

## REQUEST FOR DIRECTOR DECISION – DD2504

### Title: High Road West Regeneration, Phase A Funding

#### Executive Summary:

Mayoral Decision (MD) 2396 – Land Assembly, Small Sites and Accelerated Construction Fund, secured £486m of funding from Government to help unlock and accelerate delivery of 8,000 homes in London by 2030, and delegated to the Executive Director of Housing and Land, in consultation with the Deputy Mayor for Housing and Residential Development, the authority to approve individual allocations of this funding.

This Director Decision seeks approval for £21.2m of expenditure from the Land Assembly Fund for a recoverable grant allocation to support the delivery of 861 new homes in Phase A for the High Road West (HRW) scheme, a strategically significant regeneration site in the North Tottenham area within the London Borough of Haringey.

This proposed funding is conditional on a successful residents' ballot being undertaken as per MD2316 which introduced a funding condition within the GLA's Affordable Housing Capital Funding Guide requiring resident ballots to be undertaken on strategic estate regeneration projects where GLA funding is sought. This condition applies to the Love Lane Estate at High Road West.

#### Decision:

That the Interim Deputy Director of Housing and Land, in consultation with the Deputy Mayor for Housing and Residential Development, approves:

Expenditure of up to £21.2m of recoverable grant funding on terms outlined in this Decision Form from the Land Assembly Fund under MD2396 to assist in the delivery of land assembly costs and enable the delivery of 861 new homes within the High Road West scheme within the London Borough of Haringey.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Rickardo Hyatt

**Position:** Interim Deputy Director,  
Housing and Land

**Signature:**



**Date:**

1 December 2020

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

##### Land Fund

- 1.1. On 27 November 2018, MD2396 approved £486 million of funding from the Ministry of Housing, Communities and Local Government (MHCLG) to help unlock and accelerate housing delivery in London through land assembly, infrastructure investment and provision of gap funding. The Land Assembly, Small Sites and Accelerated Construction Fund (the Land Fund) is agreed through a Memorandum of Understanding between the MHCLG and the GLA, which states that it is aimed at unlocking sites capable of delivering 8,000 housing completions in London by 2030.
- 1.2. MD2396 delegated authority to the Executive Director of Housing and Land, in consultation with the Deputy Mayor for Housing and Residential Development, to approve, via a Director Decision, the allocation of new funding in accordance with the terms associated with the programme and in pursuit of the Mayor's housing ambitions. At the time of this report, the Executive Director has formally authorised the Interim Deputy Director of Housing and Land to act in his place, including for the purpose of approving Director Decisions.
- 1.3. As per the Land Fund Investment Strategy, approved under MD2615, this funding is available to provide financial support towards the cost of land and infrastructure for schemes where additional affordable housing may be possible or where acceleration of delivery of that affordable housing may be achieved.

##### Background

- 1.4. High Road West (HRW) is a strategically significant regeneration site in the North Tottenham area within the London Borough of Haringey (LBH). A mixed-use development will be delivered in two stages. This funding will be directed toward Phase A, a 4.5-hectare site which includes the Love Lane estate, consisting of 297 residential homes.
- 1.5. In December 2017 LBH entered into a development agreement with Lendlease High Road West Limited (Lendlease) as a development partner for HRW to jointly fund and deliver the regeneration through a phased master-planned approach.
- 1.6. The vision for regeneration has been developed through seven years of project development, including three years of extensive community consultation and engagement. The Borough will ensure that the maximum possible levels of affordable housing are achieved to help meet significant local demand and transform opportunities for residents in this area of London.
- 1.7. This comprehensive regeneration of a large area of Tottenham will bring many benefits to the local community in Haringey and increase the much-needed housing supply in London. The site is located in the Northumberland Park Ward in Haringey, which ranks amongst the 10 per cent most deprived wards in England with respect to Barriers to Housing and Services (English indices of deprivation 2019, MHCLG, 26th September 2019). This deprivation index measures the physical and financial accessibility of housing and local services including affordability and homelessness.

