

## **'CALL IN' OF DECISIONS OF THE CABINET**

This form is to be used for the 'calling in' of decisions of the above bodies, in accordance with the procedure set out in Part 4 Section H.2 of the Constitution.

<b>TITLE OF MEETING</b>	Cabinet
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<b>DATE OF MEETING</b>	14/02/2017
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<b>MINUTE No. AND TITLE OF ITEM</b>	Minute no:  Item 10-Recommendation of a preferred bidder for the Haringey Development Vehicle (& Item 23)
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### **1. Reason for Call-In/Is it claimed to be outside the policy or budget framework?**

It is not claimed to be outside the policy or budget framework.

The Liberal Democrats have grave concerns about the proposed HDV arrangements and the choice of preferred bidder. In our view the process of choosing a preferred bidder and creating the HDV company should not proceed.

#### **Reasons for call-in:**

We are concerned by the choice of Lendlease as the preferred bidder for the HDV for the following reasons:

1. The recent Heygate Estate renewal by Lendlease in Southwark, has in our view, not led to good outcomes for local residents or the council. A large council estate was replaced with many homes for sale and only a small number of social homes on site.<sup>1</sup>
2. Lendlease have been sued by unions for blacklisting construction workers.<sup>2</sup>
3. Lendlease has admitted it overbilled clients for more than a decade and has agreed to pay \$56 million in fines and restitution in the United States of America.<sup>3</sup>

We are concerned by the particulars of the HDV and the agreement with Lendlease as mentioned in the public Cabinet report:

1. We are concerned that the commitment to affordable and social housing is weak.
2. We are concerned that there is no guarantee that council tenants and leaseholders will have the same rights they currently have or will be offered a similar home in the same area. In our view 'aim' and 'seek' to provide protections are not sufficient assurances.

<sup>1</sup> <http://www.newstatesman.com/politics/2013/11/look-heygate-estate-whats-wrong-londons-housing>

<sup>2</sup> <https://www.theguardian.com/politics/2013/nov/20/union-to-sue-construction-firms-blacklisting-allegations>, <http://www.building.co.uk/contractors-offer-six-figure-blacklist-compensation/5078126.article>, <http://www.theirishworld.com/construction-blacklisting-closed-chapter/>, <http://www.constructionenquirer.com/2013/11/20/construction-unions-launch-fresh-wave-of-blacklisting-claims/>

<sup>3</sup> <http://www.nytimes.com/2012/04/25/nyregion/lend-lease-expected-to-admit-to-fraud-scheme.html>

3. We are concerned that council tenants, leaseholders, local businesses and residents in general, have not been consulted on the proposal to form the HDV and the consequences it will have for these groups.
4. We are concerned that the construction exclusivity clause that will see a percentage of construction contracts going to Lendlease's construction arm may not represent the best value for money.
5. There are several instances in the Cabinet report where it is suggested Lendlease may charge for their expertise, management etc. We understood that one of the reasons for the HDV was to save the council money and avoid paying for such expertise.
6. We believe that overall, the risk of the proposed actions, outweigh the suggested benefits.

## **2. Variation of Action Proposed**

To refer this matter to Full Council for consideration as recommended by the Scrutiny Committee, with the proposal to not choose Lendlease as a preferred bidder and to stop the HDV being formed.

We do not believe the HDV should proceed; there are clearly other ways to deliver regeneration and build new council and affordable homes. Some of these options are laid out in the Cabinet report.

**Signed:**

Councillor Bob Hare

**Countersigned:**

1. Councillor Clive Carter
2. Councillor Gail Engert
3. Councillor Martin Newton
4. Councillor David Beacham

**Date Submitted:** 17 February 2017, 18.10

**Date Received :**

(to be completed by the Democratic Services Manager)

Notes:

1. Please send this form to:  
Michael Kay (on behalf of the Proper Officer)  
Democratic Services and Scrutiny Manager  
5th Floor  
River Park House  
225 High Road, Wood Green, London N22 8HQ  
Tel: 8489 2920  
Fax: 020 8881 5218

This form must be received by the Democratic Services and Scrutiny Manager by 10.00 a.m. on the fifth working day following publication of the minutes.

2. The proper officer will forward all timely and proper call-in requests to the Chair of the Overview and Scrutiny Committee and notify the decision taker and the relevant Director.
3. A decision will be implemented after the expiry of ten working days following the Chair of Overview and Scrutiny Committee's receipt of a call-in request, unless a meeting of the Overview and Scrutiny Committee takes place during the 10 day period.
4. If a call-in request claims that a decision is contrary to the policy or budget framework, the Proper Officer will forward the call-in requests to the Monitoring Officer and /or Chief Financial Officer for a report to be prepared for the Overview and Scrutiny Committee advising whether the decision does fall outside the policy or budget framework.