

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1650

### Title: Approval of MRF expenditure on Station Approach and District Energy Network

#### Executive Summary:

This paper addresses the remaining Mayors Regeneration Fund/ London Enterprise Fund allocations in North Tottenham. The proposal is to incorporate Station Approach and District Energy Network projects into the wider phase 2 Housing Zone funding package formally approved by the Mayor on 17 March. This approach de-risks the overall North Tottenham project, enables comprehensive regeneration, and outcomes agreed by Investment Performance Board at stage 2, to be delivered. It was approved in principle by Investment Performance Board on 19 April 2016 (MD1632).

The Mayor approved (under cover of MD895 and MD1092) a programme of delivery through to March 2017, with investment decisions within this timeframe and subsequent to a Stage 2 investment decision being delegated to the Executive Director for Development, Enterprise and Environment. Where funding is required beyond 2016/17 changes and approvals are subject to the GLA's decision making process. This paper seeks Mayoral approval for the following MRF expenditure to extend beyond March 2017.

#### Decision:

That the Mayor approves the incorporation of:

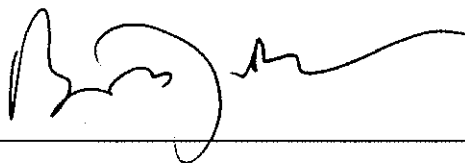
- £3.86m currently allocated to the Station Approach project in North Tottenham funding, within the wider phase 2 Housing Zone funding package with full spend achieved by 2018/19; and
- £2.5m currently allocated to the District Energy Network project in North Tottenham within the wider phase 2 Housing Zone funding package with full spend achieved by 2020/21.

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

30.4.2016

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

### Decision required – supporting report

#### 1 Introduction and background

- 1.1 The Mayor approved (under cover of MD1092) approval for a programme of delivery through to March 2017, with investment decisions within this timeframe and subsequent to a Stage 2 investment decision being delegated to the Executive Director for Development, Enterprise and Environment. Where projects require funding beyond 2015/16 endorsement is required from Investment Performance Board (IPB) prior to the preparation of a Director's Decision. Where funding is required beyond 2016/17 changes and approvals are subject to the GLA's standard decision making process.
- 1.2 The £28m (£18m Mayors Regeneration Fund (MRF); £10m London Enterprise Fund (LEF), package to align with large scale redevelopment in North Tottenham was approved by IPB in April 2012. This was further supplemented by match funding from the LB of Haringey (£13m). An additional £1.2m has now been secured by the LB Haringey, which brings the total programme value up to £42.2m. The funding is intended to safeguard the £650m investment associated Tottenham Hotspur Football Club (THFC) development. Regeneration in North Tottenham will deliver an estimated 4,800 new homes and 3,850 new jobs.
- 1.3 Four distinct projects, targeted at supporting large scale estate redevelopment programme in the vicinity are moving forward at different rates. While there has been very good progress on two of these projects, delays to THFC's stadium, have caused uncertainty around delivery timeframes on others projects. The revised stadium planning application was approved by LB Haringey (LBH) in December 2015 and the Mayor gave final approval in February 2016. This increases certainty. However, some uncertainty remains around the timing of delivery of the THFC project.
- 1.4 In December 2012 £872,000 MRF expenditure for the purchase of key sites was authorised by the Executive Director of Development, Enterprise and Environment under cover of DD938. In 2013/14 £436,447 was utilised to purchase 731 Tottenham High Road.
- 1.5 In November 2015 £4.8m MRF expenditure for delivery of a renewed White Hart Lane station, improved public realm, and acquisitions was approved Executive Director of Development, Enterprise and Environment under cover of DD1391.
- 1.6 The two outstanding elements of MRF funding relate to High Road West - Station Approach (3.06m) and District Energy Network (2.5m). It is not possible to allocate this funding in detail until a deliverable development proposition has been established.
- 1.7 Significant progress has been made on HRW in the last six months. Cabinet approval to commence procurement of a development partner was secured in December 2015. This procurement process will begin in May 2016 and complete in Q1 of 2017/18. In summary:
- LBH will be seeking a development partner to deliver the High Road West Scheme and will use a development agreement to manage development with its partner;
  - LBH's partner will be committed to delivering the approved development in accordance with the development agreement obligations and in accordance with the agreed delivery programme; and
  - the development agreement will be structured so that LBH is responsible for securing vacant possession of the site and the development partner is responsible for all infrastructure and development delivery.