##### The intervention

- 1.8. This land fund intervention is to provide a recoverable grant of £21.2m from the Land Assembly Fund for Phase A at HRW which will directly be linked to the delivery of 861 market homes. The repayment trigger will be contingent on Phase A of the scheme achieving an agreed Internal Rate of Return (IRR) as detailed in Part 2 of this Director Decision.
- 1.9. This investment is expected to help facilitate the HRW scheme to deliver:

- 1,435 high quality new homes over phase A, of which 574 homes will be affordable, including 500 London Affordable Rented Council owned properties;
- a state-of-the-art new library and learning centre, promoting learning & education and supporting enterprise;
- a new community park and new public square supporting a healthy and green city;
- a district energy network, which will ensure that sustainable, affordable energy is provided and help to meet the Mayor's zero carbon objective;
- 3,300 construction jobs and 500 end-user jobs promoting opportunities for local people;
- 200,000 sq. ft of commercial, retail and leisure space supporting good growth and enterprise; and
- a reinvigorated and thriving High Road which is significantly enhanced through shop front and streetscape improvements.

1.10. The GLA grant funding will fund the purchase of land and property interests supporting the delivery of the HRW scheme, including the delivery of 861 market homes. These costs will include the historic costs incurred by Haringey Council for purchasing properties specifically as part of the land assembly to deliver the High Road West regeneration scheme.

1.11. Specifically, these costs are made up of 85 leasehold properties representing the extent of the non-Council owned interests required to be acquired for the delivery of the scheme, including properties acquired to date (comprising of 34 properties at September 2020) and those remaining to be acquired (comprising 51 properties as of September 2020). The Council owns the freehold interest of the whole site.

1.12. HRW was procured based on a 29 per cent affordable housing level. With GLA investment (including both this Land Fund investment and affordable housing grant funding referred to in paragraph 1.14 below), the scheme is now expected to deliver a minimum of 40 per cent genuinely affordable housing. The proposed £21.2m Land Fund recoverable grant to LBH for Phase A of HRW will therefore help to fulfil the Land Fund Investment Strategy by providing financial support towards the delivery of 861 new homes, which will help facilitate the delivery of additional affordable housing. It will also help meet the requirement of the Land Assembly Fund to deliver 3,500 homes that start on site and complete by 2029/2030. The GLA will enter into a funding agreement with LBH in respect of the Land Fund recoverable grant of which the required contractual obligations will include:

- delivery of a minimum of 40 per cent affordable housing, with an aspiration to reach 50 per cent;
- start on site by March 2022;
- a phased drawdown of funding starting from March 2022; and
- repayment of the funding will be based on an agreed IRR threshold.

1.13. LBH and the GLA have agreed that the grant will be drawn down based on the sub-phases contained within Phase A and as per the individual viability appraisals carried out before the start of each sub-phase. The project performance assessment will take place at the end of the Phase A to assess whether there is a surplus generated above the agreed level, and repayments of the grant will be triggered to bring the IRR level back down to the agreed threshold.

1.14. This proposal is part of a package of funding, which would also comprise additional affordable housing gap funding from the Affordable Homes Programme (AHP) administered through the Building Council Homes for Londoners programme for Phase A at a rate that would enable scheme viability. Further details with regard to the affordable housing grant funding are set out in Part 2 of this report.

### Resident Ballot and Compulsory Purchase Orders (CPO)

- 1.15. The site is currently a residential neighbourhood and the land is owned by the Council. The development will be phased and Lendlease will take vacant possession in stages. This will allow enough time for decanting current residents and enable the provision of new housing for residents being decanted on later phases.
- 1.16. MD2316 introduced a funding condition within the GLA's Affordable Housing Capital Funding Guide requiring resident ballots to be undertaken on strategic estate regeneration projects where GLA funding is sought. This condition applies to the Love Lane Estate. A high proportion of the original secure tenants have moved and the homes reoccupied by Temporary Accommodation (TA) tenants ('Section 193 tenants').
- 1.17. The Council will undertake a resident ballot on the Love Lane Estate in the summer of 2021, following consultation and engagement on a more detailed leasehold policy and a local lettings policy. This seeks to prioritise all current residents on the Love Lane Estate for the new Council owned social rented homes delivered as part of the Council's offer to residents. The previous residents, whose homes were re-occupied by the TA residents, accepted offers to move made by the Council's Cabinet in December 2014, at which time a residents ballot was not a funding requirement for strategic estate regeneration projects (i.e. prior to 18 July 2018). As such they do not have a right to return or qualify for a vote in a residents ballot at HRW.
- 1.18. The consultation and engagement will inform the final amendments to ballot documentation and ensure that the Council is addressing issues raised by residents, and the Council has procured an independent body to undertake the ballot on their behalf to ensure the voice of residents is heard clearly throughout the process.
- 1.19. Concurrently with the resident ballot, the CPO will be progressed on the assumption of a successful outcome of the ballot. LBH have developed a CPO strategy for outstanding residential and commercial interests which are necessary to complete the scheme that focuses on resident involvement. The Council believes that an appealing residents offer will address the risks of the CPO delays impacting project timelines.

