

MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 14TH FEBRUARY, 2017, 6.30pm

PRESENT:

Councillors: Claire Kober (Chair), Peray Ahmet, Jason Arthur, Eugene Ayisi, Ali Demirci, Joe Goldberg, Alan Strickland, Bernice Vanier and Elin Weston

Also Present Councillors: Engert, Newton, Connor, Ibrahim, Brabazon, Ejiofor, Berryman, Diakides, Bevan, Tucker, M Blake, McNamara, Carter, Stennett, Carroll, Adje, Mitchell.

175. FILMING AT MEETINGS

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at this meeting and Members noted this information.

176. APOLOGIES

There were no apologies for absence received.

177. URGENT BUSINESS

There were no items of urgent business to consider.

178. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

179. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

The Cabinet had received one representation from a member of the public, objecting to any part of the meeting being held in private on the basis that Council-tax payers should have full access to all aspects of the preferred bidder for the proposed Haringey Development Vehicle (item 23).

Cabinet noted that the material in item 23 contained information relating to the financial or business affairs of any particular person (including the authority holding that information) and also that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings and that the public interest in maintaining the exemption outweighed the public interest in disclosing the exempt information.

On considering this objection, the Cabinet agreed that the exempt information in item 23 complied with paragraph, 3 and 5 , Part 1, schedule 12A of the Local Government Act 1972, as outlined by the clerk, and that the public interest in maintaining the exemption outweighed the public interest in disclosing the exempt information.

180. MINUTES

The minutes of the Cabinet meeting held on the 24th January 2017 were agreed as an accurate record of the meeting.

The Leader agreed to ensure that Councillor Newton was provided with the cost of staff redundancies as a result of the closure of current Council provision at Wolves Lane Centre and transfer of site to OrganicLea.

181. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE

The Leader advised the meeting, that given the connection between agenda items 8 and 10 and the deputation received in relation to item 10; it was appropriate to vary the agenda to consider the deputation first and proceed to consider items 8 and 10 thereafter. The Cabinet had also received a deputation from the Friends of Reading and Education group in relation to the Medium Term Financial Strategy report at item 11 and would consider this deputation before considering item 11, but after considering the open sections of the Haringey Development Vehicle report.

The Leader advised members of the public, who had not attended a Cabinet meeting before, that the open part of the report on approval of a preferred bidder for the Haringey Development Vehicle would be considered at item 10, with questions taken on the open part of the report.

Cabinet would then continue to consider the remaining reports on the agenda, as the usual procedure followed at Cabinet meetings, before proceeding into the private session at item 22, to consider the exempt information on approval of a preferred bidder for the Haringey Development Vehicle and also the insurance arrangements for Leasehold Right to Buy properties in order to consider the recommendations of these reports. The decisions from the meeting will be published on the Council website as usual.

182. DEPUTATIONS/PETITIONS/QUESTIONS

Deputation 1 - Item 10 – Appointment of a preferred bidder for the Haringey Development Vehicle.

The Leader invited Paul Burnham, representing Defend Council Housing, to put forward his deputation to Cabinet. The representations were concerning the decision at item 10, appointment of a preferred bidder for the Haringey Development Vehicle.

Mr Burnham began his deputation by asking Cabinet to not set aside the Scrutiny Panel review and recommendations and to not appoint a preferred bidder for the

Haringey Development Vehicle. The deputation party felt that this was a privatisation scheme and highlighted the following concerns:

- No adequate risk assessment had been made available to provide residents with any assurances about this joint venture scheme
- Potential Council loss of control over the company
- The lack of guarantees for the local authority in this type of arrangement
- The potential to demolish Council and Housing Association homes and replace them with profitable housing
- The lack of guarantees for council tenants and the terms and conditions that they can return to their homes on
- Apparent democratic deficit with no consultation with residents and no potential decision at full Council
- Some residents did not want re – development of their estates and wanted retention of good council housing
- Questioned the appropriateness of the preferred bidder and their effects on the social environment

The Cabinet Member for Housing, Regeneration and Planning responded to the deputation's concerns and highlighted the significant work undertaken by procurement, legal and finance professionals to assess the risk in taking forward this joint venture scheme. The Cabinet Member stressed, that it was not the case that the Council's land would automatically be passed over to the developer on the first day of the partnership. Decision making on land transfer would be on a phase by phase basis with these decisions taken by the Cabinet. The Cabinet Member provided assurance that there had been significant discussion on this issue.

The Cabinet Member emphasised, that it was not the case that Council homes would be demolished by the vehicle and replaced with profitable homes. The Council did not have the capacity and expertise to deliver the regeneration plans on its own and were seeking a partner to deliver the much needed homes and regeneration for the borough. Any future decisions on demolition would be consulted upon and made by the Council.

The Cabinet Member advised, the Haringey Development Vehicle would provide clear guarantees for tenants, more affordable housing and there was no race for profit being pursued by this model.

In relation to the concerns raised on the democratic deficit, there had been significant consultation and this was still ongoing in Northumberland Park and on Broadwater Farm. This consultation had included the site allocations Development Plan Documents, the Tottenham Area Action Plan and in relation to Northumberland Park, the development plans had been agreed with residents.

The Cabinet Member advised that the referenced practices of the subsidiary company had already ceased when the preferred bidder had taken control. The preferred bidder had a strong record of working in the public sector and had contracts with the BBC, Parliament and in Liverpool where they had two trade union academies.

In reference to the relationship between Southwark Council and the preferred bidder, the Cabinet Member stressed the difference in approach and financial arrangements being taken forward by the Council. Notwithstanding this, the Council would still take lessons from this previous arrangement.

Deputation 2 - item 11 - Medium Term Financial Strategy 2017/18 – 21/22 – proposal to reduce Library Opening Hours.

The Leader invited David Bennie of the Friends of Reading and Education Group to put forward their representations to the Cabinet meeting.

The group were pleased to note acceptance of Scrutiny recommendations, at appendix 7 section 6.6, to not proceed with the cuts to Library opening hours and would not be putting forward arguments for this change. Instead, the FORE group were seeking understanding on how this proposal had been made and to avoid this type of proposal coming forward in the future. Mr Bennie pointed to the important role of Libraries in the community and the false economy in making cuts to Libraries. Mr Bennie further expressed surprise, on behalf of the group, in the consultation of this saving being taken forward and referred to recent lack of contact with the FORE group as a possible indication of the reason for this.

The deputation suggested improved communication routes with meetings between Councillors and the FORE group to try to ensure they work together to manage issues on Library provision in the future.

The deputation highlighted recent resource issues experienced in Libraries with newspapers not supplied, and no functioning printers in some smaller Libraries.

The deputation felt it was essential to ensure Libraries were supported and provided for as they made valuable contributions to the community.

In response, the Leader explained that a Council wide internal stop on spending had impacted on ordering of newspapers but this has now been rectified.

The Deputy Leader thanked for deputation for putting forward their representations. The proposal to reduce the Library hours was put forward in an effort to ensure Libraries remain open in the future. Haringey was one of a few boroughs to invest in Libraries, in a time when other boroughs had been closing Libraries. The Council would continue to invest in Libraries and invest in increasing books and CD's.

The Deputy Leader was happy to meet with the group and their comments had been noted.

183. DEVELOPMENT VEHICLE - SCRUTINY REVIEW AND CABINET RESPONSE TO RECOMMENDATIONS

The Chair of the Housing and Regeneration Scrutiny Panel, introduced the review of the Haringey Development Vehicle governance arrangements by setting out the context, origins and scope of the review which had been tasked with adding value to the organisation by providing recommendations on the Haringey Development Vehicle

governance arrangement.

During the process, the Scrutiny Panel had felt that they could not make recommendations about the governance structure of the proposal without addressing the overarching question marks which were coming forward on the risks of embarking on the development vehicle scheme which was of a significant scale with uncertainties around the financial arrangements.

The Panel felt that to ignore the potential risks of a scheme that the governance arrangements were intended to mitigate, felt eventually to be counter intuitive.

This was particularly pertinent for a Panel whose role was primarily to carry out oversight and to present critical thorough constructive challenge to decision makers.

The Panel felt that tight governance could mitigate against risks for the public sector, however in a partnership which was equal, such as the Haringey Development Vehicle, there were concerns about how to enforce these, simply because the Council would be in a position of negotiation rather than having an ultimate decision making role.

