they have the development capacity and expertise to efficiently deliver housing and the financial capacity to provide the necessary 70% match-funding. The Council holds the freehold of the all land within the Monument Way site and has agreed to lease the land to Newlon Housing Trust to undertake the development.

For the reasons highlighted above, the Council has agreed to provide a grant funding to Newlon Housing Trust from Right to Buy receipts subject to the parties entering into a funding agreement and the council securing 100% Nominations Rights for the 54 affordable rented units.

The Council has sufficient retained RTB receipts to part-fund this development project. RTB receipts that are retained by the Council and not used within 3 years to provide replacement affordable rented dwellings have to be returned to DCLG with interest at 4% above the Base Rate.

Infrastructure Funding

The delivery of the Monument Way scheme depends on the realignment of Fairbanks Road in order to release developable land, creating end of terrace units within the Chesnut Estate. This realignment was noted within the Council's Tottenham Hale District Centre Framework and Tottenham Area Action Plan, as a critical intervention needed to unlock comprehensive local development in Tottenham Hale. This was previously estimated as requiring a £1m infrastructural investment, however project delays and refined cost estimates following detailed design work and Newlon's submission for outline planning permission has resulted in an increased cost of £300,000 reaching a total infrastructure cost of £1.3m. Housing Zone funding for the project was initially agreed in 2015, and the GLA had agreed to cover this revised allocation of £1.3m earlier in 2017.

In November 2017, the GLA advised the Council that it could no longer provide Housing Zone funding to this infrastructural project, due to the allocation of housing outputs within their programmes. It was therefore agreed at Capital Board on 7th December 2017 that Council capital funding would be allocated to this project instead, subject to confirmation of funding sources at Full Council in February 2018. Capital Board also agreed a small increase in the amount required, according to latest cost estimates, to £1.328m.

Delegated Authority has already been granted to the Director of Regeneration, Planning and Development after consultation with the Cabinet Member for Housing, Regeneration and Planning, the Chief Operating Officer and the Assistant Director of Corporate Governance to agree the final amount, the terms and conditions for grant funding of the infrastructural element of the Monument Way scheme, at a figure up to £1.5m, by Leader's Signing on 14th February 2017. The Leader is therefore asked to note existing authorities and to note the change in funding source for this intervention.

Alternative options considered

The alternative option is to not give additional RTB funding to Newlon Housing Trust and return net RTB Receipts to DCLG with a penalty interest rate of 4% above Base Rate applicable. Newlon Housing Trust have raised the risk of not being able to deliver 54 affordable rent units if the scheme is not supported up to 30% of the cost. This would result in not achieving 54 new affordable rented residential accommodation in Tottenham Hale.

Infrastructural funding could be withheld for the Monument Way scheme, with Newlon Housing Trust left to find £1.328m independently. However, they have indicated to the Council that as the viability for this scheme is very marginal they would not be able to source this extra funding, and as a result a scheme delivering 54 much-needed affordable rent units would not proceed.

In March 2016, Cabinet agreed the Heads of Terms for the lease agreement with Newlon. This included a commitment from the Council to indemnify Newlon for their up-front costs in connection with obtaining planning consent for the Monument Way scheme, up to a maximum of £500,000, in circumstances where the Council decides to withdraw from the scheme, thereby causing a financial loss to Newlon. Without the Council working with Newlon to put in place a funding strategy that enables the scheme to proceed there is a risk that this Indemnity Agreement could be triggered.

229. MINOR VARIATIONS TO LAND TRANSACTIONS AT TOTTENHAM HALE

The Leader considered a report which sought approval for a further variation of a land disposal agreement at Tottenham Hale, which was previously agreed at Cabinet in July 2016.

RESOLVED

- I. That the Leader agreed that the land within the revised Plot 9A+B site at Tottenham Hale (shown edged red on the site plan attached as Appendix B) be declared surplus to requirements and to incorporate the land shown coloured as revised Plot 9A+B as part of the 10 sites to be disposed of to TH Ferry Island Limited Partnership under the terms of the Development Agreement dated 21 March 2017, as agreed by Cabinet on 12 July 2016.

Reasons for decision

Cabinet has already approved on 15 March 2016 to dispose of Plot 9A and Plot 9B at Tottenham Hale and a Development Agreement was entered into on 21 March 2017. Both pieces of land lie within the Tottenham Hale District Centre which is the first phase of the Tottenham Housing Zone and will be key to achieving long term sustainable regeneration in the area.

Plot 9A+B at Tottenham Hale is within the Strategic Development Partnership Area, which aims to provide new mixed-use development at the heart of the District Centre.

As Argent Related have progressed designs for this site it has become clear that a variation to this plot of land is required, with 173m² removed towards the South of the sites, within the previous red line boundary of Plot 9A. It is proposed that an equal amount of land (173m²) is added to the previous red line boundary of Plot 9B, creating the new, combined Plot 9A+B, with the revised area of land coloured red on the site plan attached at Appendix B. The land consisting of Plot 9A+B is currently held for highway purposes and is part of the Tottenham Hale Bus Station.

Alternative options considered

The Council could decide not to alter Plot 9A and Plot 9B and retain the site boundaries previously reported to Cabinet in July 2016. However, this would result in the delivery of a sub-optimal scheme by Argent Related.

The preferred option outlined in this Report is to amend the site boundary to the original Plots 9A and 9B, creating a new site boundary of Plot 9A+B to facilitate the optimal scheme progressing.

230. NEW ITEMS OF URGENT BUSINESS

N/A

CHAIR:

Signed by Chair

Date

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