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27 January 2017

To: All Members of the Overview and Scrutiny Committee

Dear Member,

Overview and Scrutiny Committee - Monday, 30th January, 2017

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

6. MINUTES (PAGES 1 - 6)

To approve the minutes of the Overview and Scrutiny Committees held on 28 November 2016.

10. BUDGET SCRUTINY MINUTES (PAGES 7 - 20)

To note the minutes of the budget Scrutiny Panel meetings:

Environment and Community Safety Scrutiny Panel – 21 December 2016
Housing and Regeneration Scrutiny Panel – 14 December 2016

Yours sincerely

Felicity Foley, Principal Committee Co-ordinator
Principal Committee Co-Ordinator

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MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON MONDAY, 28TH NOVEMBER, 2016

PRESENT:

Councillors: Charles Wright (Chair), Pippa Connor (Vice-Chair), Makbule Gunes, Kirsten Hearn and Emine Ibrahim

Co-opted Members: Luci Davin and Yvonne Denny

58. FILMING AT MEETINGS

Noted.

59. APOLOGIES FOR ABSENCE

None.

60. URGENT BUSINESS

None.

61. DECLARATIONS OF INTEREST

None.

62. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

63. MINUTES

RESOLVED that the minutes of the meeting held on 17 October 2016 be approved as a correct record, subject to the following amendment:

Minute 47 to read - RESOLVED that the revised membership of the Adults and Health Scrutiny Panel (including the addition of Councillor Berryman, as advised at the meeting), the Housing and Regeneration Scrutiny Panel and the Children and Young People Scrutiny Panel be approved.

64. MINUTES OF SCRUTINY PANEL MEETINGS

RESOLVED that the minutes of the Adults and Health Scrutiny Panel, Children and Young People Scrutiny Panel, and Housing and Regeneration Scrutiny Panel be noted.

65. CORPORATE PLAN PRIORITY DASHBOARDS

Charlotte Pomery, Assistant Director for Commissioning, introduced the report as set out.

The following arose during discussion of the report:

- a. There had been limited feedback from the public directly relating to the dashboards.
- b. Performance measures were discussed via Priority Boards, and a joint officer group looked at how the Council could learn through the delivery of priorities, with an internal Executive Board to look at performance across the 5 dashboards.
- c. In response to a request for further information on housing and homelessness (P5, page 34 of the agenda pack), Charlotte Pomery agreed to send a written report with background information, including numbers rather than percentages.
ACTION: Charlotte Pomery
- d. Members suggested that it would be useful to have 'good news stories' under each area to help in getting the message across to residents.

RESOLVED that the report be noted.

66. BUDGET MONITORING

Tracie Evans, Chief Operating Officer, introduced the report as set out.

The following arose during discussion of the report:

- a. A number of actions had been taken in attempts to mitigate the £22m overspend, including a Council-wide Voluntary Redundancy campaign, and a reduction in non-business critical spending.
- b. The five year financial planning will help to plan for when grants are reduced and Business Rates are introduced, however, it was anticipated that there would be a further two years of financial pressures.
- c. The demand increases and reduction of funds had not been a surprise, however they had happened faster than anticipated, and therefore mitigation had not been as quick.

RESOLVED that

- i. **The report and the Council's 2016/17 Period 6/Q2 financial position in respect of revenue and capital expenditure be noted;**
- ii. **The risks and mitigating actions, including spend controls identified in the report in the context of the Council's on-going budget management responsibilities be noted;**
- iii. **The increase in the capital budgets of £6.3m as set out in section 6.8 be noted; and**
- iv. **The virements set out in Appendix 1 be noted.**

67. ANNUAL COMPLAINTS REPORT

Mark Rudd, Assistant Director Shared Services, and Sue Dyos, Feedback Team Leader, introduced the report as set out.

The following arose during discussion of the report:

- a. 1800 complaints were received in 2015/16, with 83 responded to within 10 working days. Where complaints were escalated to stage 1, 54% were partially or fully upheld. 446 had been referred for independent review and 214 had been referred to the Local Government Ombudsman.
- b. The service had recently transferred to the Shared Services Centre, and complaints procedures were being reviewed.
- c. Members pointed out that although Members Enquiries were all treated as stage 1 complaints, this was not always the case. The Chair suggested that work could be carried out with Members to see how Members Enquiries could be dealt with differently.
- d. Members suggested that an annual report should be provided to Corporate Committee, and an update on the learning process should be provided to OSC.