The overarching questions that remained did not deter the panel making recommendations on the governance of the Haringey Development Vehicle.

The Panel Chair strongly believed that the critique of the proposed Haringey Development Vehicle rests largely on risk and mitigation, and it would have been irresponsible of the Panel not to recommend protections, if the proposal went ahead.

The Panel would be continuing their work on the Haringey Development Vehicle, and had agreed the parameters both at the Panel meeting and the main Overview and Scrutiny meeting.

The Panel Chair felt that that many of the answers to the questions posed to officers and other authorities came back with answers that simply left the Council with more and new questions.

Questions had arisen around certainties, guarantees and commitments that the Council could deliver at this stage. Ultimately the Panel felt that what it needed to always consider the Council's primary function and aim and purpose as a local authority. This was mainly about providing certainty and security to vulnerable families who had faced years of temporary accommodation and uncertainty.

The Panel and the main Scrutiny Committee were unanimous in its view that the prudent course of action was for the Haringey Development Vehicle process to be stopped allowing for further necessary scrutiny.

Councillor Strickland thanked the Scrutiny Panel for their work on Haringey Development Vehicle, governance process and addressed the issue of enforcement of the Haringey Development Vehicle objectives which was a cultural question and further provided assurance, that although this was an equal joint partnership, decisions by the Haringey Development Vehicle board would only be taken forward if

reached by a consensus. The Council would have a powerful blocking vote if proposals were not acceptable to them.

The Cabinet were accepting 11 of the recommendations and part accepting 4 but could not accept delaying preparations for the establishment of the Haringey Development Vehicle which was expected to come forward, for decision by Cabinet, in the summer. During the intervening period of 5 months, there would be a good opportunity for Council with the preferred bidder resolve the details on governance and the function of the Board. Both Councillors and residents would be able to discuss and tackle the concerns regarding the governance process.

If the process was stopped then this would also prevent answers to the issues raised coming forward and it would then be difficult to restart the process in a time where new homes and affordable housing was greatly needed.

In terms of housing for existing tenants, the Council would be striving, with the development partner, to reach a good deal for tenants. The task for the next 5 months was to secure this as Cabinet recognised that Councillors and residents need to get assurances before a decision is made on the Haringey Development Vehicle.

In relation to the role of Councillors on the Haringey Development Vehicle Board and potential conflicts of interest, there were already examples of Councillors sitting on various Boards such as the Alexandra Park and Palace Board where they were acting as trustees and considering a range of complex issues.

It was emphasised that Council-nominated Members of the board would be acting within the parameters of the Cabinet agreed business plan so there was significant democratic control. If there was any change to the agreed business plan, then this would need to come back to the Cabinet for agreement.

Councillor Strickland thanked the Panel Chair and provided assurance that the 5 month delay in establishing the Haringey Development Vehicle would provide the opportunity address the concerns highlighted in the presentation.

The Leader invited questions from non Cabinet Members and there were issues raised in relation to:

- Consultation with tenants, businesses and leaseholders,
- The commercial portfolio handover, evidence of consultation with businesses
- Full Council vote on the Haringey Development Vehicle.
- Providing the Housing and Regeneration Scrutiny Panel with the comprehensive Haringey Development Vehicle risk assessment which works back from the worst eventualities as the Haringey Development Vehicle is the underpinning solution for housing and there would also be far reaching financial implications for the Council if this venture was not successful.
- Whether Cabinet can make a decision on the preferred bidder following the pre-action letter to the Monitoring Officer, calling for the Haringey Development Vehicle plans to be immediately halted.
- Halting the Haringey Development Vehicle process until risk assessments were considered.
- More of a capital risk to the Council finances than the developer.

- Position on negotiation.

In response to these questions, the following information was noted:

- The Cabinet Member for Housing, Regeneration and Planning confirmed that the tenants and business affected by phase 1 had been written to and the Council had been transparent about plans, but there had been few responses and no concerns raised by businesses. Notwithstanding this, businesses and tenants in Northumberland Park had further been informed by the Tottenham regeneration team, via literature provided to residents on the regeneration decisions coming forward, on how they would be affected.
- The Cabinet Member stressed nothing changes for Council commercial portfolio tenants apart from their landlord's name.
- Housing rents would not be increased and any rent policy would need to be agreed by the Haringey Development Vehicle board which the Council would be a part of. Council rents would be reviewed in the normal way when up for renewal.
- The arrangement did not include community buildings which there was strong protection for with the Council involved in the Haringey Development Vehicle Board. Industrial estates would be included as their modernisation would provide more jobs.
- At this stage the Council were selecting a preferred bidder to enable the further discussion to set up the Haringey Development Vehicle so no full Council decision was required.
- The Cabinet Member emphasised that the Council were fully aware of the importance of this decision in respect of housing and the budget. This was a long and thorough process which would lead to the Council having, by the summer, considered 5 reports on the Haringey Development Vehicle. The business case, for the Haringey Development Vehicle, considered by Cabinet in November 2015, had 6 options for increasing housing and regeneration and had contained details of the assessments around financial legal and procurement risks, including detailed scenario planning for events such as dealing with property market changes and if there are issues with the partnership arrangements.
- The Assistant Director for Regeneration further explained that the risk assessments had formed the legal basis of the procurement and this was not available, currently, as it would jeopardise the procurement process but the Council had been open to discussing the risks with Scrutiny Panel and how they would be dealing with them. When the recommendation for the Haringey Development Vehicle comes forward, approval of the final legal agreements would be part of the decisions being made.

- The Monitoring Officer confirmed that a pre – action protocol letter had been received and would be responded to but there was no reason why the decision on the preferred bidder could not be taken at this evening’s meeting.
- Although the risk assessments were commercially confidential at this stage, a summary document on the risks would be published at the right time.
- Noted that the capital being added by the partner was equal to the value of commercial portfolio.
- In relation to the Housing estates, the Future Housing review sets out the negative financial value of the estates which is also the case across London. It was evident that the borough’s large estates needed work and regeneration and were not worth large amounts of money and so by not transferring other higher valued land, the developer would not be able to match the contribution to regeneration of the estates.
- The equity in the partnership, put forward from the developer, would be equal to that of the Council as this was a fundamental principle of the agreement.
- The valuations of the housing sites would be completed at the time of the transfer and it was not possible to predict their values at this stage

Further to considering the summary of the scrutiny review, the Cabinet Members response and responses to member questions, Cabinet

RESOLVED

1. To note the Overview and Scrutiny Report on Governance arrangements for Haringey Development Vehicle (attached as Appendix 1).
2. To agree the responses to the Overview and Scrutiny report recommendations (attached as Appendix 2).

Reasons for decision

On 17 January 2017, Overview and Scrutiny Committee approved the report of the Housing and Regeneration Scrutiny Panel (HRSP) on the governance arrangements for the proposed Haringey Development Vehicle (HDV), a joint venture between the Council and a private partner to support local housing and regeneration ambitions.

In developing its report, the HRSP held a number of evidence gathering sessions and taken evidence from local stakeholders including Council officers, community group representatives, other local authorities, Investment Partners in other joint ventures and expert independent opinion via the Chartered Institute of Housing. The HRSP then made a number of recommendations.

Alternative options considered

As set out in the HRSP's report, in view of the Panel's objection to the Haringey Development Vehicle it could have chosen not to make any recommendations about the governance arrangements for the Haringey Development Vehicle. If it was not to make any recommendations however, the Panel felt it may miss the opportunity to influence ongoing procurement discussions with the preferred bidder and so decided to make recommendations.

184. APPROVAL OF PREFERRED BIDDER FOR THE HARINGEY DEVELOPMENT VEHICLE

The Cabinet Member for Housing, Regeneration and Planning introduced the report which set out the outcome of the Competitive Dialogue procurement process under the Public Contracts Regulations 2015 to procure an investment and development partner with which to establish the Haringey Development Vehicle ('HDV').

The Cabinet Member provided some context to this procurement decision which was the desperate need for housing both locally and nationally. He further highlighted the strategic analysis demonstrating the need for different types of housing to deal with the housing crisis. The Cabinet was committed to not managing decline and was not simply going to accept the effects of the housing crisis but wanted to build new homes and also improve existing Council housing together with providing good employment opportunities for residents.

