

# **MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY PANEL HELD ON TUESDAY 15TH JANUARY 2019, 6.30 - 10.00 pm**

## **PRESENT:**

**Councillors: Ruth Gordon (Chair), Dawn Barnes, Isidoros Diakides, Bob Hare, Yvonne Say, Daniel Stone and Sarah Williams**

### **35. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

### **36. APOLOGIES FOR ABSENCE**

None.

### **37. URGENT BUSINESS**

None.

### **38. DECLARATIONS OF INTEREST**

None.

### **39. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

A valid deputation request had been received from Paul Burnham from Haringey Defend Council Housing. Paul Burnham addressed the panel about the demographic statistics that were being used for assessing the needs associated with new property developments for market or intermediate housing. He said that for a typical private development in Haringey it was currently predicted that there would be just 7 children per 100 flats which has an impact on the level of contributions that are made for local infrastructure such as schools, play areas and youth centres. He regarded these figures as defective and after writing to the Mayor of London received a reply from a strategic planner at the GLA who had said that there were alternative new figures available. This is a London-wide problem so Haringey Council should therefore take a lead by using the new figures.

In response to questions from the panel, Paul Burnham and Jacob Secker said:

- that using the new figures would make a huge difference, using an example from a development in Tottenham Hale to demonstrate that the new figures would indicate at least double the number of children. Lower figures mean lower developer contributions to local infrastructure.
- that the new figures had been uploaded to the GLA's data store at the end of 2017 but this appears to have made little difference to public policy. However, the London Borough of Merton had decided to use the new figures and the strategic planner at the GLA had indicated that the Supplementary Planning Guidance (SPG) would be updated after the new London Plan had been approved.
- that the London Borough of Haringey is regarded as an outer London borough in planning terms and so outer London figures for the updated child yield calculator ought to be used.

In response to questions from the panel, Emma Williamson, Assistant Director for Planning said that:

- while she hadn't seen the GLA's response to Paul Burnham, the GLA planning team had confirmed that the SPG child place-based calculator that Haringey had been using was the correct one. To implement other figures it would be necessary to wait for the London Plan Implementation Plan to be updated and then also look at it at the Local Plan review.
- on the inner/outer London issue, Haringey is in a difficult position of having both types of characteristics in different areas. Haringey Council is not in a position to ask developers for contributions for schools and youth services because the Community Infrastructure Levy (CIL) is in place which restricts the contributions that can be collected through S106.

**AGREED: That the Chair of the Panel writes to the relevant Cabinet member to recommend that the new figures are adopted by Haringey Council and that a timetable be provided on when this can be added to local planning policy.**

#### **40. MINUTES**

The accuracy of the minutes from the previous meeting was confirmed. Panel members expressed concern that action points, which mainly concerned the provision of additional information about the budget for priorities 4 & 5, had not been addressed.

Cllr Williams said that according to the minutes Cllr Adje had said that questions relating to the front loading of shops on Wood Green High Road should be directed to those responsible for planning policy but in her view it's within the Strategic Development Plan which is part of Cllr Adje's portfolio. Emma Williamson, Assistant Director for Planning, said that there is a trend towards shops getting smaller without the need for large delivery lorries. This could be more of an issue for planning policy and the Transport Strategy although the regeneration plans are linked to the planning

policy. Peter O'Brien, Assistant Director for Area Regeneration said that the Council hasn't taken a specific policy position on this and that the comments at the previous meeting may have related to the Wood Green Area Action Plan (AAP).

Cllr Hare raised the discussion on landowner forums from the previous meeting and queried the business engagement process and the timeline for this to be dealt with within the new draft Borough Plan. Dan Hawthorn, Director of Housing & Growth, explained that the draft Business Pledge is a part of the draft Borough Plan, the final post-consultation approval for which is expected at Cabinet in February. There are dedicated business engagement staff within both the Wood Green and Tottenham regeneration teams along with Borough-wide strategic business engagement that works principally through the Haringey Business Alliance. There are many parts of the Council that engage with businesses and part of the work related to the Business Pledge is about joining these up and developing a more coherent approach. Emma Williamson noted that there would be opportunities for further debate on this through the planning applications and the next version of the AAP. Cllr Gordon proposed an agenda item on the development of the High Road as part of a future panel meeting which was agreed by the panel.