- 1.8 Since December 2015 development of phase 2 Tottenham Housing Zone has been progressing and was formally approved by the Mayor on the 17th of March 2016 (MD1632).
- 1.9 As part of this process the strategy for spend on the remaining MRF monies has been clarified. It is proposed that the remaining £3.86m for Station Approach and the £2.5m for delivery of District Energy Network be incorporated into the wider Housing Zone funding package in addition to the existing Housing Zone funding allocation. The proposal de-risks the overall project, enables area-wide regeneration and outcomes agreed at stage 2, to be delivered.
- 1.10 It is anticipated that delivery will be achieved by 2020/21. As this falls beyond the 2016/17 deadline for spend approved under cover of MD1092 IPB approval in principle was secured on 19 April 2016.

## 2 Objectives and expected outcomes

### 2.1 *Station Approach*

- 2.1.1 The Council identified the High Road West area as key to Tottenham's regeneration due to its proximity to the THFC stadium development scheme and the potential for improving and exploiting the excellent transport links to central London. Station Approach is one of the first phases of the High Road West (HRW) Regeneration Scheme which will provide 2,000 new homes, an improved station at White Hart Lane, and a new public square.
- 2.1.2 £8.5m GLA MRF has been made available to support delivery, a Stage 2 approval is in place to support land acquisitions and investment in White Hart Lane.
- 2.1.3 As it has not been possible to allocate funding in detail until a deliverable development proposition was established spend to date on this project has been modest:
  - £436,447 on the purchase 731 Tottenham High Road (2013/14)
  - £200,000 on a RIBA stage 2 report, which established the anticipated cost of land acquisitions, station and public realm works required to deliver the improved station and public realm (2015/16).
- 2.1.4 In March 2015 TfL secured £11m from their Growth Fund towards the costs of the improved station. TfL is committed to delivery of this project by 2018.
- 2.1.5 As a result of this progress and the revised stadium and associated development planning application submitted by THFC, in October 2015, IPB endorsed the detailed allocation of £4.8m. £4m of this allocation is being managed through an MoU with TfL.
- 2.1.6 In the past 12 months work on the delivery approach for HRW has been underway. In December 2015 this was agreed by Cabinet. Since December 2015 detailed development of Phase 2 Housing Zone has been underway, and was formally approved, by the Mayor on 17 March. As part of this process the strategy for spend on the remaining MRF monies has been clarified.
- 2.1.7 It is proposed that the £800,000 grant to LBH as a contribution to its costs of the purchase of land and properties (approved under cover of DD1391), and the remaining £3.06m, be incorporated into the wider Housing Zone funding package in addition to the existing Housing Zone funding allocation. This approach de-risks the overall project and enables comprehensive regeneration to be delivered. Spend will still achieve the outcomes agreed in the original stage 2 approval:

Outputs	Outcomes
New ticket hall at White Hart Lane station	Reduced congestion on event days (to handle a doubling of pedestrian nos. (to 12,000) using White Hart Lane Station on Stadium event days)
Up to 1,700 sqm land acquired	Time savings and improved environment
2,000sqm public realm improved and 1,750 sqm of new public realm	Improved sense of place and catalytic effect for new investment in wider area.

TABLE 1 Station Approach Outputs approved at Stage 2 (April 2012)

- 2.1.8 It is proposed that monitoring and reporting against this spend be incorporated into HZ mechanisms with joint management of these projects through the established Haringey Housing Zone boards on which officers from both the Regeneration (Development Enterprise and Environment) and Investment & Operations (Housing & Land) teams sit. It is anticipated that full spend will be achieved by 2018/19.

	2012/13 Actual £	2013/14 Actual £	2014/15 Actual £	2015/16 Forecast £	2016/17 Forecast £	2017/18 Forecast £	2018/19 Forecast £	Total £
MRF	-	436,447	-	-	600,000	1,500,000	1,760,000	4,296,447
MRF/TfL			200,000	-	3,000,000	1,000,000	-	4,200,000
LBH	-	-	110,000	430,000	5,317,000	2,643,000	-	8,500,000*

TABLE 2 anticipated spend profile for Station Approach

\*LBH has identified up to £8.5m expenditure in its capital programme beyond 2015/16 to support regeneration in North Tottenham with an intended focus on restoration of heritage buildings (£3m) and creating new public space (£5m). This is notionally matched to the stadium approach project and makes up an element of the £41m Programme.