It was also important to consider the financial ability of the Council to build the large number of homes needed given the government had withdrawn £160 million from the Council and restricted how the Council spends housing money. It was evident, when considering all other London boroughs positions, that there was not any money for Councils to build a significant number of homes without support.

Members and officers had worked hard, through the Future Housing Review to bring forward options, for increasing housing in the borough. This group had considered a range of working models to increase the availability of housing such as wholly owned Council companies which were actually building fewer homes. They also considered other standard models but as the Council owned land on the housing sites, the Haringey Development Vehicle option offered the better option for the development. This model also ensured the Council could have a share of the profits and be able to reinvest this in community facilities and existing housing whilst maintaining control over the development.

Cabinet's consideration of the Haringey Development Vehicle had started in February 2015 and the procurement process instigated by Cabinet in November 2015. The Cabinet Member felt that this had been a good thorough process, resulting in a strong preferred bidder coming forward.

If the bidder was approved, there would follow a five month process to finalise the final agreement on the terms of the Haringey Development Vehicle. The Cabinet Member reiterated that he would be working hard to get a good deal for residents during this 5 month period.

The Leader invited questions from Members and the following issues were raised:

- Assurance that Council rented homes would not decrease in favour of shared ownership properties,
- Would the construction exclusivity agreement with Lendlease incentivise them to act in a beneficial manner with Council?
- Charge from Lendlease for their expertise?
- Halting the procurement process.
- Independent tenants and leaseholders survey which indicates that there is little knowledge of the Haringey Development Vehicle
- Providing tenants in the housing estates, potentially affected by demolition and decanting, with new homes on the new estate and with a secure tenancy at target rent.
- Whether it was made clear to Lendlease, during the procurement process, that they will re-provide Council homes, following demolition, at full right of return, at target rents, and on secure tenancies?
- Exclusivity and development of other sites and the role of Lendlease?
- Right of return for leaseholders - enough money given to buy a home on the existing estate?
- The construction exclusivity agreements and the Lendlease benefit from this, with assurances sought that they guarantee to fully declare profit to enable this is shared fairly with the Council.
- Profits from capital and expertise from the partner.
- Were Lendlease matching their equity stake with cash, or loan notes?
- Minutes of the future Haringey Development Vehicle Board available to the public.
- Southwark model with Lendlease.
- Croydon Council experiences in development.
- The lessons learned from experiences of other authorities.
- Dual role on boards.
- Liabilities and gearing.

The following information was provided in response by the Cabinet Member for Housing, Regeneration and Planning:

- The Cabinet Member for Housing, Regeneration and Planning provided assurance that the Council tenanted homes would be fully re-provided where the housing was rebuilt through the Haringey Development Vehicle and tenants would have lifetime tenancies on similar terms as current tenancies. Also there were benefits to having the HDV Company as a landlord, incurring limited interference from wider tenant government policies.
- In terms of the Planning target for 40% of affordable housing, this would be applied to the estates proposed for re-development. Development would also be subject to consultation with residents and master planning. There would be an overall increase in the number and types of homes available, improvements to existing housing and affordable housing added to sites in the vehicle which currently did not have any housing.
- The Cabinet were not obliged to choose a partner, if they were not happy with the process and outcome and there would not be a direct cost if the Council did

not proceed to a final decision. However, there would be a reputational risk of taking forward a lengthy procurement exercise and not making a final decision.

- In relation to the construction exclusivity agreement, the precise financial details were subject to the procurement so these were not in public domain. The Assistant Director for Regeneration advised that in relation to the principles of the construction exclusivity agreement, construction contracts would be subject to approval by the Haringey Development Vehicle Board. Also the figures for construction would be benchmarked against the market to ensure the construction costs meets good value in the construction market.
- Fees agreed and paid as per a normal development agreement.

There were 13 items put forward for negotiation with the preferred partner, prior to establishment of the Haringey Development Vehicle, by Councillor Bevan, and the Cabinet Member for Housing, Regeneration and Planning agreed to take the following issues forward :

- Clear commitment to Council tenants on rent rates, ensuring the rents on the new estates match rents for equivalent Council homes.
- Council tenanted homes built through the Haringey Development Vehicle, would not be available through Right to Buy scheme.
- Strong safeguards in place to protect vulnerable tenants from eviction.
- Replacement properties will need to meet the needs of the overcrowded families.
- Adoption of a resident's charter by Cabinet - this will be a document setting out expectation of Northumberland Park residents which is compiled by the residents, themselves, allowing them to set out their ambitions.
- 40% of affordable housing must be provided and Haringey Development Vehicle, profits used to boost affordable housing numbers where possible.
- A support package for leaseholders so they do not lose out when their property is subject to CPO.
- Further consultation with residents guaranteed, prior to a housing site's transfer to Haringey Development Vehicle, and demolition allowed once full resident consultation has taken place.
- No scheme land transfer takes place without Cabinet approving the business plan which will set out expectations on: the number and type of housing, employment spaces, job numbers, and employment, inclusion of open space and community facilities.
- The timetable of decisions for the developments and assessment of key risks be available for discussion with Councillors and be set out in the Council Forward Plan.
- Regular reports to Cabinet on the performance of the Haringey Development Vehicle, with performance indicators included.
- The Haringey Development Vehicle, corporate business plan scrutinised by the Overview and Scrutiny on an annual basis with senior Haringey Development Vehicle, officials available to answer questions as required.
- A consultative structure established with ward Councillors aware and able to inform the decision making process on site decant and demolitions.

- An update on governance discussions, and detailed risk assessment be brought back to Councillors.

The Cabinet Member for Housing, Regeneration and Planning continued to respond to the questions as follows:

- The Cabinet Member contested the view provided that only 4% of residents in Northumberland Park knew anything about the regeneration. It was reported that 4% knew a lot and then 70% advised they knew about the regeneration. Although, there was still a lot of work to be done with residents and further consultation undertaken to ensure all residents affected were reached. Agreeing a master plan for these areas, would take time and during this period the Council would be making sure all affected residents, including socially excluded tenants, were fully consulted. There would also be opportunities established for local residents to communicate their views directly to senior staff.
- The Southwark judgement had been explored and the Council were committed to a fair deal for leaseholders. The Cabinet Member referred to the Love Lane Estate solution which was providing leaseholders shared equity in their new home.
- Apart from the category 1 sites, there was no restriction on the Council continuing wider development and building their own affordable housing.
- There were clear commitments provided on tenancies for rehoused tenants and these would be life time tenancies and tenants would have a lifetime security. At this stage of the process, the preferred bidder was being decided and not the details of the tenancy agreements which would be discussed further in the next 5 months.
- Confirmation was provided, that re-provision of all affected Council housing was included in the financial modelling considered in the procurement process for the Haringey Development Vehicle, partner.
- There was no in house construction staff to build houses, hence the further reason for the Haringey Development Vehicle, model being taken forward.
- The Cabinet Member confirmed that the Haringey Development Vehicle, financial arrangements were far removed from the type of PFI deal described in the question from Cllr Tucker. The Cabinet Member acknowledged that there would be risk by working with a private partner, but this arrangement would be subject to best value considerations and fixed financial discussions so the Council was continually assured that its duty on best value was being met. The contractors would be agreed by the board which the Council would be part of so there would be transparency on this. These were valid questions to be included in the discussions on the Haringey Development Vehicle.
- As part of the first stage of procurement, prospective bidders filled in pre-qualification questionnaires, which set out clear thresholds to meet and the

financial capacity needed to commit to the scheme in order to give confidence that able to commit to the scheme. Bidders progressing to the long list and shortlist would need to have demonstrated this financial capacity.

