

Report for: **Cabinet 21 January 2020**

Title: **Additional sites for the Council's Housing Delivery Programme**

Report

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Lead Officer: **Alan Benson, Interim Assistant Director of Housing**

Ward(s) affected: **Hornsey, Muswell Hill, Noel Park, Seven Sisters, Tottenham Hale**

Report for Key/

Non Key Decision: **Key Decision**

## **1. Describe the issue under consideration**

1.1. This report identifies a list of nine Council-owned sites and seeks approval to include them in the Council housing delivery programme in order that their feasibility and capacity for the delivery of new Council homes can be determined.

## **2. Cabinet Member Introduction**

2.1. This administration was elected on a bold manifesto. At its heart is a commitment to deliver a thousand new Council homes at Council rents by 2022 - a scale of Council home-building not seen since the 1970s. We have worked hard to deliver this ambitious aim and are on track to hit our interim target, that by May 2020, 500 of these new Council homes will have planning approval, and 350 of these homes will have started on site.

2.2. Given the relatively restricted levels of Government grant for building Council homes, we need make the best use of land we own to support this programme. This report identifies nine sites of Council-owned land that will help deliver the homes our communities need. These sites will not only support our initial programme to deliver a thousand new homes by 2022 but will start putting in place a pipeline of sites to support a long-term sustainable programme of Council house building. This will become a core part of what we do as a Council from now on. With 10,000 households on our waiting list for a decent affordable home, this could not be a more important aim for this Council.

## **3. Recommendations**

3.1. It is recommended that Cabinet:

3.1.1. Agrees to add the nine Council-owned sites listed in paragraph 6.9 and shown in Appendix 1 to the Council's housing development programme in order that their feasibility and capacity for the delivery of new Council homes can be determined.

- 3.1.2. Notes that the potential costs of carrying out the preparatory work up to a Planning Application for each individual site are expected to be within the delegated authority of the Director of Housing, Regeneration and Planning, although the cumulative costs of all these sites would be in excess of this.
- 3.1.3. Agrees to delegate authority to the Director of Housing, Regeneration and Planning, in consultation with Director of Finance, to approve the costs of progressing these nine sites to Planning Application, except where the costs on any individual site exceed the existing delegated authority of the Director.
- 3.1.4. Notes that this is the first of three stages at which Members can take formal decisions in relation to each site in the programme. If any one of these sites is determined to be suitable for housing development, the next stage of formal Member oversight would be at the Planning Sub Committee. Finally, if planning is consented, a detailed report would be brought back to Cabinet for a decision on whether to commit finances to housing development or acquisition on the site.

#### **4. Reasons for decisions**

- 4.1. The Council is committed to delivering a thousand new Council homes at Council rents by May 2022 and this decision is an essential next step in achieving this aim.
- 4.2. The sites listed in paragraph 6.9 have been identified as potentially suitable sites on which to build new Council homes. It is provisionally estimated that these sites may have the potential to deliver up to 380 homes. Each site listed has undergone initial assessment of its potential suitability and capacity for housing development. In order to assess that suitability and capacity further, a range of work now needs to be undertaken in relation to each site. In some cases, this will require the engagement of external contractors.

#### **5. Alternative options considered**

- 5.1. **Not to assess these sites for their development potential.** The Council has no statutory duty to develop these sites. However, the Council's has set as its top priority the aim to deliver 1,000 new Council homes by May 2022, and to develop a pipeline of schemes beyond that. It is provisionally estimated that these sites may have potential to deliver up to 380 homes. To exclude them from the development programme would therefore significantly undermine this core ambition, so this option was rejected.
- 5.2. **To rely solely on purchasing affordable homes available under s106 agreements, rather than the Council building out its own sites, or to postpone identifying new sites until new funding is announced.** The former option would not be acceptable, as purchasing homes from developers, rather than the Council building them itself, means that controls over quality, cost and certainty of delivery are weakened and the new homes would not always be additional affordable homes for the borough. The second option was not pursued because waiting to identify further sites until there is more funding announced could result in the Council not being in a position to put forward a credible bid, which may result in a significantly smaller share of the available funding than it was awarded in the current GLA funding round.