RESOLVED that

- i. **The report be noted;**
- ii. **An annual report be provided to Corporate Committee, starting in May / June;**
- iii. **A progress report on the learning process be provided to OSC in May / June; and**
- iv. **A training session be arranged with Members with regards to reporting Members Enquiries.**

68. WELFARE REFORM UPDATE

Richard Grice, Assistant Director Transformation and Resources, introduced the report as set out.

The following arose during discussion of the report:

- a. The report provided an update on the benefit cap reduction, and identified groups where the largest impact would be felt, and support would be required.
- b. There was a support fund available in earmarked reserves, and it was expected that the entire fund would be spent.
- c. The Council was reasonably confident that there was sufficient data and understanding to identify those who would be most affected by the reduction.
- d. It was a challenging situation, people were working in low income jobs, and it was hard for them to take the time to develop their skills to get better paid jobs. Therefore it was important that targeted interventions took place.
- e. The Chair requested that a further update be provided to the Committee once further work support work had been carried out.

RESOLVED that

- i. **The report be noted; and**
- ii. **A further update be to provided to the Overview and Scrutiny Committee in 6 – 9 months.**

69. HARINGEY JOB SUPPORT MARKET - SCRUTINY PROJECT UPDATE

Vicky Clark, Head of Economic Development & Growth, and Ambrose Quashie, Economic Development Officer Policy & Projects, introduced the report as set out.

The following arose during discussion of the report:

- a. There were 16 recommendations in the report, and there had been progress in all areas, including an increase in partnership working across the Borough, and an increase in the use of the Employment and Skills Board.
- b. The target for apprenticeships within the Council was 20, although the service had helped people to find apprenticeships outside of the Council.
- c. The take up of childcare had been lower than anticipated and it was thought that the main reason was that families on lower incomes did not feel that it was worth working with the cost of childcare. The service was exploring whether more hours could be added to the current free hours provided for 3-4 year olds in order to encourage people back to work.
- d. The Committee thanked Vicky Clark and Ambrose Quashie for the update and noted the progress of the recommendations. The Committee requested that a further update be provided at a later date.

RESOLVED that

- i. **The report be noted; and**
- ii. **A further progress update be provided to the Overview and Scrutiny Committee.**

70. CORPORATE PARENTING

Councillor Elin Weston, Cabinet Member for Children & Families, and Neelam Bhardwaja, Assistant Director for Safeguarding and Social Care, introduced the report as set out.

The following arose during discussion of the report:

- a. It was suggested by Councillor Weston that the Committee could have involvement with Corporate Parenting by looking into areas where the Corporate Parenting Committee didn't have the resources to do so, such as good safeguarding practices with partner organisations, for example, Fusion.
- b. There would be a focus on housing over the coming Corporate Parenting meetings, with the aim of developing a housing pledge for housing for care leavers. It would be useful to have some input from OSC further down the line.
- c. The Aspire group had struggled to interact with young people, and further work was required to find other ways which could be used to encourage participation.

- d. Councillor Weston also suggested that it would be helpful for OSC to look at how well safeguarding procedures and practices were implemented and understood across the organisation and its' partners.

RESOLVED that

- i. **The report be noted;**
- ii. **Bi-annual Corporate Parenting updates be provided to Overview and Scrutiny Committee; and**
- iii. **Refresher training be provided to all Members on their responsibilities as Corporate Parents, and to investigate as to whether such training could be made compulsory.**

71. WORK PROGRAMME UPDATE

RESOLVED that

- i. **The future Overview and Scrutiny Committee and Scrutiny Panels work programmes be noted; and**
- ii. **The scoping document for the Child Friendly Haringey Scrutiny Review be approved.**

72. SCRUTINY PANEL MEMBERSHIP REPORT

RESOLVED that the revised membership of the Housing and Regeneration Scrutiny Panel be agreed.

73. NEW ITEMS OF URGENT BUSINESS

None.

74. FUTURE MEETINGS

Noted.

CHAIR: Councillor Charles Wright

Signed by Chair

Date

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MINUTES OF THE MEETING OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL HELD ON WEDNESDAY 21ST DECEMBER 2016 (BUDGET)

PRESENT:

Councillors: Makbule Gunes (Chair), Barbara Blake, Clive Carter, Bob Hare and Anne Stennett

Co-opted Member: Ian Sygrave (Haringey Association of Neighbourhood Watches)

15. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Stephen Mann.