### Planning and design

- 1.20. The LB Haringey is committed to High Road West and the regeneration is supported in local planning documents, in particular the Tottenham Area Action Plan (2017) Development Plan.
- 1.21. Design and planning have been considered from the outset, with support being provided by the GLA Regeneration Team in developing the tender documents and undertaking the competitive tender process. A focus on placemaking principles has been maintained throughout the process and the design will reflect the aims and objectives of the Good Growth Programme, promoting liveable neighbourhoods. In particular, the project has worked on ensuring that the scheme optimises the masterplan design to meet the needs of local people.
- 1.22. LBH have established and maintained a strong dialogue with LBH Planning Officers. The Scheme has been to the Council's Quality Design Panel and has received positive and encouraging feedback.
- 1.23. Lendlease have employed a specialist team to deal with key areas of design development including layout and massing, key planning considerations respecting the heritage and conservation area requirements, promoting active travel and delivering high quality homes in accordance with the Mayor's Housing Spatial Planning Guidance (SPG) (and emerging "Good Quality Homes for all Londoners SPG").
- 1.24. A hybrid application will be developed with a detailed first stage and later phases developed in detail soon after.

## Summary and Next Steps

- 1.25. This proposed Land Fund intervention has been assessed through a high level of internal and independent reviews and scrutiny examining the financial assumptions, wider benefits of the scheme, and legalities of the funding use. It has been through joint reviews with GLA viability experts supporting external consultants reviewing the appraisal assumptions and grant repayment triggers. It has also been through a thorough review by external cost benefit consultants with support from the GLA Economics team on the cost benefits of the scheme and the wider savings to the Treasury. All consultants' views have led to the project team proceeding with confidence that the Land Fund submission is a justified use of public resource and the conditions of the funding are being met.
- 1.26. Securing a successful resident ballot is a condition of the funding and LBH have been working closely for a number of years with the local communities to help inform and shape the future of their neighbourhoods. This fostering of a sense of community and ownership of the renewal plans together with the residents offer that this fund will help to deliver makes the GLA confident this is a good use of public resources. The funding will be withdrawn if the resident ballot is unsuccessful.
- 1.27. The next steps for the funding arrangement are to prepare a recoverable grant agreement in respect of the Land Fund monies, with the intention that it would be completed at the same time as a Building Council Homes for Londoners (project by project basis) grant agreement in respect of the affordable homes. HRW Head of Terms are agreed in principle, subject to contract.

## Deliverability

- 1.28. The LBH and Lendlease have been working in close partnership for more than two years to implement the HRW Scheme. The contractual arrangements for the scheme (a Development Agreement and a Compulsory Purchase Order Indemnity Agreement) have been signed and in place since December 2017 and is available online to view publicly. All LBH Cabinet and full LBH approvals have been secured to take forward Phase A of the scheme. The Secretary of State consent has also been secured for disposal of the Love Lane Estate, and in 2018 a hybrid planning application for the scheme was being developed and consulted on. HRW has strong political support from LBH.
- 1.29. LBH has provided assurance that it has a skilled team with demonstrable experience of delivering large, complex, urban regeneration schemes from feasibility through to delivery. This dedicated team LBH believe have expertise in housing, design, policy, structuring and funding large developments and legal arrangements, land assembly and construction. GLA officers are satisfied that this is the case.
- 1.30. Lendlease has significant experience structuring, managing, delivering and funding large mixed-use developments, similar to HRW, throughout the project's lifecycle. Lendlease has an integrated delivery model – that develops, constructs and manages, deploying high-quality teams, innovative techniques and international expertise.
- 1.31. On this basis, it has been agreed that the proposed recoverable grant funding will be provided to LB Haringey, who in turn will operate a back to back arrangement with Lendlease who will be responsible for all expenditure and delivery.

## Recouping of Funding

- 1.32. In order for the GLA to have a good chance of recovering its grant funding it has negotiated the internal rate of return (IRR) that needs to be achieved for repayment of the grant to as low as deemed agreeable by LBH and Lendlease and as per the rate in Part 2 of this decision. An initial financial repayment rate was proposed by LBH and Lendlease but through a thorough financial due diligence review by an independent cost consultant, and the GLA's viability expert, this was reduced to reflect similar projects in the current market. Overall this increases the likelihood of the GLA recouping some or all of the grant funding.
- 1.33. In addition, given there is a two-year period between grant approval and drawdown, it will be a condition precedent to the drawdown of grant that LBH provide a financial appraisal for Phase A to

demonstrate the viability position of Phase A and that the funding is still required in order to safeguard the use of the GLA's grant allocation.