**AGREED: That the minutes of the meeting held on 17<sup>th</sup> December 2018 be approved as an accurate record.**

**AGREED: That a list of outstanding action points be added to the minutes and circulated to the relevant officers for a response.**

**AGREED: That an agenda item on the development of Wood Green High Road be added to a future Housing & Regeneration scrutiny panel meeting.**

#### **41. Q&A - CABINET MEMBER FOR HOUSING & ESTATE RENEWAL**

Cllr Ibrahim, Cabinet Member for Housing and Estate Renewal addressed the panel about recent developments on issues within her portfolio:

With regards to progress on the decant of Tangmere block on Broadwater Farm, there are still some leaseholders and tenants remaining in the block. The gas supply to the block has now been switched off so the Council is paying the extra costs of residents running electric heaters. It was not possible to provide the panel with specific information about the residents remaining in the block because there were so few that to provide much detail could make them identifiable.

Leaseholders have all been offered a move to private accommodation funded for at least 12 months and have also been offered funded independent financial advice and payments for reasonable costs associated with moving home. They have been offered the market value of homes plus a Home Loss payments of 10% for resident leaseholders and 7.5% for non-resident leaseholders. Some non-resident leaseholders are reluctant to sell because they do not wish to lose the income stream associated with the property. All tenants have been offered alternative accommodation prior to the gas being switched off. There are a number of reasons

why some tenants have not yet moved, such as decoration work being carried out at the new properties before they move in.

In response to questions from the panel:

- Sean McLaughlin, Managing Director at Homes for Haringey (HfH), confirmed that there are some leaseholders and tenants who have refused the offers made to them but that no-one was refusing to move altogether. It is hoped that things will move a little quicker now and a negotiated process is preferable but the Council is looking at implementing Compulsory Purchase Order (CPO) processes and if this is required then the process could take many months. A CPO would result in paying market price whereas the current offer is market price + 10%.
- On the cost of the rebuild, Cllr Ibrahim said that it was always known that the cost of the rebuild would be more than the cost of strengthening which had been estimated at £167k per unit, rebuild figures of £200k to £220k per unit had previously been mentioned. On timescales Dan Hawthorn, Director of Housing & Growth, said that now that the decision had been made to demolish the two blocks the next steps would be completing the rehousing of Tangmere residents and beginning and completing the rehousing of Northolt residents. In parallel with this the Council needs to continue with the work on the district heating system and the strengthening of the blocks that are remaining. Then there is the demolition contract and beginning a conversation with residents after the future design of the estate using the vacant plots of land after the demolition. It is difficult to be specific about the costs and timescale of such a project until that conversation has taken place. Engagement with residents will be important in achieving the quickest, best quality outcome and a commitment had been made to hold a ballot of residents on the development plans. All Tangmere residents are still within Haringey borough and the Council is committed to involving them in the consultation process.
- Dan Hawthorn said that the redevelopment should not be looked at as a standalone project but that what is needed is a single integrated plan for the future of the whole Broadwater Farm estate. This is in the process of being produced and it is hoped that this can be made available in the first quarter of 2019/20. Cllr Ibrahim said that there are no plans to demolish the estate.
- Cllr Ibrahim confirmed that there are just over 100 units in Northolt block and they are all 1-bedroom properties, some of which are overcrowded, which creates challenges for rehousing and puts additional pressure on the Council's targets in reducing the use of Temporary Accommodation. Dan Hawthorn said that the precise timing on beginning the rehousing of Northolt residents had been delegated to Helen Fisher, Director of Housing, Regeneration & Planning but it was expected that this would start soon. Sean McLaughlin said that the proposed approach is to put tenants into Band A of the allocations process which would give them high priority.
- Sean McLaughlin said the Broadwater Farm estate had not previously had the Decent Homes investment that it should have had. There was now an intention to do that but the strengthening work has to be done first. The estate service