16. ITEMS OF URGENT BUSINESS

None.

17. DECLARATIONS OF INTEREST

None.

18. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

19. MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2021/22

The Panel considered the proposals relating to Priority 3 within the Council's Medium Term Financial Strategy (MTFS) as follows:

3.1 Charging for Green Waste - Income Generation

Stephen McDonnell, the Assistant Director of Commercial and Operations, reported that the proposal was intended to raise £750,000 per annum in income. However, there was no guarantee that residents would opt into the scheme. A 20% participation rate had been achieved in Brent though. The level of income anticipated had been based on a similar rate being achieved in Haringey and was equivalent to 12,000 homes. There was a risk that residents would put green waste in residual bins instead. It was therefore proposed that home composting bins be offered to residents at cost price. A major communications campaign was planned to promote the change. 40% of London boroughs currently charged for collecting green waste.

The Panel noted that there was lower demand for green recycling in the east of the borough, where people tended to have smaller gardens. It was also intended to offer pre paid sacks to residents. The rate of £75 per year was around the median of what London boroughs charged and worked out at just over £1 per week. The £75 was for a green wheelie bin whilst the sacks could be paid for at customer service centres. Collection was universal at the moment and it was arguable that those who did not use it were subsidising those who did. Houses that had opted into the scheme would be identified by having the green bins.

3.2; Charging for Bulky Household Waste

Mr McDonnell reported that the intention was to raise £400,000 in income through this. It would cost £25 for four items plus £10 for every additional item. The envisaged income was based on 11,500 collections per year. It was not felt that it would impact significantly on recycling levels. There was a risk that the proposals would lead to an increase in fly tipping and reduce the levels of resident satisfaction. However, experience from elsewhere had shown only minor impacts on levels of fly tipping. There would also be an extensive communications campaign to promote the change.

Concern was expressed by the Panel that the proposal would increase the level of fly tipping, which was felt to present a high risk. In addition, items that were fly tipped were normally removed quickly which might make paid collection of items less attractive. In addition, it was felt that the projected increase in income of £400,000 might be difficult to achieve.

The Panel noted there had been extensive discussion with Veolia regarding this proposal and they would be taking on the financial risks associated with this proposal. Their perception was that the level of risk was low. It was considered that the proposals would not make a significant difference to those people who were inclined to fly tip. In addition, it was frequently found that when collection vehicles currently visited addresses to collect bulky items, they had not been put out.

AGREED:

That concern be expressed at the potential for the proposal to lead to an increase in fly tipping and the achievability of the additional income specified and, in the light of this, the following take place:

- A communications campaign with emphasis on the current penalty of £400 for fly tipping;
- Consideration of an increase in the level of the penalty; and
- Quarterly monitoring of the impact, benchmarked from the date of implementation of the proposal and, in addition, a full review after a year.

3.3; Charging for Replacement Wheelie Bins

Mr McDonnell reported that the Council currently replaced 8,000 wheelie bins per year. The intention was to cut this by 50%. There was a risk that the proposals would lead to an increase in the number of stolen bins but there was a mitigation plan to reduce any issues that might arise. In answer to a question, he stated that people

normally requested replacement bins due to them being damaged or missing. It was felt that if bins had no value, they were less likely to be looked after by residents.

Panel Members raised the issue of bins that were damaged during collection by either refuse vehicles or refuse collectors. Mr McDonnell accepted that this might be an issue. However, there were currently no controls on the replacement of bins.

AGREED:

1. That data be circulated to the Panel on the impact of charging in other boroughs;
2. That there be discretion to waive the charge if there is evidence of bins being damaged during collection;
3. That bins be made more clearly identifiable as being from Haringey;
4. That the potential for the proposal to impact adversely on income levels be noted; and
5. That the impact on the number of replacement bins requested be monitored.

3.4; Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...

The Panel noted this proposal.

3.5; Flats Above Shops – Provision of bags: Service reduction

Mr McDonnell reported that it was aimed to save £120,000 per year from no longer delivering refuse bags to flats above shops. A communication plan would be developed to support the changes.

Panel Members were of the view that the delivery of bags had not resolved littering problems arising from flats above shops. They requested that the option of posting bags out to flats also be explored in order to assist those people who might have difficulty in getting to a library or a customer services centre.