- 1.34. To help ensure that the GLA's grant repayments are realised, it is agreed that the grant repayment will be prioritised and paid to the GLA before any overage (or surplus profit over the agreed IRR) is paid to LBH or Lendlease for Phase A.

## 2. Objectives and expected outcomes

- 2.1. The overarching objective of HRW is to deliver circa 2,660 high quality new homes over two main phases. This funding request relates to Phase A consisting of 1,435 new homes with a minimum of 40 per cent affordable homes. Without this funding the land assembly cannot be completed, and the scheme will not go ahead.
- 2.2. The land fund recoverable grant is linked to the delivery of 861 market homes as per the table below which are expected to start on site in March 2022. The 40 per cent affordable housing delivery consists of 574 affordable units which are expected to start on site in autumn 2022.
- 2.3. The programme for High Road West Phase A by tenure, subject to planning approval and final plot phasing agreements, is as follows:

<b>Programme for phase A plots</b>	<b>A&amp;D</b>	<b>B</b>	<b>F</b>	<b>G</b>	<b>C</b>	<b>Total</b>
Private	424	174	165	33	65	861
Affordable	72	131	181	0	190	574
Practical Completion (PC)	31-Dec-25	30-Sep-26	31-Mar-28	30-Sep-27	30-Jun-29	1,435

- 2.4. The comprehensive regeneration of HRW will bring many benefits to the local community and contribute to the supply of much-needed new afford housing in one of the most deprived Boroughs in London.

## 3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.3. When considering the needs of the existing community and those that will be affected by the proposed development (both currently and in the future development scheme), any development activity will look to minimise disadvantages to all protected characteristic groups within society.
- 3.4. The HRW scheme is a housing led scheme, which will help deliver the Mayor's policies set out in the Mayor's London Housing Strategy. In September 2017, the GLA published an impact assessment, including an equalities impact assessment, of the London Housing Strategy. Policies related to increasing housing supply and delivering affordable housing were also covered by the Integrated Impact Assessment (IIA) for the Draft London Plan, published in November 2017.

- 3.5. The IIA concluded that the cumulative impact of these policies combined with policies for flexible housing mix, inclusive design and accessible housing would contribute to creating inclusive communities, relieve housing pressures that disproportionately affect lower-income groups and ensure the needs of different groups are taken into account in housing design.
- 3.6. This decision is therefore expected to have positive impacts on persons with a protected characteristic under the Equality Act, as increasing the supply of housing in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups and women.
- 3.7. The delivery of new and additional homes will help to implement the Objectives of the Mayor's Equality Diversity and Inclusion Strategy "Inclusive London" (May 2018). This includes working with housing associations, councils, developers, investors and government to help increase the supply of homes that are genuinely affordable to buy or rent. This will help to tackle the inequalities experienced by certain groups of Londoners most affected by the city's shortage of affordable homes.
- 3.8. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health. The health and wellbeing of residents will be a priority within the vision for the development to address this.
- 3.9. A cost benefit analysis of the proposal found that the scheme, particularly the new library and learning centre, will connect residents with opportunities to work and employability skills offered through the library, and is expected to have a positive impact on persons with protected characteristics under the Equality Act. Improvements in the services and public realm environment will offer enhancements aimed to address general health wellbeing inequalities seen across the Boroughs and improve the opportunities and life-chances for the local population.

#### **4. Other considerations**

##### Key risks and issues

- 4.1. The positive outcome of the Mayoral ballot is a key part of the project. The Council has looked to ensure they develop a business model which is inclusive and substantially increases the number of affordable rented homes. This will increase the number of homes offered to tenants in temporary accommodation (subject to final approval of a local lettings plan).
- 4.2. There are also risks associated with the CPOs required for land assembly. LBH are running this process concurrently with the residents' estate regeneration ballot, and have a clear strategy including significant resident consultation and consideration of an appealing resident offer. LBH are aware that any delays to the CPO process and land assembly may result in project delays. Any delay beyond the agreed start on site date of March 2022 may result in the funding offer being withdrawn.
- 4.3. There are financial risks in respect of the delivery of HRW due to the viability position. LBH have a dedicated team to manage the project and monitor financial risks and issues and will work closely with Lendlease to understand the impact of any changes in market conditions. The GLA's independent cost consultants have reviewed all the assumptions and consider the project cashflows and financial forecasting to be in line with a phased project of this scale.
- 4.4. In addition to the programme risks, the Covid-19 pandemic poses a risk on the wider economy, including migration of Londoners to outside of London, which may impact the market units. Any market downturn or issues causing cashflow issues may result in a halt to the development. Whilst the wider housing market is highly sensitive to external factors, the market for affordable housing is much less so, and a scheme with a high level of affordable housing such as this is better insulated against market downturns and can be re-phased to accommodate this should it be needed.
- 4.5. There is also a financial risk to the GLA addressed through the recoverable nature of the funding to avoid enabling a super-profit scenario. The repayment trigger will be based on the agreed IRR which

