

# A guide to the Haringey Development Vehicle

## Introduction

We have big ambitions for our borough and our residents, and we believe that regeneration is key to unlocking Haringey's great potential and creating the kind of place local people have told us they want to live – with quality homes, good jobs, fantastic facilities, great public spaces, and buzzing high streets.

In London and across the UK, we are not building enough homes and we haven't done so for more than 20 years. The truth is that too many people in Haringey are living in sub-standard housing and that, for too many local families, finding a decent job and a home to call their own feels forever out of reach. We won't stand for that – we are determined to tackle Haringey's employment and housing challenges.

We know that growth and investment in homes, jobs and communities are central to Haringey's future, and that the borough needs major investment and regeneration. We also know that – shackled by borrowing constraints and facing dwindling budgets – we can't deliver the necessary scale of investment and growth on our own. The Haringey Development Vehicle (HDV) is a bold and innovative approach to regeneration that will allow us to bring in unprecedented levels of investment; build on a scale that would otherwise be impossible; share the profits and the risks of redevelopment, and shape the best possible future for our borough.

The HDV – a partnership with regeneration delivery experts Lendlease, who have more than 50 years of

place-making experience – will help us to create the borough our residents want: delivering high quality development and major investment, ensuring the borough's future through increased council tax and business rates income, and enabling us to re-invest council profits in further improvements to services for local people.

## A borough that benefits everyone

Growth for Haringey is central to the council's commitment to meeting demand for homes, jobs, and providing financial stability and sustainability for the council.

We cannot achieve our growth ambitions without creating homes and jobs on council land, and we also lack the expertise and finance to drive this transformation alone. Going it alone would also carry large risk.

A 50/50 partnership where the council is the major landowner means sharing both reward and risk between council and partner, with an equal voice in the nature and pace of change to further help improve the borough.

The council's corporate plan makes a strong commitment to communities and growth – in homes, jobs and opportunities. It highlights the need for new homes to meet the huge demand that is making decent housing unaffordable for increasing numbers of Haringey residents and causing more and more families to become homeless. It also identifies the

importance of creating more and better jobs; revitalising Haringey's town centres; increasing household income for Haringey residents, and giving all residents the opportunity to take advantage of London's economic success.

These commitments are further reflected and developed in the council's Housing Strategy and Economic Development & Growth Strategy. Growth is also essential to the future sustainability of the council itself, with Government grant dwindling, local authorities are increasingly dependent on income from council tax and business rates.

Unless we grow our council tax and business rates base, we will increasingly struggle to fund the services on which our residents depend. Improvement in the living conditions, incomes, opportunities and wellbeing of Haringey's residents will undoubtedly support the ambitions of our corporate plan – and will also reduce demand for council and other public services.

The advantages of securing significant growth in quality homes and jobs cannot be understated:

- Supporting more families to find a home to rent or buy in the borough, reducing the impact of the housing crisis; stemming the rise in homelessness, and reducing the pressure on the council's temporary accommodation costs
- Increasing jobs in the borough – meaning greater opportunities for residents to boost their incomes and employment prospects; more vibrant and successful town centres, and more spending within the borough from local employees
- Improved physical and mental health and wellbeing because of better quality housing; higher employment rates and an improved physical environment – also reducing pressure on demand-led public services
- Increased income from s106 funding and the Community Infrastructure levy from developments, meaning more investment in improved facilities and infrastructure – such as schools, health centres, open spaces and public transport – and social and economic programmes such as skills and employment schemes

- Greater financial stability from a larger council tax and business rate base, safeguarding the council from severe budget pressures as Government grants dwindle to zero in coming years

## What is the Haringey Development Vehicle?

An innovative approach to delivering growth, regeneration and residents' priorities for homes and jobs. The HDV is a 50/50 partnership between Haringey Council and property developer Lendlease to oversee the transformation of council-owned land and assets and deliver thousands of new homes and opportunities to the borough. Haringey's investment of land and assets will be matched by Lendlease's funding and expertise – and any profits from the HDV will be shared 50/50.

The HDV is expected to deliver more than 6,000 new homes during the coming 15-20 years, alongside other major improvements such as new schools, health facilities, open spaces and town centres.

The HDV will also drive an ambitious and tailored programme of socio-economic benefits such as employment schemes; new school and health facilities; new community spaces, and community safety programmes.

## Why a development vehicle?

To meet our ambitions for the borough, and deliver on what residents have told us they need, demands a bold approach to regeneration. The HDV gives us the best chance to deliver investment, regeneration, new homes and community improvements at the pace and scale that they are needed in Haringey.

Haringey Council owns a huge amount of land in the borough and it is right that we use our assets to deliver the growth that Haringey needs. But we lack the funding needed to unlock the potential. The HDV will bring that funding as well as enabling us to build on Lendlease's experience and expertise.