- The Haringey Development Vehicle partner was not expected to write a cheque on the day that land transfers to the Haringey Development Vehicle, but commit cash or make a binding guarantee to commit the cash when the vehicle needs it.
- In a meeting with Lendlease, officers clarified that they had previously acquired a company with historical black listing involvement and this had all ceased by the time Lendlease acquired the company and they had also settled any historical claims. Lendlease was highlighted as good practice case by UCATT for their implementation of two construction union training centres in Liverpool.
- The Cabinet Member clarified that Heygate estate in Southwark was very different and was done via a development agreement. This had involved sale to the developer. Southwark Council was maximising sales in zone 1 to use profits to build more affordable housing in the surrounding areas. The Council would have a different relationship with Lendlease with significant financial controls.
- The Cabinet Member made clear that Cabinet Members were not involved in the procurement selection processes and it was at the end of an objective process that Cabinet Members are advised of the outcome. Cabinet's role is to ensure the process has produced a good bid.
- Not got to the level of detail on availability of minutes of LLP board meetings. There would be wider discussion on how Councillors were more widely involved in the vehicle and on regeneration planning.
- Many Councillors were already used to having dual role on boards and meeting their Council duties. This was part of an established conflict of interest which Councillors can get legal advice on.
- The future Housing Review Members had travelled around the country to see and experience the range of different Housing development models. This had included development vehicles with an entire day at Sunderland Council where there was solid questioning of officers and the Council exploring the detail of their development vehicle arrangements.
- The business case for the development vehicle, considered by Cabinet in November 15, contained 6 housing development options with independent analysis. Croydon had participated in a small scheme for Council offices; the proposed development scheme for Haringey would include a varied portfolio such as homes, commercial buildings and offices, providing a better prospect of generating profit. The Croydon Leader had assured the Leader of the differences in the two schemes. The Cabinet Member accepted that there were

risks but a significant amount of work on these risks had been completed and would also continue to be worked on in the next 5 months.

- In relation to the liabilities and gearing, the higher risks connected with higher borrowing, the Chief Operating Officer clarified that the Council would need to abide by prudential code and this required looking at affordability. This was done in every annual Council meeting and calculations completed on what the Council could afford. The code allowed borrowing as much as needed, with the caveat that it is affordable within the Council's income levels.

The Leader invited Cabinet Members asked to put forward their questions.

A question was raised in relation to the involvement of the trade union in the process. The Cabinet Member advised that trade unions would be engaged in the next 5 months where the Council would be clearer on the TUPE position. However, the anticipated number posts likely to be transferred would be low.

The Cabinet Member for Communities discussed meeting the aspirations of families and the people part of the regeneration. The Cabinet Member for Housing, Regeneration and Planning, advised that given the press coverage and misinformation, it was important to be honest with residents on Council estates and realise that the decent homes impact was minimal and did not solve the type of long term construction problems of some estates. It was evident that a solution was needed to satisfy ambitions of local people including: providing new homes and jobs, a firm commitment on skills, apprenticeships, increase of GP surgeries, more community facilities. Also, through master planning, providing more green and play space, and children centres. Schools would continue to be engaged with about the Haringey Development Vehicle, also offered the opportunity to build a new school in Northumberland Park.

Cabinet agreed families need more facilities and better homes and would work hard with Councillors and residents on examining what people want in their areas and what the Haringey Development Vehicle should be considering.

The Cabinet Member for Economic Development, Social Inclusion and Sustainability enquired about: the potential homes to be built by the Haringey Development Vehicle, the criteria included for social dividend, as the place where people live was important to them, in terms of having an opportunity to work. In response, it was noted that a minimum of 6000 homes could be provided by the Haringey Development Vehicle, but the hope was to increase this number when looking in further detail at sites.

Unless the Council worked with partners then they would only be able to build a small number of homes when thousands were needed. So without a partner the process would be slower with no control on what happened and not a share of profits. The Council would remain guardians of land setting out the clear dividend to be achieved to invest in housing and social schemes.

The criteria for the procurement had also included social economic scoring which was equally weighted with the other regeneration priorities. Therefore, it was clear to the bidders that social economic criteria would need to be worked to and the Council had been clear on this.

The Cabinet Member for Finance and Health referred to the concerns raised on the financial risks of the Haringey Development Vehicle, and spoke about considering the future financial sustainability of the Council given the overspend and government grants currently being phased out. Councillor Arthur highlighted the increased risk of not having a clear way of delivering new homes. There currently was no risk free way to build homes, and it was not financially prudent for the Council to take a housing development venture forward alone.

The proposed decision would in future bring financial sustainability for the Council with increased business tax revenue and additional Council tax income to deliver the services needed across the borough. The Council would be eligible for 50% of the profits, allowing them to recycle this income into housing or back into the Council for investment in services.

The Leader concluded the discussion by speaking about the importance of providing a sense of certainty to people in the borough with no security of homes and to those who do not live in Council homes. There were only 1300 Council homes built in the whole country, in the last year, and the Council would need to be bold whilst taking proportionate risks to increase housing.

Cabinet considered the outcome of the Competitive Dialogue Procedure under the Public Contracts Regulations 2015 as outlined in the report.

Cabinet unanimously **RESOLVED:**

1. To agree to the selection of Lendlease as preferred bidder with whom the Council will establish the joint venture HDV.
2. To agree to the selection of a reserve bidder as set out in the exempt part of this report.
3. To agree to proceed to the Preferred Bidder Stage ('PB Stage') so the preferred bidder's proposal can be refined and optimised, in particular to formalise the structure of the vehicle, finalise legal documents and further develop site and portfolio business plans, as required to establish the HDV; and gives Delegated Authority to the Director of Regeneration, Planning and Development after consultation with the Leader of the Council to agree any further documentation as is required at the PB Stage.
4. To note the emerging arrangements for governance of the vehicle and its likely shadow implementation, and emerging issues informing the management of the Council's relationship with the vehicle.
5. To agree to receive a further report recommending approval of the final documentation to support the establishment of the Haringey Development Vehicle, and agreement of the relevant business plans, following further refinement at preferred bidder stage.

Reasons for decision

The case for growth

The Council's corporate plan makes a strong commitment to growth. Specifically, it identifies the need for new homes to meet significant housing demand which is making decent housing unaffordable for increasing numbers of Haringey residents, and causing more and more families to be homeless. It also identifies the need for more and better jobs, to revitalise Haringey's town centres, increase household income for Haringey residents and give all residents the opportunity to take advantage of London's economic success. This commitment to growth is 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 – in light of recent reforms – business rates. Without growing the Council tax and business rate base, the Council will increasingly struggle to fund the services on which its residents depend. Improvement in the living conditions, incomes, opportunities and wellbeing of Haringey residents will also not only improve their quality of life, but also reduce demand for Council and other public services.

The risks of failing to secure growth in homes and jobs – or of securing growth at low quantities, quality and/or pace – are significant:

Failure to meet housing demand will lead to more and more families unable to afford a home in the borough, either to rent or buy, deepening the already stark housing crisis.

Failure to meet housing demand will also drive up levels of homelessness, not only leading to more households finding themselves in crisis, but also increasing the already significant pressure on the Council budget through increased temporary accommodation costs.

Failure to increase the number of jobs in the borough will lead to fewer opportunities for Haringey residents to boost their incomes and job prospects, less vibrant and successful town centres with less activity and spending during the working day, and increased risk of 'dormitory borough' status as working residents leave the borough to work elsewhere.

Insufficient or poor quality housing, low employment and poor quality urban environments are all linked to poor public health outcomes which in turn place a burden on Council and other public services; improved outcomes for residents also create reductions in demand-driven public sector costs.

Low levels of development reduce the Council's receipts in s106 funding and Community Infrastructure Levy, in turn reducing the Council's ability to invest in improved facilities and infrastructure (like schools, health centres, open spaces and transport) and in wider social and economic programmes such as those aimed at improving skills and employability.

Failure to grow the Council tax and business rate base will increasingly lead to a major risk of financial instability for the Council, and to further, deeper cuts in Council budgets and hence to Council services as Government grants dwindle to zero over the coming years.

Options for driving growth on Council land

The Council cannot achieve its growth targets without realising the potential of unused and under-used Council-owned land. Accordingly, in autumn 2014 the Council commissioned work from Turnberry Real Estate into the options for delivering these growth objectives, either on its own or in partnership with the private sector. Turnberry also examined the market appetite for partnership with the Council to deliver new housing and economic growth.

In February 2015 Cabinet, on the basis of this work, agreed to commission a more detailed business case to explore options for delivery. At the same time, the Member-led Future of Housing Review concluded (as set out in its report to Cabinet in September 2015) that a development vehicle was 'likely to be the most appropriate option' for driving estate renewal and other development on Council land.

The business case developed following Cabinet's February 2015 decision compared a number of options for achieving the Council's objectives, and ultimately recommended that the Council should seek through open procurement a private sector partner with whom to deliver its objectives in an overarching joint venture development vehicle. This business case, and the commencement of a procurement process, was agreed by Cabinet on 10 November 2015.