measures the scheme's performance at the completion of phase A. This will mitigate any super-profit scenario and allow the GLA to recover the grant to bring it back down to the agreed IRR threshold.

- 4.6. There is a period of two years before the start on site occurs. During this time the project position could improve with market conditions and risk may reduce due to any forward funding of the Build to Rent (BtR) properties. A requirement to revisit the grant funding requirement will be included in the funding contract as either of these circumstances may mean either less grant is justified than currently considered.

#### Due diligence, appraisals and costs

- 4.7. The GLA appointed independent cost consultants as per the Land Fund conditions, to undertake financial due diligence on HRW and protect the GLA's interests and limit exposure to its proposed investments. The cost consultants proposed several recommendations to satisfy the financial due diligence which has subsequently been agreed with LBH and Lendlease and reflected in the Heads of Terms to enable this intervention. Based on financial analysis, the HRW project is unviable without grant funding. The cost consultants reviewed the financial model with key metrics and assessed them to be reasonable and justified based on current and recent historic market conditions.
- 4.8. The benefit cost analysis (BCR) was also carried out by a cost consultant and found the project to have an acceptable level of value for money at a Green Book compliant Benefit Cost Ratio score of 1.7. The land fund requires a minimum BCR score of 1.5, and so it is clear that HRW satisfies this condition.
- 4.9. A phased approach to reviewing the grant before start on site of each sub phase and drawing it down accordingly through correct profiling has also been agreed. The sub phase review will be checked by a monitoring officer to ensure grant is not drawn down in advance of need.
- 4.10. An "anti-embarrassment clause" has been inserted into the Heads of Terms to avoid surplus profit being paid to LBH or Lendlease before the GLA's grant has been repaid (see paragraph 1.34 above).
- 4.11. Any surplus up to a normal level of return would be retained by Lendlease, the normal level of return is intended to reflect a reasonable level of profit for a developer on a scheme of this nature. IRR (pre-finance) has been agreed as the appropriate metric with an agreed repayment threshold. This level of IRR increases the chances of the GLA to recover the grant.
- 4.12. The grant is being used to fund land assembly costs and will be paid to LBH who will lead the land assembly for the HRW scheme. The Compulsory Purchase Order Indemnity Agreement (CPOIA) between LBH and Lendlease sets out the roles and responsibilities of both parties in securing the land for the High Road West regeneration project.
- 4.13. Under the CPOIA the Council will acquire all the land required within the regeneration area in accordance with the property cost estimate (which estimates the market value and compensation in line with the Compulsory Purchase Order code) as a basis for making offers on property/land interests. The Council will then be reimbursed by Lendlease for these costs over the duration of the High Road West Regeneration Scheme, in accordance with the development phasing. The CPOIA also ensures that the assurances given to Love Lane Estate residents regarding re-housing, and assurances given to businesses within the High Road West Business Charter, are adhered to.
- 4.14. All legal costs and consultants' fees incurred as part of the due diligence of the project will be recharged to LBH, including costs for external state aid advice, analysis of the benefit cost ratio and legal contracting.

#### Links to Mayoral strategies and priorities

- 4.15. The London Housing Strategy sets out the policy rationale for the GLA to take a more interventionist approach in London's land market, enabling delivery of more social rented and other genuinely affordable homes, accelerating the speed of building and capturing value uplift for public benefit.



- 4.16. A failure over recent decades to build the number and type of homes London needs has resulted in a housing crisis characterised by increasing affordability pressures and rising housing need. To address this, the intend to publish draft New London Plan sets a target of 52,000 new homes a year over the next 10 years, with a strategic target for 50 per cent of these to be genuinely affordable.
- 4.17. Aiding LBH in the land assembly of the HRW scheme through this funding will help to deliver the ambitions of the Mayor of London's Housing Strategy (adopted 2018) with the delivery of 861 new homes.