AGREED:

That consideration be given to posting out of refuse bags to residents.

3.6; Reduce Outreach/ Education team

Mr McDonnell reported that the proposal involved reducing the number of staff in the outreach team by four. There would be a need to focus the work of remaining staff on areas that would have the greatest impact. In answer to a question regarding whether this would affect work with problem properties, he stated that action would still be taken but possibly using other methods. Not all action that out been taken by the team had proven to be successful and, in particular, it was felt that a focus on licensing might prove to be a more effective way of addressing issues related to houses in multiple occupation (HMOs).

Panel Members felt that the Outreach Team could be very effective and expressed concern that the reduction in size might be a retrograde step.

3.7; Closure of Park View Road R&R - Service reduction

Mr McDonnell reported that Western Road R&R site could be used as an alternative to Park Road when it closed and was big enough to accommodate the additional demand. In addition, there were a number of other R&R sites in neighbouring boroughs that were nearby and a new site was due to open in Edmonton in 2021. There would be a communications campaign to support the change.

The Panel noted that North London Waste Authority (NLWA) policy aimed to ensure that 95% of North London residents lived within 2 miles of an R&R facility. The current coverage within this radius was around 76%. NWLA undertook a survey at each site so see where items were coming from. A number of residents from other boroughs currently used Haringey's facilities.

Concern was expressed by the Panel at the potential for the proposal to lead to an increase in fly tipping, especially when combined with the proposal to charge for the collection of bulky household waste. It was felt that the success of the proposal would be very dependent on the effectiveness of the communications campaign.

The Panel noted that those people who were likely to fly tip were not likely to be influenced by the proximity of R&R facilities. Fly tipping was currently an issue in the area close to Park View Road. The communications campaign would include fliers and information in Haringey People. Although there had also been reductions in the Council's Communications Team, there was also capacity within Veolia.

AGREED:

1. That statistics for comparative customer numbers and tonnage of waste collected at both R&R sites be circulated to Panel Members; and
2. That the impact of closure be monitored closely for any impact on the level of fly tipping.

3.8; Veolia Operational Efficiencies

Mr McDonnell reported that a number of efficiency savings had been identified. The service would still nevertheless seek to deliver existing operational and performance outputs. Each proposal would be trialled over a set period. In respect of the proposals regarding graffiti removal, the service would become more reactive in nature. There would be no change in arrangements for the removal of offensive or racist graffiti, which would continue to be removed within 24 hours.

In respect of the proposals regarding the commercial waste portfolio, the Panel requested details of how many additional customers would be required to generate the income specified.

Panel Members felt that the graffiti service was excellent and that their proactive work was a major part of this. They were therefore concerned that the proposal might have an impact on the levels of graffiti. It was noted that problems with graffiti were an issue across the borough and, in particular, had been an issue in the west.

AGREED:

1. That figures for the increase in Council/Veolia customers anticipated in the proposal to increase the commercial waste portfolio be circulated to the Panel; and
2. The some capacity be maintained for proactive work by the graffiti service.

Street Cleansing Waste, Recycling – Overall

AGREED:

That the Panel express its concern at the potential cumulative impact of the range of proposed changes to street cleansing, waste and recycling.

3.9; Rationalisation of Parking Visitor Permits

Ms Cunningham reported that it was proposed to increase visitor permit charges from 35p to 80p per hour. This was in line with the amount charged in other boroughs. In addition, it was intended to rationalise concessionary rates, which would make administration simpler. Permits were bought in high volumes and it was possible that they were being sold onwards. It was hoped that the increase would reduce any instances of them being sold onwards.

Panel Members felt that it was unfortunate that the increases had not be introduced in a graduated way. It was noted that there was provision for carers to buy permits at a reduced rate as well as a traders permit. Concern was expressed that the age for the concessionary rate had been set at 75, which was felt to be too high. The Panel also requested further information on for sales of permits broken down by controlled parking zone (CPZ).

AGREED:

1. That figures be provided for sale of permits, broken down by CPZ;
2. That the age for the concessionary rate be reduced from 75 to 65; and
3. That future increases in price be staged.