## 2.2 *District Energy Network*

- 2.2.1 £2.5m GLA MRF has been made available to support delivery of District Energy Network (DEN) and a Stage 2 approval is in place.
- 2.2.2 It was agreed in 2014, following a steer from LBH Cabinet, that LBH's preferred approach at North Tottenham is to develop a local area DEN connecting the regeneration developments at HRW, THFC and Northumberland Park Estate with a single energy centre. This could include designing for longer term option to interconnect to the Lee Valley Heat Network (LVHN) at Meridian Water later, creating 'strategic' low carbon heat networks for the Upper Lee Valley.
- 2.2.3 Since 2015 consultants have been engaged to prepare a business case for the DEN at North Tottenham. LBH has agreed that the DEN business case will be taken forward with HRW as the preferred location for the energy centre, and the requirements will be included in the HRW development partner procurement documents. This establishes a clear delivery route for District Energy provision within North Tottenham.
- 2.2.4 Since December 2015 detailed development of Phase 2 Housing Zone has been underway, and was formally approved by the Mayor on the 17<sup>th</sup> of March 2016. As part of this process of developing a business case, the strategy for spend on the remaining MRF monies has been clarified.
- 2.2.5 It is proposed that the £2.5m DEN funding be incorporated into the wider Housing Zone funding package. This approach de-risks the overall project and enables comprehensive regeneration to be delivered. Spend will achieve the outcomes agreed in the original stage 2 approval.

Outputs	Outcomes
Design and feasibility study	Firm design and installation plan
Pipe infrastructure design and installation	Supports viability of THFC development
Possible temporary energy centre dependent on energy demand trajectory	Annual CO2 savings when fully operational – 1,968 tonnes & reduction in fuel poverty experienced by local residents. Also potential eventual link with long term proposal for larger Edmonton Energy Network
CHP plant operational by 2017 with capacity (CHP capacity 1.1MWe & 5.1MWth boiler capacity) to serve NDP Scheme, up to 2,000 new homes, community buildings and new employment floorspace	80% of jobs to be targeted initially to Tottenham residents

TABLE 3 Outputs approved at Stage 2 (April 2012)

2.2.6 It is proposed that monitoring and reporting against this spend be incorporated into HZ mechanisms and that management of this spend is undertaken through the relevant Haringey Housing Zone boards on which officers from both the Regeneration (DEE) and Investment & Operations (H&L) teams sit. It is anticipated that full spend will be achieved by 2020/21.

	2012/13 Actual £	2013/14 Actual £	2014/15 Forecast £	2015/16 Forecast £	2016/17 Forecast £	2017/18 Forecast £	2018/19 Forecast £	2019/20 Forecast £	Total £
MRF	-	-	-	-	300,000	200,000	1,000,000	1,000,000	2,500,000
LBH	-	-	-	-	-	-	-	-	-

TABLE 4 anticipated spend profile for District Energy Network

### 2.3 Combined Forecast spend for Station Approach and District Energy Network

	2012/13 Actual £	2013/14 Actual £	2014/15 Actual £	2015/16 Forecast £	2016/17 Forecast £	2017/18 Forecast £	2018/19 Forecast £	2019/20 Forecast £	Total £
MRF	-	436,447	-	-	900,000	1,700,000	2,760,000	1,000,000	6,796,447
MRF/TfL			200,000	800,000	2,200,000	1,000,000	-	-	4,200,000
LBH	-	-	110,000	430,000	5,317,000	2,643,000	-	-	8,500,000*

TABLE 5 anticipated spend profile for Station Approach and District Energy Network

## 3 Equality comments

3.1 All projects will be developed and delivered in compliance with relevant Codes of Practice and in line with the public sector equality duty to ensure that the following issues have been considered

- i) Design Proposals: All design proposals will be assessed in terms of accessibility to ensure we minimise disadvantages suffered by people who share a protected characteristic. age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation
- ii) Documents and publications: all documents produced will comply with Mayor of London branding guidelines, itself based on guidance from the Royal National Institute of Blind People. Where possible documents will be offered in translated and braille formats.
- iii) Events: all events will be open to all and, where possible, we will encourage people who share a protected characteristic to participate in any activity in which their participation is disproportionately low.

#### **4 Other considerations**

##### **a) *Key Risks and Issues***

There is a risk that Housing Zone monies are prioritised over remaining MRF monies by the Borough. In order to manage this risk it is proposed that the remaining £3.8m Station Approach and £2.5m DEN monies are embedded in the wider HZ process in addition to the current Housing Zone allocations. The outputs agreed at stage 2 will remain the same. Monitoring of spend and achievement of outputs will be managed as part of the HZ process.

The approval by LBH and the Mayor provides increased certainty around delivery of the THFC project. However it remains the case that progress on the THFC project is outside of the control of either LBH or the GLA and further delays may occur. Close and regular coordination is in place at the appropriate levels in LBH. Senior officers at the GLA are also fully briefed on progress.

##### **b) *Links to Mayoral strategies and priorities***

The proposed project is not mentioned in the strategic plan directly, as it is a response to the unforeseen exceptional incidents of August 2011. However, the programme overall, and the individual projects for Tottenham closely link to the Mayor's priority themes of: improving Londoners' quality of life; investing in young Londoners and supporting jobs and growth.