The joint venture development vehicle model

The joint venture model approved by Cabinet on 10 November 2015 is based on bringing together the Council's land with investment and skills from a private partner, and on the sharing of risk and reward between the Council and partner. The Council accepts a degree of risk in that it will commit its commercial portfolio to the vehicle, and will (subject to the satisfaction of relevant pre-conditions) also commit other property, as its equity stake in the vehicle. It has also to bear the costs of the procurement and establishment of the vehicle, and a share of development risk. However, in return, the contribution to its Corporate Plan objectives, including high quality new jobs, new homes including affordable homes and economic and social benefits, would be at a scale and pace that would otherwise be unachievable. The Council will also receive a financial return, principally through a share of profits that it can reinvest in the fulfilment of its wider strategic aims as set out in the Corporate Plan.

Under this model, the development partner matches the Council's equity stake, taking a 50% share of the vehicle and hence a 50% share of funding and development risk. In return, and by maintaining strong relationships and delivery momentum, they obtain a long term pipeline of development work in an area of London with rising land values, and with a stable partner.

The preferred bidder decision

As well as approving the business case for establishing the Haringey Development Vehicle, at its meeting on 10 November 2015 Cabinet also resolved to commence a Competitive Dialogue Procedure under the Public Contracts Regulations 2015 to procure an investment and development partner with which to establish the Haringey Development Vehicle. Following a compliant procurement process, the preferred bidder is recommended in this report.

By approving the final stage of work with a single preferred bidder, paving the way for a final agreement and establishment of the vehicle later in 2017, Cabinet will be taking the next vital step in unlocking the considerable growth potential of the Council's own land and meeting a number of core Council ambitions.

Alternative options considered

In November 2015, Cabinet considered and approved a business case for establishing an overarching joint venture vehicle to drive housing and job growth on Council land. That business case identified and assessed a number of alternative options for achieving the Council's objectives, and found that the overarching joint venture vehicle would be the most effective mechanism of achieving those goals.

The Council has reserved its position to not appoint any of the bidders in the event of the bids not being satisfactory, or otherwise not wishing to proceed. The report outlines the benefits and projected outcomes that will arise from the appointment of the proposed preferred bidder, and how they meet the Council's objectives and aspirations as set out in the November 2015 report to Cabinet. If the Cabinet chooses not to appoint any bidder, it will not obtain these likely benefits.

Notwithstanding the above, choosing a preferred bidder does not at this stage commit the Council to enter into an agreement or indeed to the establishment of the Haringey Development Vehicle at all. That decision is taken after the close of the preferred bidder stage and will be the subject of a further report to Cabinet.

The Council has within its procurement documentation made clear to bidders that bidders' participation in the process is at their own expense, that the Council will not be responsible for bid costs and that it is not obliged to accept any tender.

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

The Cabinet Member for Finance and Health introduced the report which set out the current Council financial position. The report finalised the Council's General Fund Medium Term Financial Strategy (MTFS) for the period 2017/18 to 2021/22 and proposed approval of the constituent elements of the strategy to Council on 27th February 2017 together with the Council's revenue and capital budgets for 2017/18.

The Cabinet Member spoke of the rapid increases in demand for Children services, Adults Social Care and Temporary Accommodation combined with significant difference in funding for the Council and wider financial strains in the public sector.

Despite this, £50m of savings had been made but there was a gap of £45m, over the next 5 years, so the challenge faced was stark.

It was noted that the Adults Social Care Precept, at the time consultation of the budget was taken forward in December, was proposed at 2% for each proceeding three financial years. However, the Council could now levy 3 % in each of the next two financial years, a total of 6% over three financial years. Therefore, the report was recommending a 3% pre-cept in 2017/18/19 whilst continuing to freeze Council tax base rate. This was important as the Council were expecting growth in GLA precept rate of 1.5 %.

In relation to the risks in the MTFS savings proposed that were marked red or amber, these were around 65% of the savings and it was important to be clear that the Council would be consistently monitoring these savings and working with partners and residents to meet these savings requirements which would mean changing the way the Council works, whilst also delivering on the agreed Corporate Plan.

The Cabinet Member thanked participants in the consultation and thanked the Overview and Scrutiny Committee for their recommendations. There were two key changes recommended that were accepted. These were the removal of the proposal for Library reduced hours and target operating model for parking. The Council would revisit how the Parking service works and re-asses best value for money in relation to this service.

Councillor Connor, Vice Chair of Overview and Scrutiny, introduced the Scrutiny recommendations on the budget which were a result of individual panel work which was collated and discussed at the main Committee meeting. Cllr Connor drew attention to the financial risk outlined in the report and requested that Scrutiny receive, as part of their usual information about the budget, more details on the risk assessment of the savings proposals and mitigations.

Councillor Connor was pleased that the Libraries proposal had been withdrawn and mentioned the disability expenditure proposal. There had been debate at Scrutiny on the individual assessment tasks, involved in making this saving, and whether this would reduce the savings. Therefore, a request was made not to proceed with this saving and that further consideration be given to the financial cost around doing this.

In relation to the Daycare Opportunities proposal, which had been deferred for a further financial year , it was hoped that with further assessment of this saving ,and the views of users considered, this saving would not proceed in the future.

In response to Councillor Engert questions, the following was noted:

- With regard to the use of reserves, the Council had to be clear on risks faced, and some savings were rag rated, as red or amber, because more work was needed to flesh out the proposals. The example of Osborne Grove was given because the extent of this saving depends on an options appraisal and choices that Cabinet will make which will have an impact on the MTFS. Some savings would require working in a new way and in some case with other authorities.

- The Cabinet Member was clear that officers and Cabinet were working diligently on achieving the savings but it was important to note that the Council were operating with the public sector in a difficult financial context and therefore challenging to have definitive proposals that will guarantee each saving being made. The financial prudence of the Council, in previous years, meant that the Council had reserves in place to mitigate these risks.
- The Cabinet Member agreed that the Council cannot rely on reserves indefinitely, so he was clear that there must be focus on growth and this was why the Haringey Development Vehicle, was critical and the previously agreed Housing and Growth strategies important to make the Council sustainable. Proposals also on investments, particularly, on the capital side, were important for the future of the borough.
- With regard to the borrowing decisions, it was clear the Council was shrinking in size and there was a need to utilise Council space better. At the moment the Council were not acting efficiently in this respect and needed to release office locations in Wood Green to make homes, improve retail offer and increase jobs.
- There was clear commitment to keep Libraries open and maintain Libraries open as they are. The Cabinet were investing significantly in Libraries including expenditure on refurbishment and IT expenditure.
- The Cabinet Member committed to maintain the opening hours of Libraries for the next 5 years.

RESOLVED

1. To propose approval to the Council of the General Fund Medium Term Financial Strategy (MTFS) 2017-2022 as set out in Appendix 1;
2. To propose approval to the Council of the 2017/18 General Fund revenue budget as set out in Appendix 1, including specifically a General Fund budget requirement of £255.7m but subject to the final decisions of the levying and precepting bodies and the final local government finance settlement;
3. To note the Council tax base of the London Borough of Haringey, as agreed by the Section 151 Officer, as 75,365 for the year 2017/18;
4. To propose approval to the Council, subject to any agreed amendments, of the budget proposals for 2017/18 as set out in this report at Appendix 6, including the 3% precept on Council Tax towards funding Adult Social Care pressures;
5. To propose approval to the Council that the overall Council tax to be set by London Borough of Haringey for 2017/18 will be £1,243.54 per Band D