- standards are not as good as they should have been. A deep clean programme was being rolled out across the blocks and the communal repairs were also being looked at.
- Cllr Ibrahim said that she was acutely aware of the challenges on Temporary Accommodation (TA) and that the Purchase and Repair scheme was aimed at bringing down the costs of TA. Dan Hawthorn said that the Temporary Accommodation Reduction Plan aims to take a range of actions including by improving our own supply of TA housing and reducing reliance on expensive private rental sector accommodation. Cllr Gordon suggested that the panel comes back to the topic of TA in more depth at the next Q&A with Cllr Ibrahim in March.
  - Cllr Ibrahim said that there is a report on the Wholly Owned Company for Housing Development (WOC) going to Cabinet in February on the structure and set up of the WOC including the Board of Directors. Since the recent lifting of the HRA borrowing cap there are some things that now can be done within the HRA that perhaps would have been done through the WOC so there is a changed environment that it will be necessary to adapt to. Haringey is currently only at 80% decent homes and the manifesto commitment was to reach 95% so £250 would be invested in the Council's stock over the next five years. Dan Hawthorn said that the Board of Directors of the WOC will be Council officers and the shareholder Board will be the group that sets the parameters that the officers makes operational decisions. The WOC will be a mechanism that allows additional functions to be carried out but will not be a distinct organisation in itself. The centre of gravity remains within the Council as opposed to HfH which is an Arms-Length Management Organisation.

## **42. CAPITAL BUDGET**

This item was to discuss the additional information requested on the capital budget at the panel's budget scrutiny meeting in December but Cllr Gordon expressed concern that only a small amount of additional information had been provided at late notice.

Peter O'Brien, Assistant Director for Area Regeneration, spoke about the Wood Green Regen (2) scheme (Capital Scheme 480). The Wood Green AAP has a significant role in setting the Wood Green capital allocation and in identifying the social and community infrastructure requirements under headings such as education, health & well-being, parks & open spaces, and sports & leisure. Funding for these may come from various sources including the NHS, Sports England and developer contributions. The decisions to allocate this funding to specific projects has not been made by the capital programme being considered by the panel, the funds are just put into a budgetary envelope to be drawn down over the period. Spending on specific projects using these funds would still require approval by Cabinet. Of the £39.279m total allocation over 5 years, £7.6m was allocated for education facilities, £3.3m for further education, £5.1m for health and wellbeing, almost £6m for parks, £0.25m for social and community infrastructure, £12m for sports and leisure, just under £5m for public realm.

Panel members said that this information should have been provided in writing in advance as this was difficult to follow and that without this it was not possible to scrutinise this information properly. Asked to advise on this the scrutiny officer commented that if the panel felt that they did not have sufficient information to make recommendations then the panel should convey this to the Overview & Scrutiny Committee ahead of its meeting on January 28<sup>th</sup>. Dan Hawthorn, Director of Housing & Growth, suggested that there should, in future, be more discussion in advance between the officers and the Chair and scrutiny officer about the format of the information required by the panel.

Cllr Williams asked why Fortismere capital scheme had not been included in these capital figures. Dan Hawthorn commented that this may have been included in the Priority 1 section because, although it includes some housing, it is principally about facilities for the school. Cllr Williams said that it ought to have come to the Housing & Regeneration scrutiny panel because of the housing element.

Peter O'Brien responded to further questions from the panel as follows:

- On why the figures were so specific if the funds hadn't been allocated to any specific projects, this was based on evidence of what the requirements are to meet the demand for various services and then calculations are made on that basis using standard metrics so the figures may therefore look quite precise.
- On the requirements for schools in the Wood Green Regen (2) capital scheme, school rolls are falling in parts of the borough and the AAP is looking across a 10-20 year horizon and at the expected requirements for primary and secondary schools.
- There is a general understanding that the borough's parks are in need of investment which is reflected by the capital sums allocated.
- The low allocation for social and community infrastructure partly reflects the fact that some of this is falling under other headings such as sports & leisure but concerns expressed by the panel on the facilities available for youth services would be taken away and looked at.
- Of the £39m allocated for the Wood Green Regen (2) capital scheme, less than £10m is Haringey Council money as the remainder is expected to be brought in from other sources such as developers, the NHS or Sports England.
- The Strategic Investment Pot (Capital Scheme 481) is cash that was bid for from the Government's retained business rates pilot. Funding came from three different pots, one for broadband & digital investment, one for investing in the Council's commercial property and one for business support in the Upper Lea Valley area.

Dan Hawthorn responded to further questions from the panel as follows:

- Noting the panel's preference for social rent rather than shared ownership tenure in relation to capital scheme 513, it was important to consider it in the context of the Council's overall housing development programme rather than one scheme on its own.