3.10; New Parking Operating Model

Ms Cunningham reported that the parking enforcement function in most boroughs had been out sourced and it had been estimated that savings of £920,000 could be made if Haringey did the same. However, there was a risk that income levels could be affected adversely during the transition period. Mr McDonnell stated that Enforcement Officers in Haringey typically earned around £30,000 per annum whilst the salaries offered by some private companies were around £17 – 20,000. There were also savings to be made in respect of terms and conditions.

The Panel noted that TUPE would apply at transfer but the new provider would probably look to review terms and conditions in due course. The proposal was currently that the market be tested in order to determine the potential benefits of adopting a new model of provision. The issue would be discussed with relevant trade unions. There was currently a need for additional enforcement officers. The Council would insist that any new provider paid staff the London Living Wage. Consideration of the issue was at an early stage. A decision on the procurement would need to be made in due course by Cabinet, following consideration of all of the relevant issues.

The Panel expressed concern that the proposal, if implemented, would lead eventually to a two tier workforce. This could carry the risk of legal challenge on equal pay grounds. In answer to a question, Ms Cunningham stated that there were challenges to providing the service in-house and these could limit its potential for growth.

AGREED:

That concern be expressed about the proposal and that a full report on the issue, including an equalities impact assessment, be submitted to overview and scrutiny once market testing has taken place and before a decision is taken on procurement by Cabinet.

3.11; Relocation of Parking/CCTV Processes and Appeals

Ms Cunningham reported that the proposal was to re-locate the administration of 1st stage appeals outside of London. The 2nd stage would remain in-house. It had proven difficult to recruit staff locally. There were a number of potential models and Islington Council had continued to directly employ staff despite them being based in Manchester. It was hoped that the proposal would lead to a more efficient and better service. The intention was to test the market before a decision was made on whether or not to proceed with the procurement.

The Panel expressed concern that staff were being placed in the position of having to choose between moving away from their community or losing their job.

AGREED:

That concern be expressed about the proposal and that a full report on the issue, including an equalities impact assessment, be submitted to overview and scrutiny once market testing has taken place and before a decision is taken on procurement by Cabinet.

3.12; Cashless Parking Payments

The Panel noted that the majority of local authorities were moving to cashless payments. However, there would still be back up provision for cash.

3.13 – 3.14; Online Parking Permit Applications & Visitor Permits & Parking New IT Platform

Concern was expressed by the Panel at the implications for people without access to IT equipment or who were unable to use it. Mr McDonnell stated that they would still be able to access the service and agreed to provide details of the proposed pathway.

AGREED:

That details of service provision for residents without access to IT facilities be circulated to the Panel.

3.15; Increase in CO2 Parking Permit Charge

Anne Cunningham, Head of Traffic Management, reported that it was intended that the proposal would raise additional income of £400,000. It was based on the DVLA model and was consistent with Council policies. The charges would be higher for properties with two or more cars. It was acknowledged that the proposals were not going to be popular. They would also require changes to the Council's IT systems. It was difficult to compare it with the current scheme as the banding system was different.

CHAIR: Councillor Makbule Gunes

Signed by Chair

Date

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MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY PANEL HELD ON WEDNESDAY, 14TH DECEMBER, 2016

PRESENT:

Councillors: Emine Ibrahim (Chair), John Bevan, Gail Engert, Tim Gallagher, Martin Newton, Zena Brabazon and Stuart McNamara

Also in attendance: Councillor Alan Strickland, Emma Williamson (EW), Andrew Billany (AB) Alan Benson (ALB), John McGrath (JM), Dan Hawthorn (DH)

1. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

2. APOLOGIES FOR ABSENCE

None.

3. URGENT BUSINESS

The Chair accepted a late urgent item on the sale of Council owned land from the infill sites. This would be taken after item 7.

4. DECLARATIONS OF INTEREST

None.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None received.

6. MINUTES

6.1 The following matters arising from the minutes were noted:

- Another site visit to a modular build site would be organised in January to Ealing and the panel would be notified (**Action: AB**);
- Implications of the legal judgement in Southwark: there had been a meeting of London Labour Cabinet Members to discuss this but the impact of the judgement was still unclear and members would be updated once the position was more clear. Any required changes would need to be authorised by Cabinet and would be open and transparent;

- In respect of accessibility of RHP, the Cabinet member meets with senior RHP leaders on a regular basis so if there are emerging issues with the larger RHPs then the Cabinet member should be informed. HfH were also leading on some work to develop common performance standards for local RHPs;
- 30 year finance time frame to support local housing was worthy of review;
- The council's financial exposure and risks for housing and regeneration was previously circulated to the panel, but the panel agreed that further information was required particularly in relation to the development vehicle and would notify the Cabinet member (**Action; Chair, Cllr Brabazon and Cllr Engert**);