- property, which represents a freezing of the 2016/17 rate but with an additional 3% for the adult social care precept;
6. To note that Fees and Charges in respect of executive functions will be considered under a separate agenda item but that any impact on the 17/18 budget proposals is outlined within this report;
 7. To propose to the Council that, following a review of reserves, £25.1 million is transferred from earmarked reserves to the General Fund non-earmarked reserve;
 8. To propose approval to the Council of the 2017/18 Housing Revenue Account budget as set out in Appendix 2;
 9. To propose approval to the Council of the 2017/18 General Fund capital programme detailed in Appendix 3;
 10. To propose approval to the Council of the 2017/18 Housing Revenue Account (HRA) capital programme detailed in Appendix 4;
 11. To approve the changes to the rent levels for General Needs Homes for Council tenants reflecting the regulations requiring a 1% rent reduction in 2017/18 and each of the following two years. This will reduce the average weekly rent from £104.88 to £103.76 as set out in paragraph 9.7 and Table 9.1;
 12. To approve the changes to service charges for leaseholders set out in Table 9.2
 13. To propose to the Council the Dedicated Schools Budget (DSB) allocations for 2017/18 of £250.4m as set out in Appendix 5;
 14. To agree the funding to be distributed to Primary and Secondary schools for 2017/18 based on the figures advised to Schools Forum and submitted to the Education Funding Agency in January 2017 set out in section 8;
 15. To agree the central budgets (including the use of brought forward DSG) for the Schools Block, High Needs Block and Early Years Block as per Appendix 5;
 16. To approve the responses made to the Overview and Scrutiny Committee recommendations following their consideration of the draft budget proposals and as set out in Appendix 7;
 17. To note the outcome of budget consultation as set out in Appendix 8;

18. To note that this report will be considered by the Council at its meeting on 27th February 2017 to inform their decisions on the 2017/18 budget and the associated Council Tax for that year;
19. To delegate to the S151 officer, in consultation with the Cabinet Member for Health and Finance, the power to make further changes to the 2017/18 budget proposals consequent on the publication of the final local government finance settlement or other subsequent changes up to a maximum limit of £1.0m;
20. To approve the application of a charge for bulky waste removal as set out in Priority 3 savings proposals in Appendix 10 Annex 3;
21. To approve the application of a charge for replacement wheeled bins as set out in Priority 3 savings proposals in Appendix 10 Annex 3;
22. To approve the application of a charge for recycling bins and residual bins for registered social landlords (RSLs) as set out in Priority 3 savings proposals in Appendix 10 Annex 3;
23. To approve the cessation of sacks for residual and recycling waste and replacement of them with free collection of sacks from libraries and customer service centres as set out in Priority 3 savings proposals in Appendix 10 Annex 3.

Reasons for decision

In February 2015, and following extensive consultation, the Council approved its Corporate Plan and Medium Term Financial Strategy (MTFS) covering the three-year period 2015-18.

Since then a number of significant national political changes have taken place all of which bring high levels of uncertainty. Although Haringey has accepted the Government's multi-year settlement offer (ending in 2019-20) there are still significant changes that are planned to the way local authorities are funded which means that we will continue to operate in an uncertain and changing environment.

Given the level of change over the last 18 months and in order to continue to deliver the priorities for the borough a new 5-year MTFS is proposed to cover the period from 2017/18 to 2021/22. This includes a refresh of the last year of the previous MTFS.

The Strategy considers the estimated revenue funding, from all sources, and estimated expenditure budgets for each of the five years to 2021/22 together with any net funding shortfall and savings proposals that have been developed by officers taking account of the Council priorities.

The report also considers the Council's capital budget, bringing sources of capital funding together with prioritised projects as approved by Council in July 2016 for both the General Fund and the HRA. Given the level of complexity introduced by the regeneration aspirations of the Council, the capital budget will become an increasingly important component of the Council's overall financial position.

The report is based on the best available information but is still subject to significant uncertainty.

On 13th December 2016 Cabinet considered a revised MTFS, which demonstrated a funding shortfall of £42.8m over the five years to 2021/22, and savings proposals of £23.6m. With the gap front loaded to the 2017/18 year (£19m) it was agreed that the strategy would be to smooth the savings over the first two years of the MTFS period through the use of reserves.

Agreement was also given to consult with residents, businesses, partners, staff and other groups as necessary on the draft proposals. This report outlines the outcome of that consultation and sets out our responses to it.

The Council's Overview and Scrutiny Committee has already scrutinised the savings proposals and this report highlights the recommendations made by the Committee and the Cabinet's responses to it.

On 17th December the Provisional Local Government Finance settlement was announced which introduced a number of changes to the funding assumptions and these have now been incorporated in the revised MTFS and proposed budget for 2017/18.

The final MTFS shows a revised funding deficit of £45.6m over the five years to 2021/22 and, assuming that all savings proposals are implemented (£23.6m), a residual shortfall of £22m over the MTFS period. For 2017/18, the £8.8m deficit will be funded from the use of reserves in order to set a balanced budget. The MTFS will be refreshed during 2017/18 and options developed to fund later years' residual shortfalls.

The level of reserves available will be dependent on the extent to which we utilise our existing reserves to fund our deficit at year-end. The Chief Finance Officer will be seeking to consolidate the reserves position in order to be able to fund the deficit. This will be considered as part of the Chief Finance Officer's consideration of the adequacy of reserves which will be presented to Council on 27th February 2017. The Council will look to recommence building Reserves in the next financial year to provide further future resilience to the Council's financial position.

Taking all relevant factors into account including, in particular, the outcomes from statutory consultation with business rate payers and residents, the recommendations from the Overview and Scrutiny Committee and any other subsequent changes, this report sets out Cabinet's final budget proposals which, if approved, will be sent for consideration at the Full Council budget setting meeting scheduled for 27th February 2017.

The final budget report to the Council on 27th February will also additionally include a number of requirements consequent on the proposals set out in this report and in particular:

- The formal Budget Resolution required in accordance with the LGFA 1992 as amended by the Localism Act 2011, which sets the Council tax for the forthcoming financial year;
- The Precept of the Greater London Authority (GLA) for 2017/18 in accordance with S40 of the LGFA 1992 which must be added to the Haringey Council element of the Council tax to give a total Council tax for each category (band) of dwelling in the Council's area;

- The formal assessment of the relevant basic amount of Council tax against the principles established by the Secretary of State for the purpose of determining whether any Council tax increase is 'excessive' and therefore is subject to referendum.
- Approval of the Cash Limits for 2017/18;
- The S151 Officers evaluation of the adequacy of the Council's reserves and the robustness of the estimates including the Council's reserves policy;
- Approval of the Treasury Management Strategy Statement (TMSS) which has been formulated by the Corporate Committee and subject to the scrutiny review process.

Alternative options considered

This report recommends that the Cabinet should finalise its budget proposals, to be ultimately agreed at the final budget meeting at full Council on 27th February 2017; which is a statutory requirement. Clearly there are a number of options available to achieve this and proposals in this report take account of the Council's priorities together with feedback from residents and other partners.

A range of options for determining levels of both income and service provision have been considered taking into account the Council's Corporate Plan priorities, the extent of the estimated funding shortfall and the Council's overall financial position.

The proposals in this report rely on the strategic use of reserves over the five year period 2017– 2022. However, there remain significant uncertainties, particularly in the later years of the MTFS and so it is imperative that Members acknowledge and take action to manage identified and emerging risks.

186. FEES AND CHARGES 2017-18

The Cabinet Member for Finance and Health introduced the report which set out the fees and charges that were proposed to be applied to services for the year 2017/18. This report considered the relevant factors affecting the review of fees and charges identified those services where an increase was being proposed and sought approval to increase the fee or charge rate to those services where an increase is proposed in line with inflation. The report sought Member's agreement where an alternative approach is being proposed.