As well as sharing assets, funding and expertise, the HDV allows us to share any risks of redevelopment.

It also allows us to share any profit – meaning the council's profit can be ploughed back into further regeneration and safeguarding essential services.

Crucially, the HDV allows the council to be in the driving seat of key decisions about regeneration. All decisions will have to be agreed by the HDV board, with a 50/50 membership between the council and the developer.

## A commitment to homes

The HDV means the delivery of more than 6,000 new homes for Haringey, (in phase one, with potential for more if the council chooses), of which 40 percent will be affordable. The HDV will allow us to create new and better quality homes, and to deliver a better mix of tenure and size of homes than we currently have in Haringey.

Where existing estates are redeveloped, all current council tenants will be guaranteed a right to return on the equivalent terms, should they wish to do so. Where it isn't possible to rehouse an existing resident with a single move, all tenants will be moved to homes they have chosen while redevelopment is taking place.

Local people and businesses will be involved from the start in shaping the changes to their neighbourhood, alongside the formal consultations that must take place for existing council tenants and as part of the planning process.

We're supporting the creation of independent Residents' Charters, which allow residents to set out their ambitions, aspirations and concerns and help shape regeneration. These are drawn up by tenants and leaseholders with independent support from a tenant and leaseholder advisor.

No decisions have been taken about the transfer of any housing estates into the HDV; any such decisions will only be taken following community and statutory consultation and further equalities impact assessments.

## A commitment to communities

Haringey's people are at the very heart of our regeneration ambitions, and the HDV will ensure that their aspirations are met.

We're clear that growth must go hand-in-hand with social benefits such as improved jobs, skills and training opportunities. The HDV's social and economic

programme will see millions of pounds invested in community infrastructure projects to help make our borough a better place, including:

- £8m to fund projects focused on skills; support to help deliver the recommendations from our STEM Commission; community based programmes to support people with mental health issues
- A construction jobs, skills and contracts programme
  - Paying London Living Wage and making this a contractual obligation throughout the supply chain
  - Employing local people; investment in building skills; investment in apprenticeships; programmes with local schools; community engagement and outreach
  - Incorporating local supplier days and a considerate contractors scheme
  - Building a sustainability supply chain, including mitigating impacts on air quality
- A £20million long- term social investment programme focused on improving local resident's prospects, health, environment and support community engagement

## A commitment to public spaces & infrastructure

Quality regeneration schemes are about more than bricks and mortar. The HDV will ensure investment in public spaces and community facilities – such as parks, health facilities, brand new state of the art school facilities, and sustainability programmes – alongside thousands of new homes.

In Wood Green, the HDV will support regeneration ambitions that will see the transformation of the High Road – bringing a new town centre with new retail, office and community space, new council offices and a new library.

## Getting the most out of council-owned land

Haringey Council owns a great deal of land and property across the borough. To deliver housing and growth on the scale required, it's essential that the council uses its own landholdings.

Estate renewal offers the opportunity to increase the number of homes, vary the mix of tenures and sizes, and boost the condition and quality of housing. The council's commercial portfolio - consisting of offices, warehouses and other buildings owned by the council.

The council's commercial portfolio will transfer to the HDV, ensuring that we unlock our assets to improve our borough.

The terms of commercial tenants' leases will not change, but the landlord and lease will simply be switched from being with the council to being with the

HDV. This will bring a range of improvements in how the properties are managed, including a better service for tenants.

As set out in the business plan and accompanying equalities impact assessment, there may be a requirement to charge VAT on rent which doesn't currently happen. We're still assessing the implications and options for the HDV in relation to this and what this would mean for local businesses. In any scenario the Council and Lendlease are committed to managing any impact sensitively and fairly and will look at all options for achieving that.

The council's dedicated portfolio of community buildings – reserved for community groups that make a contribution to civic life in the borough – will not transfer unless they have been proposed for redevelopment as part of a wider regeneration programme. In those circumstances, community facilities would be re-provided.

### The HDV process so far

**February 2015** – Cabinet commissions a business case to assess options for growth on council land.

**November 2015** – Cabinet agrees a joint venture partnership is the preferred approach, and agrees to begin the process to procure a partner.

**January 2016** – the OJEU procurement process begins

**March 2017** – Cabinet decision to approve Lendlease as its preferred bidder for the HDV

**March to June 2017** – Finalisation of legal agreements and business plans for the HDV.

**July 2017** - Cabinet decision to approve HDV business plans and legal agreements.

**Autumn 2017** - Subject to democratic process preparation for new name and launch.

You can find out more details about the HDV as well as view a list of detailed FAQ's at

[www.haringey.gov.uk/hdv](http://www.haringey.gov.uk/hdv)