6.2 Subject to the last note above, the minutes were agreed by the panel.

7. MEDIUM TERM FINANCIAL STRATEGY 2017/18-2021/22

- 7.1 The Cabinet member for Housing, Regeneration and Planning presented the MTFs in relation to corporate priorities 4 and 5. There were three proposed reductions and investments for corporate priority 4:
- A £213k reduction in the Tottenham Regeneration Programme which relates to a number of projects;
 - An increase in planning fees to yield £40k in 2017/18;
 - A reduction of £250k in corporate projects were accrued from a saving of transfer of service to the HDV.
- 7.2 There were no savings proposals for corporate priority 5 which related to local housing issues. This was a reflection of the need to extend and improve provision in all housing areas locally including temporary accommodation, new affordable homes and supported housing for vulnerable people.
- 7.3 Details of the Housing Revenue Account spend for 2017/18 was detailed within the MTFs, and the managing Director was working to identify areas for possible savings proposals. The HRA was under pressure however, given the requirement to reduce rents by 1% per annum for the next 3 years. The HRA Business Plan would be coming forward in February.
- 7.4 In respect of corporate projects for the transfer of functions to HDV, the panel sought to further clarification on the contingencies in place if these are not achieved. The panel noted that many corporate property staff are currently employed on an interim basis to facilitate transfer of this function to the HDV once operational. A small number of staffing issues remained ahead of transfer. It was noted that this proposal was red RAG rated.
- 7.5 The Tottenham Team spend reduction related to reduced use of consultancy staff, particularly in relation to surveyors and architects and specialist legal advice. This would now be delivered within a reduced budget.
- 7.6 The panel noted that Capital Spend on Alexandra Palace was significantly higher this year than last, and requested further information. It was noted that this was

not within the remit of the panel but would be passed on to the main Overview & Scrutiny Committee. **(Action: MB)**

- 7.7 The panel sought clarification on the impact of the proposed Haringey Development Vehicle on the HRA. The HDV would have an impact on the HRA, but it was difficult to set out what this would be until there was greater clarity as to which sites move in to the HDV and when. It was noted that when sites do move into the HDV the income for the HRA would be reduced, but it would also reduce the liabilities for the HRA in respect of funds required to invest in the housing stock (e.g. maintenance, improvements and modernisation). While rental income that came through the vehicle would be split 50/50 with the partner in the HDV, it was noted that as development of land would generally involve some intensification of land use which would most likely increase the number of units for which rental income would be available.
- 7.8 Borrowing capacity through the HRA was tightly proscribed by central government, and potential for borrowing had been further reduced by required rent decreases. One of the key reasons for using the HDV for estate regeneration would be that in most cases this would not be possible within the HRA because of the level of borrowing required.
- 7.9 The panel noted that the site acquisitions fund had been used to acquire properties for rental and enquired why this approach was not being used instead of the HDV. It was noted that many options had been considered by the Future of Housing Review and where it was agreed that the Development Vehicle approach would represent the best way to acquire the necessary capital to support an estate renewal programme.
- 7.10 The panel enquired how much the HDV had cost so far. The panel noted the total budget for the HDV to the point of authorisation was £1.6 million to cover procurement, staffing and other associated costs.
- 7.11 The panel also enquired about the future of 51 Degrees North, the council owned letting agency. It was noted that the functions of the agency had been reduced to acquiring properties for Assured Shorthold Tenancies to assist with work to prevent homelessness. Most staff previously supported this project though most have been absorbed back in to HfH.
- 7.12 The panel noted the savings and investment proposals detailed within P4 and P5 of the MTFS.

8. URGENT ITEM - INFILL SITES

- 8.1 The panel discussed this item under urgent business procedures. The panel was disappointed at the progress of infill build programme to secure additional Council-owned and managed housing on these sites. There was also concern that there were proposals to sell on infill sites to local registered housing providers for development, which may lead to the fragmentation of local estates (e.g. managed by differing housing providers) and the associated problems that this may bring (e.g. differing housing and investment plans).