Further to considering the report and appendices as well as Equalities Impact Assessments, Cabinet -

RESOLVED

1. To agree the proposed fees and charges to be levied by the Council with effect from 1 April 2017 (unless otherwise stated) including new fees and charges for street naming and numbering, some services within Registrars and Waste and Parks Services as detailed in the appendices;
2. To agree the revised fees and charges for **Adults' Services** as set out in **Appendix I** with effect from 1 April 2017;

3. To agree the revised fees and charges for **Traffic Management Services** as set out in **Appendix II** with effect from 1 April 2017;
4. To agree the fees and charges for **Libraries Services** as set out in **Appendix IIIa** with effect from 1 April 2017;
5. To agree the revised fees and charges for **Cultural Services** as set out in **Appendix IIIb** with effect from 1 April 2017;
6. To agree the revised fees and charges for **Garage Rents** as set out in **Appendix IV** with effect from 1 April 2017;
7. To agree the revised fees and charges for **Asset Management Services** as set out in **Appendix V** with effect from 1 April 2017;
8. To agree the revised fees and charges for **Court Summons** as set out in **Appendix VI** with effect from 1 April 2017;
9. To agree the revised fees and charges for **Adult Learning (HALS)** as set out in **Appendix VII** with effect from 1 April 2017;
10. To agree the revised fees and charges for **Waste Collection Services (Neighbourhood Action)** as set out in **Appendix VIII** with effect from 1 April 2017;
11. To agree the revised fees and charges for **Parks Services** as set out in **Appendix IXa** with effect from 1 April 2017;
12. To agree the revised fees and charges for **Parks Events Services** as set out in **Appendix IXb** with effect from 1 April 2017;
13. To agree the revised fees and charges for **Registrars** as set out in **Appendix X** with effect from 1 April 2017;
14. To agree the revised fees and charges for **Regulatory Services (excluding Licenses)** as set out in **Appendix XI** with effect from 1 April 2017;
15. To agree the revised fees and charges for **Building Control Services** as set out in **Appendix XII** with effect from 1 April 2017;
16. To agree the fees and charges for **Children's Services** as set out in **Appendix XIII** with effect from 1 April 2017;
17. To note where specific changes in fees and charges form part of savings proposals in the Medium Term Financial Strategy (MTFS) report elsewhere on this agenda;
18. To note the findings of equalities assessments as set out in section 8 of the report and available in full at Appendix A;
19. To note that no increases are being recommended for 2017/18 at this stage for Library services or Children's Centres as separate reviews are underway in these service areas; and
20. To note that the Council's MTFS assumes that the increases set out in this report are agreed.

Reasons for Decision

It is a requirement to review fees and charges annually. The financial position of the Council supports the view that levels of fees and charges should be maximised taking into account all relevant factors including the effect on service users and any consequent demand for services.

Alternative options considered

This report summarises the conclusions after consideration of a range of alternative approaches dependent on particular services and relevant factors. As such a range of alternative options ranging from no increase to differentiated rates of increases have been considered and reflected in this report.

187. THE IMPLEMENTATION OF THE NATIONAL EARLY YEARS FUNDING FORMULA IN HARINGEY

The Cabinet Member for Children and Families introduced the report which set out proposals for a new early years funding formula in Haringey which would ensure that the Council continues to meet its statutory responsibilities in relation to funding the free entitlement for 2, 3 and 4 year olds. The proposals also sought to ensure that the Council were able to implement changes in a fair and transparent way, acknowledging that work would need to continue to manage the impact of the changes on the local childcare market.

The Cabinet Member thanked officers in Commissioning and early years for their hard work in taking forward the consultation on the national funding formula for early years in tight timescales which had been extremely challenging.

RESOLVED

1. To note the outcome of the consultations undertaken with providers of early education and childcare in Haringey, and with the Schools Forum, as set out in the appendices to this report.
2. To agree the introduction of a revised early years funding formula for Haringey from April 2017 which includes:
 - A universal base rate for 3 and 4 year olds in Haringey set at £4.88 per hour, per child
 - Mandatory deprivation supplement funding of £0.30 per hour, per child, derived from the £0.52 per hour per child available for supplements
 - A supplement for quality with an annual budget of £76,000 to facilitate system leadership for providers requiring support
3. To agree that there will be no supplements set for Rurality / Sparsity, Flexibility or English as an Additional Language.
4. To agree to reduce from April 2019 the current local authority funding rate of £6 per hour for providers of the 2 year old free entitlement, to the funding rate (£5.66 per hour) received by the local authority from the DfE.
5. To agree that £0.7m of Dedicated Schools Grant be set aside as transitional funding to subsidise childcare for the period from April to August 2017 prior to the introduction of new fees and the 30 hours funded entitlement for 3 and 4 year olds.
6. To agree to remove the Council's involvement in setting the fees for school-based early years provision, allowing the four maintained school-run settings to set their own fees.

7. To agree to replace the current single fee structure, applied across all four Council-run childcare settings with a new structure where fees differ from setting to setting.
8. To agree to the further exploration of a refreshed, financially viable childcare offer to be in place at the Park Lane setting from as early as September 2017.
9. To agree to increase fees for the four Council-run childcare settings from current levels in order to generate the levels of income required to mitigate the loss of subsidy funding. This change to fees would be implemented from September 2017 and kept under review due to the risk of a negative impact on service take-up and therefore, fee income generation.
10. To agree that, where there may be early years funding remaining, once the early years funding formula and centrally retained items have been taken into account, any available funding is directed towards ensuring access to good quality early education for our most vulnerable children.

Reasons for decision

Local authorities have been advised by the DfE to use the proposals set out in its consultation on an early years national funding formula to develop local funding formula arrangements and to progress local consultation and decision-making in order to meet the April 2017 deadline imposed for the introduction of the national funding formula for the existing universal 15 hours per week entitlement for eligible three and four year olds. The proposals will support the introduction of the 30 hours funded entitlement for the three and four year old children of eligible working parents from September 2017.

The proposals set out under 3.1 will enable the Council to meet its statutory duties from April 2017.

Alternative options considered

Local authorities are required to meet the April 2017 deadline for the introduction of the new national funding formula. Consultation has been carried out to inform the discretionary elements of the formula including the date of introduction of the new universal hourly base rate, whether to introduce supplements for quality and flexibility in addition to the mandatory supplement for deprivation, the level of supplement to be applied within the constraints set out within the formula and the deployment of the centrally retained funding.

In addition, the Council has considered whether to retain its role in setting a fee structure for all maintained settings, including schools. Through officers' engagement with the school-run maintained childcare settings, it has become clear that the schools themselves are best placed to determine the fee level that fits with their developing business models in the context of the national funding formula.

The Cabinet Member for Finance and Health introduced the report which provided an update on the projected financial position of the Council for 2016/17 as at Period 9 (December 2016). It covered significant operating and capital revenue variances on a full-year basis.

At the end of Quarter 3 and Period 9 overall the Council was projecting a full-year deficit/overspend of £21.3m for 2016/17. This was a small improvement of £0.7m from the Quarter 2 position of £22.0m reported to Cabinet in October 2016. The Council were still grappling with demand pressures in Adults services, Children's services and in Temporary Accommodation. There was also some further work being completed on improving forecasting for year end.

The Chief Operating Officer was asked to outline the Council's position on reserves, assuming the overspend does not fall significantly by the end of the financial year.

The Cabinet noted that there were two specific categories for reserves, those which were earmarked for specific Council projects and non ear marked reserves for use when unexpectedly needed and looked at for assessing the Council's sustainability. In order to manage and mitigate the overspend, further to checking what the earmarked reserves were allocated for, the Chief Operating Officer had consolidated the earmarked reserves to provide some scope to cover the overspend by the end of the financial year.

RESOLVED

1. To note the report and the Council's 2016/17 Period 9 financial position in respect of revenue and capital expenditure;
2. To note the risks and mitigating actions, including spend controls identified in this report in the context of the Council's on-going budget management responsibilities;
3. To approve the creation of a contingency budget within the capital programme funded from any net corporate scheme budgets no longer required to fund new schemes (subject to approved business case).
4. To approve the required virements over £0.25m as set out in section 7 of this report.

Reasons for decision

A strong financial management framework, including oversight by Members and senior management, is an essential part of delivering the Council's priorities and statutory duties.

Alternative options considered

This is the 2016/17 Quarter 3 Financial Report. As such, there are no alternative options.

189. GENERAL PRACTITIONERS SERVICES FRAMEWORK FOR PREVENTION SERVICES

The Cabinet Member for Finance and Health introduced the report which sought agreement to establish a Framework for the provision of enhanced services (the

“Framework”) and to award contracts to designated General Practices (GPs) for one or all of the following; health checks: stop smoking service, long acting reversible contraception (LARC) and shared care/opiate substitute prescribing (OSP), GP with special interest for substance misuse (GPSI), GP lead sexual health, GP lead making every contact count (MECC).

RESOLVED

1. That Cabinet agrees to establish the Framework and to award contracts as described in 1.1 above to GPs in accordance with Contract Standing Orders (CSO) 9.07.1(d).
2. That the contracts will be awarded under the Framework for a period of 4 years to the GPs listed in the table in paragraph 6.19.6 of the report.

Reasons for decision

The Council has a statutory responsibility to deliver health checks and sexual and reproductive health services. These and the other services are essential elements in meeting the Council’s health improvement targets.