#### Consultation and Impact Assessment

- 4.18. As part of the due diligence an independent cost benefit analysis report was commissioned to analyse the impacts of the investment on the local community and cost savings to the Treasury. It found that the nature of the project would have a wide-ranging set of positive impacts locally. These ranged from better health and increased life chance opportunities to environmental improvements through a high quality public realm. The benefits extend to a reduction in carbon emissions from more energy efficient buildings and a decentralised district heat network. Improved life chances will largely come as a result of employment benefits from training programmes planned for the new library and learning centre.
- 4.19. There was also found to be benefits to the safety of the area in terms of reduced crime and road traffic accidents as a result of improvements to the public realm and road improvements. This includes a reinvigorated and significantly enhanced streetscape through shopfront and public realm improvements
- 4.20. The proposed project has been developed through extensive community consultation and engagement for the last seven years and will continue to be a central focus in preparation for the estate regeneration ballot.
- 4.21. The GLA have consulted extensively with senior officers at the LBH and Lendlease throughout the development of this proposal. It appointed independent consultants to undertake and facilitate the due diligence process to meet the land fund conditions and satisfy the GLA governance requirements for recoverable grant investments. External lawyers have been appointed to provide legal advice as per the details in Part 2 of this decision.

#### Declarations of interest

- 4.22. There are no conflicts of interest to declare from any of the Officers involved in the drafting and clearance of this form.

### **5. Finance comments**

- 5.1. This decision requests approval for the expenditure of £21.2m on a grant allocation to Phase A of the High Road West scheme in North Tottenham in the London Borough of Haringey. The initial grant payment is conditional on a successful residents' ballot. The grant will have the potential to be recovered; the recovery is contingent upon the Internal Rate of Return of the Phase A scheme exceeding a specified rate.
- 5.2. The grant will be funded from the MHCLG Land Fund.
- 5.3. The profile of the expenditure, by financial year is currently anticipated to be:

Financial Year				
2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	<b>Total £m</b>
10.0	5.0	0.0	6.2	<b>21.2</b>

## 6. Legal comments

- 6.1. Under section 30(1) of the Greater London Authority Act 1999 (as amended) (“GLA Act”), the GLA has the power to provide the recoverable grant funding for the project explained above, provided that doing so will further one or more of the GLA’s principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London. The project will deliver new housing, including affordable housing, and it is open to the GLA to take the view that funding it will promote both social and economic development, and is therefore within its power contained in section 30(1) of the GLA Act.
- 6.2. In exercising the power in section 30(1), the GLA must have regard to the matters set out in section 30(4-6A) of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010. Reference should be made to section 3 above in this respect.
- 6.3. In addition to the above, where the GLA is proposing to use the power conferred in section 30(1) of the GLA Act, the GLA must consider consulting in accordance with section 32 of the GLA Act. GLA officers have confirmed it is not considered necessary or appropriate for the GLA to consult with any other persons or bodies including those specified in section 32(2) of the GLA Act for the purposes of this Director Decision.
- 6.4. External lawyers have advised GLA officers in relation to state aid compliance.
- 6.5. Officers must ensure that all necessary and appropriate steps are taken and a suitable funding agreement entered into with LBH to formalise the provision of the recoverable grant before committing to the same.
- 6.6. Further legal comments are set out in Part 2.

## 7. Planned delivery approach and next steps

- 7.1. The delivery timetable for the consideration of this Land Fund application:

Activity	Timeline
<b>Director Decision to invest</b>	<b>November 2020</b>
Legal due diligence	November 2020
Completion of Land Fund Contract with LBH	December 2020
First phase of homes to Start on Site	March 2022
First tranche of Land Fund draw-down	March 2022

### Appendices and supporting papers:

Appendix 1 – Map of the High Road West site

Appendix 2 – Proposed phased approach to development

## Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

## Part 1 - Deferral

### Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: The details of this DD contain commercially sensitive information about the HRW scheme and proposed funding agreements between GLA and LB Haringey, and subsequent commercial agreement with Lendlease, that has not yet been finalised and publication of this information would undermine the commercial sensitivity of this. The DD should therefore not be published until the legal agreements are finalised.

Until what date: 31 March 2021

## Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

### Is there a part 2 form – YES

## ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

### Drafting officer:

Fazan Khaliq has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Assistant Director/Head of Service:

Neil Hook has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

### Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

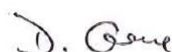
### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 23 November 2020.

## EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**



**Date**

1 December 2020