

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD2070

Title: **Blackhorse Road and Northern Olympic Park Housing Zone, London Borough of Waltham Forest – Blackhorse Lane Station Hub**

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

The information below is not for publication until the stated date, because:

It contains commercially sensitive information, the disclosure of which might prejudice the commercial and business interests of the GLA with other Housing Zone parties. This will be reviewed in two years' time when we expect the majority of the Housing Zone Programme to be in contract.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: 31 December 2018.

Legal recommendation on the grounds of keeping the information confidential:

Under section 43 of the Freedom of Information Act information is exempt if its disclosure would, or would be likely to prejudice the commercial interests of any person (including the GLA). Under section 42 of that Act information is exempt if its disclosure would, or would be likely to, involve the disclosure of information that is legally privileged.

These are qualified exemptions, meaning that information captured under sections 42 and 43 can only be withheld if the public interest in withholding it outweighs the public interest in releasing it.

The information below and attached contains information relating to the confidential assessment of the intervention and proposed GLA funding.

This is commercially sensitive information, the disclosure of which would, or would be likely to, prejudice the commercial interests of the GLA and other organisations specified below. Whilst there is a public interest in understanding the circumstances in which public money is provided to other bodies, it is considered that in these circumstances the public interest lies in maintaining the exemption and withholding the information.

If this information is considered for release pursuant with the provisions of the Environmental Information Regulations 2004, this information should be would be considered exempt information under regulation 12(5)(e) – where disclosure would adversely affect the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.

The below also contains legally privileged advice relating to the above, particularly in relation to the GLA's statutory duties under the Housing and Regeneration Act 2008. It is also considered that, in the circumstances, the public interest lies in maintaining the exemption and withholding the information.

Legal Adviser – I make the above recommendations that this information should be considered confidential at this time

Name Gemma Jackson

Date 30 November 2016

Once this form is fully authorised, this should be circulated with the Part 1 form.

Confidential decision and/or advice:

Below is a summary, produced by GLA officers, of the due diligence undertaken by Cushman & Wakefield and GLA officers in respect of this intervention. A summary of the intervention is contained in Part 2 of MD1545.

Timing – TfL in carrying out the station works in the proposed time frame will deliver a cost saving of 30% (£300,000) and speed up delivery of the project if the works can be delivered in conjunction with other Overground works.

Number of units – The station works and open-space intervention will unlock housing on the following five sites:

Site name
Parkdale - Forest Works, 1 Forest Road, Walthamstow, E17 6JF
Car Wash/Garage Site - 4-10 Forest Road, Walthamstow, E17 6JJ
Standard Pub - 1 BLACKHORSE LANE, LONDON, E17 6DS
L&G – Ferry Lane, Units 1 to 9, Walthamstow, E17
Mandora Site – 3, 5 and 7 Blackhorse Lane and land to south of Hookers Road, Walthamstow, E17

MD1545 proposed 1,679 units would be delivered across these sites and the OBA requires the borough to deliver 1,679 units across these sites. Of these, 310 units will be included within the station works BIA as contractually required units. The remaining 1,369 units are “Indirect” units, meaning that they will not be included within a Housing Zone contract other than the OBA. The GLA and LBWF came to a commercial agreement on the number of “Direct” units to include within the BIA, which also reflects the number of direct units linked to the “Blackhorse Lane Station Hub” intervention in the OBA. Given the amount of grant for the station works (£800k) and the open-space works (£395k), 310 units represents good value for money. In addition, the council is not bringing forward sites itself so the level of housing outputs in the BIA and the claw back clauses attached to failure to deliver affordable units, reflects this fact.

Pre-Contract Monitoring Pro-forma – Attached is the pro-forma, setting out the proposed revised funding allocations, drawdown timetables and re-profiled start on site and completion dates for this Housing Zone, that Housing Zones Steering Group recommended for approval on 29 November 2016. Subsequently, another very minor adjustment was made to the drawdown timetable (£70k moved from 2017-18 to 2016-17) which is reflected in the attached pro-forma and was approved via email following recommendation by the Housing Zone Steering Group.

Affordable housing - Some of the affordable housing unlocked by the intervention will be discounted rent units provided by a private landlord rather than a Registered Provider. It is expected that the discounted rent units that will be unlocked by the intervention will be let at least 20% below market rent levels and will remain discounted for a period of at least 15 years (under planning requirements). GLA officers sought legal advice which confirmed that the discounted rent units are capable of being classed as an affordable housing product (namely low cost rental accommodation) on the basis that the rent is sub-market and the intention is to make these units available to people whose needs are not adequately served by the commercial housing market. Further, since LBWF is not directly providing the low cost rental accommodation under this intervention (whether by acquiring, constructing or converting any property for use as low cost rental accommodation) nor, arguably, is it ensuring such provision by another, the GLA may take the view that it is not required by virtue of Section 31(7) and (8) of the Housing and Regeneration Act 2008 in these circumstances to impose a condition requiring the landlord of the discounted rent units to be

a Registered Provider. This is on the basis that arguably LBWF cannot 'ensure' that the low cost rental accommodation is delivered due to the lack of any direct contractual relationship between LBWF and the provider of the housing units.

Conclusion – It is felt that the funding of this scheme is in line with the vision for the Housing Zones programme, and provides a clear route to the delivery of 310 new homes (of which 154 will be affordable) in the Waltham Forest Housing Zone.

Annex

Pre-Contract Monitoring Pro Forma (recommended by the Housing Zones Steering Group for approval in December 2016)