- That on why the WOC capital forecast (Capital Scheme 512) is so flat (£5m in 2019/20 and then £8m every year for four years) this is a standard approach to capitalise the ancillary costs associated with the housing development. The figures show a provisional allocation for this but are likely to be updated in future years.
- It is possible that the WOC could be used to build non-social rent housing in order to make new housing development projects financially viable but no decisions had been made on this. There are more options available since the lifting of the HRA borrowing cap and this would be considered further by Cabinet in February.
- The Strategic Property item (Capital Scheme 482) relates to a programme that had started off as a programme of assessing and bringing up to standard of basic compliance the Council's commercial property portfolio in preparation for the HDV but had now become a longer-term programme of improving the standards for tenants and to support income streams. The bulk of the investment is allocated for 2019/20 partly because of compliance reasons and the ambition to get the standards of the portfolio up quickly. The figures for later years could also increase as it becomes clearer what work is required.

**AGREED: That the panel informs the Overview & Scrutiny Committee that it is not in a position to make recommendations on the capital budget due to insufficiently detailed information. The panel agrees that there should be a discussion about how this information is presented in future years.**

#### **43. COMMUNITY INFRASTRUCTURE LEVY (CIL) OVERVIEW**

Emma Williamson, Assistant Director for Planning, introduced the paper on the Community Infrastructure Levy (CIL) and S106 agreements, making the following points:

- Haringey's local CIL was introduced in November 2014. There are three charging zones in the Borough with different rates for residential use – £265 per sq/m in the West area, £165 per sq/m in the Central area and £15 in the East area. There is a flat rate of £95 per sq/m for supermarkets and £25 per sq/m for retail warehousing. On top of this is the Mayoral CIL which is £35 per sq/m.
- A CIL review was consulted on in March 2017, which recommended raising the CIL rate in Tottenham Hale from £15 per sq/m to £130 per sq/m but, after it emerged that imposing this on some of the existing schemes in the area could result in having to renegotiate the levels of affordable housing, the implementation of this was delayed until at least January 2019. This has been further complicated in the meantime by government consultations on amendments to CIL which would also need to be taken into account. A new CIL review is therefore required to raise the CIL rate and this is a 16-month process.

- CIL money collected by Haringey to the end of Dec 2018 is £6.782m although it is important to note that CIL is only collected on implementation. This is split into 3 portions, 80% of which is the Strategic portion, 15% is the Neighbourhood portion and 5% is the Administration portion.
- £1.9m of the CIL money has been spent. This was on an expansion of Bounds Green primary school.
- The governance arrangements for the spending of CIL was agreed by Cabinet in October 2017 and all funding for new projects from the Strategic portion of CIL has to be spent on projects within the Capital Programme for the borough.
- In areas where there is a neighbourhood plan in place, the proportion of CIL allocated to the Neighbourhood portion is raised from 15% to 25%. Areas without a neighbourhood plan are formed into CIL Neighbourhood Groups and a consultation was recently held with the local community to generate ideas on how the CIL funding should be spent. Responses are currently being collated and analysed.
- All of the previous scrutiny panel's recommendations on CIL were adopted.
- A review of the management process of CIL is due to be carried out by a specialist consultancy in Feb 2019.
- When CIL was introduced it limited the collection of S106 money to things that are specifically related to the site. S106 contributions must also be proportionate and cannot be used to pay for anything already covered by CIL. What CIL can be spent on is included on the Regulation 123 list, a revised version of which was adopted in 2017.
- With more schemes now reaching implementation stage it has become necessary to put more resource into monitoring of compliance. However, there are not high levels of non-compliance at the current time.

In response to questions from the panel, Emma Williamson said:

- That the Strategic portion of CIL doesn't have to be spent in the area that it is collected but the Neighbourhood portion does. This is required by the regulations.
- The new process for a review on the CIL rates (the 16 month process) was started just before Christmas. At that time it was not known that the government would be consulting again so that will have to be managed at the same time. There isn't a quicker way of getting through the review process unfortunately.
- There are only two outline applications currently so it is not anticipated that there would be the same problems around viability of existing schemes over the raising of the CIL rate.
- A 25% Neighbourhood portion was being kept for the time being in Crouch End while waiting for the neighbourhood plan but if the plan does not proceed then thought would have to be given on how best to revert back to the 15% rate.
- On whether the high CIL rates in the west on the borough put developers off from providing affordable homes, this tends not to be a problem due to higher land values and so 35-40% can typically be achieved.

**44. NEW ITEMS OF URGENT BUSINESS**

None.

CHAIR: Councillor Ruth Gordon

Signed by Chair .....

Date .....

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