- 8.2 The panel noted that the priority of the Council was to ensure that new homes at affordable homes were delivered as quickly as possible for local residents. The ability of the council to play a direct role in the provision of social housing had diminished given the pressures within the HRA, the reduction in rents to be applied and the limited development experience within the Council. Furthermore, there had been a substantial increase in development costs, currently around £260k per house, which was inhibitive. Such problems were not confined to Haringey, as the number of council homes being built by councils in London was also very small.
- 8.3 It was noted that Sanctuary have just been selected to build 70 homes over 19 different sites. With the development experience that this provider has, it was suggested that homes could be delivered much more quickly than if the Council were the developer.
- 8.4 The panel were disappointed that Right to Buy receipts had not been used to support housing investment locally, and that substantial funds had been returned to the Exchequer. It was noted that spending RTB receipts was complex, particularly as these could not be used with any other grants within development. The panel noted that RTB receipts would be used to support a development in Tottenham Hale and grants scheme to support local housing development.
- 8.5 The panel discussed the council's commitment to deliver 1000 affordable homes, 250 of which would be directly developed by the Council. It was noted that this was a very challenging target and that further work was being undertaken to identify the exact amount of homes that have and would be delivered by the next election. For the reasons outlined in 8.3, the ability of the Council to develop homes itself was limited. The Council does have a good record in delivering affordable homes however, in recent years the GLA noted that Haringey was one of the few boroughs to deliver a majority of affordable homes in overall housing delivery.
- 8.6 It was noted that 51 Degrees North had cost about £500,000, but had to date been able to let very few tenancies through the agency. This would be circulated to the panel at a later date (**Action AB**).

9. GOVERNANCE ARRANGEMENTS FOR HARINGEY DEVELOPMENT VEHICLE

- 9.1 The panel received a presentation of the key findings from its work on the Haringey Development Vehicle. This set out the aims and objectives, the panel's approach, key conclusions and outline recommendations.
- 9.2 The panel discussed the emerging conclusions and recommendations. Whilst it was clear that the panel had a number of significant concerns about the HDV, it did not wish to miss the opportunity to influence the governance arrangements that would be decided over the coming months with the preferred bidder.
- 9.3 Notwithstanding the above, the panel agreed that there were substantial risks associated with the HDV that needed further investigation. It was agreed that

there should be further scrutiny of these risks ahead of final authorisation of the HDV, scheduled for April 2017.

- 9.4 It was agreed that the following wording would provide a primary recommendation which would sit as a preamble to the agreed report:

‘A balance has to be found in any venture involving public bodies such as the council, including not only decisions of the Cabinet but also the scrutiny function, with a responsibility to the public to be thorough and prudent. On the one hand there are opportunities and strengths within the HDV proposal and on the other there are risks and weaknesses. From what the panel has learnt through the work of this review, it was clear that very significant risks with the proposed HDV remain. What the Council, and by extension its tenants and residents, gain from the proposed HDV was far less clear than what it and they stand to lose. That was the picture that has emerged from the evidence that we have seen and heard during this review, and also from the inferences that have had to be drawn from the information that simply wasn’t available.

In terms of governance, there are a very significant set of issues, including:

- 1) A fundamental democratic deficit inherent in any such proposed structure and one of such size and scale;
- 2) The role of unelected officers joining a board in a voting capacity would supersede the role of elected councillors;
- 3) A lack of transparency with regard to meeting structures, particularly in relation to rights of attendance at HDV meetings, and whether reports and minutes would be publicly available;
- 4) The absence of any sufficient contingency plans to mitigate the risks of a scheme of such size and scale;
- 5) What, if any, role the Secretary of State for Communities & Local Government has, or ought to have, in authorising a scheme of such size and scale.

On the basis that at present there are no governance arrangements that adequately mitigate the risks of this scheme, the panel has no other option than to recommend that the HDV plans are halted and that further scrutiny work should be undertaken.’

- 9.5 The report would be agreed and finalised by the panel and would be submitted to the Overview & Scrutiny for confirmation. Once confirmed, this would report then be presented to Cabinet in January 2017 for its agreement.

10. WORK PROGRAMME UPDATE

Not discussed.

11. NEW ITEMS OF URGENT BUSINESS

None.

12. DATES OF FUTURE MEETINGS

The next meetings of the HRSP were scheduled for 6th February 2017 and the 7th March 2017.

CHAIR: Councillor Emine Ibrahim

Signed by Chair

Date