The project will support the Mayor's priority to deliver growth and jobs, including meeting the Mayor's 200,000 jobs target.

##### **c) *Impact assessments and consultations***

Since the riots in 2011 LBH has started a dialogue with local residents, businesses and stakeholders to inform and shape the key elements of the overall approach to regeneration in Tottenham. In October 2013, Haringey Council commissioned an independent organisation called Soundings to conduct a thorough five-month consultation exercise called Tottenham's Future, to gather views from the community on their views and ambitions for the next 20 years. The responses fed into and shaped the council's Strategic Regeneration Framework (SRF) for Tottenham, which sets out how the local community's priorities can be achieved. More than 3,700 people contributed to the consultation.

The works outlined in this report all play a direct and significant role in tackling the key concerns identified through consultation by helping to deliver the strategies for success outlined in the SRF. Individual projects will be developed and delivered in compliance with relevant Codes of Practice and in line with the public sector equality duty.

#### **5 Financial comments**

5.1 This report sets out the latest position with regard to the post-riots programme for Tottenham, funded by Mayor's Regeneration Fund (MRF), London Enterprise Fund (LEF) and LB Haringey and seeks approval to utilise £6.36m on the Station Approach and District Energy projects.

5.2 As detailed within the main body of this report, the MRF/ LEF funding package for this programme totals £28m and comprises of £18m from the Mayor's Regeneration Fund and £10m Government Funding from the London Enterprise Fund. This is further supported by match funding from the LB of Haringey (£13m) plus a further £1.2m secured by the borough bringing the total programme value up to £42.2m.

5.3 With regards to the proposal to utilise £6.36m; £3.86m allocation in the Station Approach project and £2.5m for the District Energy Network project to be incorporated into the wider phase 2 Housing Zone funding package will be contained within the overall MRF / LEF funding package of £28m.

- 5.4 As a result of the proposals in this report, the £28m MRF / LEF funding allocated to specific projects within the overall Tottenham programme, (that have secured IPB and /or full approval) will require some budget re-profiling into future years up to the 2020/21 financial-year to cater for the two projects noted above, which will be picked up as part of the Authority's annual budget setting process.
- 5.5 Given the complexities of this programme, the individual projects will be monitored closely and any project slippage reported as soon as they become apparent. Any variations to grant agreements that impact on the delivery dates and /or any specific changes to the projects (including budgetary implications) will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

## **6 Legal comments**

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the director fall within the statutory powers, acting on behalf of the GLA, to do anything which is facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
  - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
  - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) 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 (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.
- 6.3 Officers have indicated that report that the proposed contribution of funding will amount to the provision of funding and not a payment for services to be provided and must ensure that the proposed funding is disbursed in a fair and transparent manner in accordance with the GLA's Contracts and Funding Code and a funding agreement is put in place between and executed by the GLA and proposed recipient(s) before any commitment to the funding is made.
- 6.4 To the extent that it is proposed the funding be awarded as Housing Zones funding, officers must also pay regard to the legal comments provided on MD1632 and legal advice provided in relation to the same and continue to engage with TfL Legal seeking further advice as required.
- 6.5 Given that the activity and expenditure proposed relates to extends beyond the current mayoral term officers must also observe the principle that an incumbent administration should not unreasonably fetter the discretion of any future administration. Officers must ensure therefore, that the project is managed in a manner, including the inclusion in all relevant agreements of break clauses, which enable the GLA to terminate the same (or elements thereof) at any point for convenience, milestones and payments should be structured so as to minimise the impact of the exercise of such termination rights and no activity is undertaken, including (without limitation) related

announcements or communications, which might impact practically upon the exercise of the discretion of the next Mayor.

## 7 Investment & Performance Board

### 8. Planned delivery approach and next steps

*Set out how the project will be delivered and complete the outline timetable*

<b>Activity</b>	<b>Timeline</b>
Incorporate MRF Monies into HZ Agreement	June 2016
Delivery Start Date HRW Acquisitions	Q1 2016
Delivery Start Date DEN	Q1 2016
Final evaluation start and finish To be agreed as part of HZ agreement process	
Delivery End Date HRW Acquisitions	2018/19
Delivery End Date DEN	2019/20

#### **Appendices and supporting papers:**

IPB report

MD 1632 Housing Zones (Phase2) PART 1 (Signed)



**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form -NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Louise Duggan has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

**Assistant Director/Head of Service:**

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

✓

**Sponsoring Director:**

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Ed Lister has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. J. Allen*

Date

*29.4.16*

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

*Edward Hill*

Date

*29.04.2016*