Alternative options considered

The public health team considered providing these services just through existing providers. However there is evidence regarding the advantage of using GPs: National Institute of Clinical Excellence (NICE) evidence suggests that GPs are positioned to use routine appointments to deliver brief interventions around quitting and practice nurses to providing rapid access to a service.¹ NICE recommends using GPs to deliver OSP service as a way of de stigmatising this service.² For LARC the Faculty of Sexual and Reproductive Health recommends increasing the uptake of LARC and use of GPs to achieve this.³

It is also more cost effective to use GPs to provide these services i.e. cost per patient per year in a specialist drug service is £1825 compared to £1199 in primary care, LARC in clinic costs £150 and in a GP it costs £82.

190. UPDATE OF STATEMENT OF COMMUNITY INVOLVEMENT

The Cabinet member for Housing, Regeneration and Planning introduced the report which sought agreement to the statement of community involvement which was initially adopted in 2008, updated with minor amendments in 2011 and now required a further update to take account of changes in planning legislation and to reflect current practices in community engagement, including greater use of electronic communications such as email and social media.

RESOLVED

¹ <https://www.nice.org.uk/guidance/ph1/chapter/1-recommendations>

² Drug misuse and dependence: guidelines on clinical management. Department of Health.London:HMSO, 1999.

³ <http://www.fsrh.org/pdfs/FSRHQualityStandardContraceptiveServices.pdf>

1. To note the outcomes of the consultation of the updated SCI, carried out in 2015;
2. To approve the changes made to the document as a result of the consultation, as well as the factual and legislative changes; and
3. To approve the updated SCI for adoption.

Reason for decision

All local planning authorities are required under section 18(1) of the Planning and Compulsory Purchase Act 2004 to prepare and adopt a Statement of Community Involvement (SCI).

Approval of the SCI will ensure that the Council meets its statutory obligations for engaging with the community and statutory stakeholders in plan making and determining planning applications.

Alternative options considered

The Planning and Compulsory Purchase Act 2004 ("the 2004 Act") requires local planning authorities to prepare and adopt a Statement of Community Involvement. As such the option to do nothing is discounted.

191. MINOR VARIATIONS TO LAND TRANSACTIONS AT TOTTENHAM HALE

The Cabinet Member for Housing, Regeneration and Planning introduced the report which outlined that the development proposed by Argent Related of its scheme, agreed by Cabinet in July 2016, had reached a more advanced design stage and now required a slight variation to the site boundary of Plot 6. There would be no net change to total site area of Plot 6, as compared to that which was reported to Cabinet in July 2016. The land consisting of Plot 6 which was now required to be declared surplus to requirements and be disposed of to Argent Related is shown edged on the plan attached in Appendix D.

RESOLVED

Monument Way

1. To acquire the land (shown shaded orange on the plan in attached Appendix B) from TfL for no consideration for general fund purposes and that this land be included in the land to be disposed of to Newlon Housing Trust as agreed by Cabinet on 15 March 2016.
2. To declare the additional housing land at the Monument Way site (shown hatched black within the revised site plan in attached Appendix B) surplus to requirements and that this land be included in the land to be disposed of to Newlon Housing Trust as agreed at Cabinet on 15th March 2016.

Plot 6– Tottenham Hale Strategic Development Partnership

3. To declare the revised Plot 6 site at Tottenham Hale (shown edged red on the site plan attached as Appendix D) surplus to requirements and to incorporate the revised Plot 6 land as part of the 10 sites to be disposed of to Argent Related, as agreed by Cabinet on 12 July 2016.

Reasons for decision

Cabinet has already decided on 15 March 2016 to dispose of the adjoining site at Monument Way and on 12 July 2016 Cabinet agreed to dispose of the original Plot 6 at Tottenham Hale. Both pieces of land lie within the Tottenham Hale District Centre which is the first phase of the Tottenham Housing Zone and will be key to achieving long term sustainable regeneration in the area.

Monument Way

As Newlon Housing Trust have progressed designs for this site it has become clear that slightly more land is needed in order to achieve planning permission and deliver a viable scheme. The land required is shown hatched black in Appendix B and is held for housing purposes is a grass verge.

The Council are not in a position to undertake the development at Monument Way themselves due to insufficient resources and have been discussing with Newlon Housing Trust, as a preferred partner, the opportunity to take forward the development. The Council has recently acquired land from the adjoining school and is in process of finalising this acquisition with Transport for London in order to own the total site unencumbered.

Plot 6

Plot 6 at Tottenham Hale is within the Strategic Development Partnership Area, which aims to provide new mixed-use development at the heart of the District Centre.

As Argent Related have progressed designs for this site it has become clear that a variation to this plot of land is required, with 245m² removed towards the South of the site and 245m² added towards the North of the site. The land consisting of Plot 6 is currently held for highway purposes and is part of the Tottenham Hale Bus Station.

Alternative options considered

Monument Way

The Council could decide not to alter the land to be leased to Newlon at the Monument Way site. However as this additional area is required to achieve an efficient realignment of Fairbanks Road, this would result in the delivery of a sub-optimal scheme and may result in the scheme not being delivered at all.

The preferred option outlined in this Report is to amend the site boundary to include the additional land to facilitate the optimal scheme progressing.

Plot 6

The Council could decide not to alter Plot 6 and revert to the site boundary previously reported to Cabinet in July 2016. However this would result in the delivery of a sub-optimal scheme.

The preferred option outlined in this Report is to amend the site boundary to the original Plot 6 to facilitate the optimal scheme progressing.

192. INSURANCE ARRANGEMENTS FOR LEASEHOLD (RTB) PROPERTIES

The Cabinet Member for Corporate Resources introduced the report which informed the Cabinet of the procurement process undertaken to appoint a provider for the Leaseholders' Property Insurance Service from 1 April 2017 for 3 years with an option to extend for a further 2 years.

RESOLVED

That in accordance with Contract Standing Order 9.07.1(d) the Cabinet approves the award of the contract for the provision of the Leaseholder Property Insurance Service from 1 April 2017 for a maximum term of 5 years, on a 3 + 2 year basis, to Ocaso S.A. UK Branch.

Reasons for decision

The current insurance contract commenced on 1 April 2014 and was based on a 3 year agreement, with an option to extend by a further 2 years. Due to the substantially deteriorating claims experience over the existing contract period, the current insurers declined to extend the current contract at existing premium rates. It is necessary to ensure that the new contract is in place from 1 April 2017, to avoid any gap in insurance cover for the Council and leaseholders.

Alternative options considered

Haringey, along with eight other London boroughs (Croydon, Camden, Harrow, Islington, Kingston-upon-Thames, Lambeth, Sutton and Tower Hamlets) work as a formal consortium, Insurance London Consortium (ILC), to share best practice in Risk Management and to procure insurance services. In the case of the Leaseholder insurance contracts, these were tendered via the ILC and awarded on 1 April 2014; Haringey were the only authority placed with the current provider, based on price and quality considerations, and the ILC will only re-tender its leaseholder contracts in two years time. It was therefore necessary to undertake a stand alone tender process, outside the ILC, which was managed in-house via the Council's online tender portal, with support from the ILC external insurance advisors.

There is no framework available to use for leaseholder insurance provision. Procurement of stand alone cover for leaseholder insurance, via an OJEU tender, is therefore the only remaining option available to the Council.

193. MINUTES OF OTHER BODIES

RESOLVED

To note the minutes of the following:

Cabinet Member signing on the 23rd of January 2017

Cabinet Member signing on the 24th of January 2017

194. SIGNIFICANT AND DELEGATED ACTIONS

RESOLVED

To note the decisions taken by directors in January.

195. NEW ITEMS OF URGENT BUSINESS

None

196. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under paragraph, 3 and 5 , Part 1, schedule 12A of the Local Government Act 1972.

197. APPROVAL OF PREFERRED BIDDER FOR THE HARINGEY DEVELOPMENT VEHICLE

As per 184.

198. INSURANCE ARRANGEMENTS FOR LEASEHOLD (RTB) PROPERTIES

As per item 192.

199. CABINET EXEMPT MINUTES

RESOLVED

To agree the exempt Cabinet minutes of the meeting held on the 24th January 2017.

200. NEW ITEMS OF EXEMPT URGENT BUSINESS

None