

***** Extract from email sent 12MAY11 *****

From: Claire Hamilton, LBWF, Interim Head of Strategic Housing Development
To: Graham Reeve, Deputy Chair, Highams Park Forum

> Thank you for your email setting out your concerns regarding the delivery
> of affordable housing within the Tescos development at Highams Park. I
> have set out information regarding the arrangements to secure the
> affordable housing within this scheme:
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> The funding arrangements for the provision of affordable housing have
> changed significantly since the Tescos planning application was approved
> by Planning Committee in 2009. The changes introduced by the Coalition
> Government are unprecedented and have resulted in significant reductions
> in the amount of grant funding available for affordable homes. This will
> have an impact on the delivery of affordable housing not only within the
> Tescos scheme but across many schemes in the borough, in London and
> nationally.
>
> The Council has conducted negotiations over many months to agree a minimum
> delivery level to secure as many affordable homes up front before the
> store opens. As phase 1, 14 social rent homes and 36 intermediate homes
> are to be delivered by Islington and Shoreditch Housing Association
> (ISHA), one of the Council's Investment Partner Housing Associations. The
> Intermediate Homes do not require grant funding and will be financed
> through ISHA's development finance arrangements which include
> contributions from the first tranche of sales to residents.
>
> The delivery of the remainder of the homes was subject to further
> applications for grant funding from the Homes and Communities Agency
> (HCA). In the event that sufficient grant funding was not available to
> deliver the remaining 44 homes for social rent, then ultimately a new
> scheme for the remainder of the affordable site would have to be developed
> and submitted for planning consideration. The Council retained an option
> to contribute some funding if this would secure the delivery of these
> much-needed affordable homes. There was a clear incentive built into the
> agreement for Tescos to exhaust all possibilities regarding delivery of
> these units as restrictions were placed on the occupation of the market
> housing.
>
> Once the s106 agreement was completed, a further application for grant
> funding was made by ISHA for the 44 social rented units which was fully
> supported by the Council and the good news is that this was successful.
> This is a very positive conclusion to the negotiations that have taken
> place over the last year and means that all 94 affordable homes will be
> provided as part of the scheme and that the social rent homes will all be
> funded under the old funding regime which means they are secured as social
> rented homes at target rents.
>
> In the event that the elements of the affordable housing are not provided
> in accordance with the terms of the S106, I have been advised by my
> colleagues in Development Management that the Council may consider taking
> appropriate enforcement action. The decision would have to be taken on the
> ground of expediency and in relation to planning policy, and would have to
> take account of many factors at that time, particularly the state of play
> of affordable housing construction and the nature of discussions that
> would be on going with Tesco or its representatives. For legal reasons the
> Council, as Local Planning Authority, cannot fetter its discretion on the
> matter of taking legal action. That is to say, it cannot commit one way or
> the other on hypothetical situations - it must have regard to the
> circumstances at the time and not arrive at any prejudgements.
>
> I understand that construction of the affordable homes has already
> commenced on site.
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> If you would like to talk this through further, please do give me a call
> on my number below.
>
> Kind regards
>
> Claire
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> Claire Hamilton
> Interim Head of Strategic Housing Development