## **6. Background information**

- 6.1. The first priority of the new Borough Plan, adopted in February 2019, commits the Council to “work together to deliver the new homes Haringey needs, especially new affordable homes” and, explicitly, “to deliver 1,000 new council homes at council rents by 2022”.
- 6.2. The Council’s strong preference is to build this new generation of Council homes directly, on its own land. This is usually better value for money, has the best guarantee of quality and the greatest certainty of delivery, and ensures that new Council homes are additional homes that would not have been delivered without its intervention.
- 6.3. Where the Council builds directly, it has enough Council land for the first programme of 1,000 Council homes. That land is a mixture of sites on housing estates, mostly infill sites, and land not currently used for housing purposes. While most of these sites are held in the Housing Revenue Account (HRA), some are held in the General Fund and will need to be appropriated into the HRA.
- 6.4. Infill sites in the HRA comprise underused land, generally on or around housing estates. Typically, these are garages, car parking spaces, or land between existing blocks. It is worth noting that the development of every infill site means taking space for new homes that existing residents may be using for other purposes.
- 6.5. General Fund land ranges from the conversion of two shops into four homes, to the redevelopment of larger sites such as the former Cranwood Care Home.
- 6.6. In November 2018, Cabinet noted the abolition of the HRA borrowing cap. This has given the HRA capacity to finance the development of new Council homes, including by subsidising that development through existing surpluses. Cabinet also noted the grant of £62.858 million to the Council through the GLA’s Building Council Homes for Londoners programme. That grant will be drawn down at agreed milestones as individual sites are developed.
- 6.7. Notwithstanding this additional funding, direct grant for building homes at social rent remains at a historic low. If the Council’s programme of developing a thousand Council homes is to be viable, the Council will have to provide cross-subsidy by building and selling some homes at market value. While this sales element will be a small part of the Council’s programme compared to private developers and housing associations, it still represents a risk that the Council would prefer not to have to incur. But in the absence of any increase in grant, building these homes for market sale is a crucial part of any programme to develop Council housing, as all other councils developing housing have found. It is therefore probable that if the sites listed at 6.9 are developed, some of the homes delivered on them will have to be built for market sale. The mix of homes on each site will be determined by Cabinet in due course and through the planning process.
- 6.8. A new HRA Business Plan is being developed that will scope out the level of new housing development the HRA can support alongside the commitments to improve the quality of existing Council homes. This will come to Cabinet in February 2020.

- 6.9. On 9 July 2019, Cabinet approved 47 sites for inclusion in the Council housing delivery programme. These joined 14 sites with existing approvals.
- 6.10. Cabinet is now asked to add the nine sites set out in the table below to the Council's programme of housing development in order that their feasibility and capacity for the delivery of new Council homes can be determined. The table identifies the address, the ward and whether the land is currently held in the General Fund (GF) or the Housing Revenue Account (HRA). Red line drawings showing the location of each site are included in Appendix 1.

Site	Ward	Land
50 Tottenham Lane (Hornsey YMCA)	Hornsey	GF
West Indian Cultural Centre, Clarendon Road (including Clarendon Recovery College which is scheduled for relocation)	Noel Park	GF
1-8 Barbara Hucklesbury Close, Russell Avenue (bungalows used as TA adjoining The Sandlings)	Noel Park	HRA
71 Bury Road (garages)	Noel Park	HRA
Reynardson Court/ Chestnut (car park and block)	Tottenham Hale	HRA
Dawlish Road / Scales Road (two garages and unused land, Chestnuts Estate)	Tottenham Hale	HRA
Avenue Mews (land to the rear of Muswell Hill Library)	Muswell Hill	GF
Tiverton Road Estate (infill)	Seven Sisters	HRA
Sir Frederick Messer Estate (infill)	Seven Sisters	HRA

- 6.11. Each of these nine sites has been identified as a potentially suitable site on which to build new Council homes. As well as a series of site visits and inspections, the assessment of the potential feasibility of each site has to date included the preparation of a red-line boundary of the site, and initial consultation with the Council's Arm's Length Management Organisation (Homes for Haringey), the Local Planning Authority and the Council's Strategic Property team, as well as initial legal checks to identify risks which could impact upon the design or finances of the scheme. Some sites are intended for mixed development and will be used for a combination of housing and other uses.
- 6.12. The West Indian Cultural Centre (WICC) site is proposed for inclusion in the Council housing development programme on the basis that Cultural Centre facilities could be re-provided alongside any development of homes. The Clarendon Recovery College is due to relocate from the existing building.
- 6.13. It is estimated that these nine sites could have the potential to deliver a total of up to 380 homes. Cabinet should note that this assessment is highly provisional
- 6.14. In order to assess each site's suitability further, and to determine the capacity of each site robustly, further work now needs to be undertaken in relation to each site. That work includes:

- Valuation and financial appraisal, a capacity study, and risk assessment
  - Preparation of Title Register and Title Plan
  - Further consultation on the site across the Council, with Ward Members and external partners
  - Further checks to identify legal risks which could impact upon the design or finances of the scheme
  - Searches covering highways, railways and utilities
  - Review of easements, covenants, rights of way or restrictions on title which may inhibit development
  - Consultation with the Local Planning Authority – existing use, policy context, status of any existing consents, conservation area or listed building status
  - Environmental report, including ground conditions and flood risk
- 6.15. In some cases, this will require the engagement of external contractors and technical experts, such as building surveyors and architects.
- 6.16. There is a risk that this more detailed feasibility work will determine that a site is *not* suitable for housing development. In that case, costs incurred will not be recoverable for the Council and no grant will be available to meet those costs. At this stage, however, it is expected that any such costs will be minimal.

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

- 7.1. Adding these sites to the Council's programme of housing development sites will help to enable the Council to deliver new Council homes, including supported housing. This supports the 2019-2023 Borough Plan, which has as its first priority a safe, stable and affordable home for everyone, whatever their circumstances. Outcome 1 of that housing priority in the Borough Plan states "*we will work together to deliver the new homes Haringey needs, especially new affordable homes*", with specific objectives to "*deliver 1,000 new Council homes at Council rents by 2022*" and to "*secure the delivery of supported housing that meets the needs of older, disabled and vulnerable people in the borough*".

## **8. Statutory officer comments**

### **Finance**

- 8.1. This report only seeks cabinet approval to include the 9 sites listed in the table, in section 6.9, in the Council housing delivery programme.
- 8.2. The inclusion of these sites will inform individual scheme's capacity study, risk assessment and viability appraisal to determine its suitability for housing delivery.
- 8.3. The cost associated with the earlier feasibility and capacity studies will be met from the existing New build programme budget. However, there is potential risk of revenue overspend if any of the sites does not progress.
- 8.4. The cost of preparatory up to planning application stage for each site will only be approved after being evaluated by finance and signed off by the

director of Housing, Regeneration & Planning in consultation with the Director of Finance.

- 8.5. These sites will contribute to the future years build target proposed in the current HRA financial plan/capital programme MTFs, subject to cabinet approval in February 2020.
- 8.6. Of the nine sites, three are General funds sites and these will be appropriated to the HRA when decision is made to progress development on them.
- 8.7. If the sites are approved for inclusion, following design works, and subject to financial appraisal and HRA viability assessment, further approval will be sought to progress these schemes.

### **Legal**

- 8.8. The sites identified are held for either General Fund or Housing purposes as identified in paragraph 6.9. Reports on titles will have to be produced in order to determine whether there are any legal issues which would hinder or prevent the proposed redevelopments. Where sites are held for a purpose other than housing, and a decision is then made to redevelop the sites for housing then these sites will need to be appropriated in due course for housing purposes.

### **Procurement**

- 8.9. Strategic Procurement note the contents of this report.

### **Equalities**

- 8.10. The Council has a Public Sector Equality Duty under the Equality Act (2010) 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.
- 8.11. 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.
- 8.12. This report seeks approval for nine sites to be included in the Council housing delivery programme in order that their feasibility and capacity for the delivery of new Council homes can be determined. On 9 July 2019, Cabinet approved 47 sites for inclusion in the Council housing delivery programme. The July Cabinet report noted that, to the extent that the decision results in an increase

in Council housing in Haringey and noting that the housing mix is to be determined in due course, the groups that the decision is most likely to directly affect are Haringey residents living in temporary accommodation and Haringey residents who are at risk of homelessness.

- 8.13. Data held by the Council suggests that women, young people, and BAME communities are over-represented among those living in temporary accommodation. Individuals with these protected characteristics as well as those who identify as LGBT+ and individuals with disabilities are also known to be vulnerable to homelessness, as detailed in the Equalities Impact Assessment of the Council's Draft Homelessness Strategy. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.
- 8.14. It is noted that Ward Members will be consulted on sites in their ward. This consultation will be inclusive, will be undertaken with due consideration for equalities, and will also provide opportunities for officers to identify any equalities issues relating to individual sites and thereby develop informed proposals.

## **9. Use of appendices**

Appendix 1 – Red Line Plans of Additional Sites

## **10. Local Government (Access to Information) Act 1985**

None